

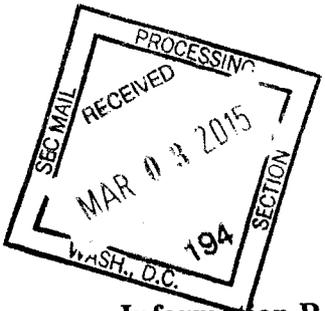
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SECURITIES AND
WASH

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
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 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CATHAY Securities, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

185 Canal Street, Suite 303

(No. and Street)

New York

New York

10013

(City)

(State)

(Zip Code)

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

Ruserim S. Hasan

President

(212) 285-2261

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Wei, Wei & Co., LLP

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

133-10 39th Avenue

Flushing

New York

11354

(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)

PB
3/14/15

CATHAY SECURITIES, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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() (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 (Not Applicable)	
() (k) A Reconciliation Between the Audited and Unaudited Statements of Financial Condition with Respect to Methods of Consolidation (Not Applicable)	
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FAX. (718)445-6309

• CALIFORNIA OFFICE
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ALHAMBRA, CA 91801
TEL. (626)282-1630
FAX. (626)282-9726

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders of
Cathay Securities, Inc.

We have audited the accompanying financial statements of Cathay Securities, Inc. (the "Company") (a New York corporation), which comprise the statement of financial condition as of December 31, 2014, and the related statements of operations, changes in stockholders' equity, and cash flows 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 and supplemental information. Cathay Securities, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 condition of Cathay Securities, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The computation of net capital under rule 15c3-1 of the Securities and Exchange Commission has been subjected to audit procedures performed in conjunction with the audit of Cathay Securities, Inc.'s financial statements. The supplemental information is the responsibility of Cathay Securities, 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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Wei Wei & Co. LLP
Flushing, New York
February 28, 2015

CATHAY SECURITIES, INC.

**STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2014**

ASSETS

Cash and cash equivalents <i>(Note 2)</i>	\$	24,876
Receivable from broker		59,674
Property and equipment, net <i>(Notes 2 and 3)</i>		17,308
Other assets		13,908

TOTAL ASSETS **\$ 115,766**

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:

Accounts payable and accrued expenses	\$	5,837
---------------------------------------	----	-------

Total current liabilities 5,837

COMMITMENTS AND CONTINGENCIES *(Note 6)*

STOCKHOLDERS' EQUITY:

Common stock, no par value, 5000 shares authorized, 1000 shares issued and outstanding		76,200
Additional paid-in capital		312,800
Deficit		(279,071)

Total stockholders' equity 109,929

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **\$ 115,766**

See accompanying notes to financial statements.

CATHAY SECURITIES, INC.

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

REVENUES

Commission income, net	\$	119,189
Other income		6,091
Interest income		122
TOTAL REVENUES		125,402

EXPENSES

Occupancy costs		68,741
Communication costs		21,553
Office expenses		12,248
Professional fees		20,720
Computer & Clearing Charges		12,662
Equipment rental		3,600
Insurance		2,483
Miscellaneous		478
Federal, state and local taxes		435
Depreciation		174
TOTAL EXPENSES		143,094
(Loss) before provision for income taxes		(17,692)
Provision for income taxes <i>(Notes 2 and 5)</i>		74,700
NET (LOSS)	\$	(92,392)

See accompanying notes to financial statements.

CATHAY SECURITIES, INC.

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Capital Stock	Additional Paid-in Capital	Deficit	Total
Balance, December 31, 2013	\$ 76,200	\$ 302,800	\$ (186,679)	\$ 192,321
Capital contributions	-	10,000	-	10,000
Net (loss)	-	-	(92,392)	(92,392)
Balance, December 31, 2014	\$ 76,200	\$ 312,800	\$ (279,071)	\$ 109,929

See accompanying notes to financial statements.

CATHAY SECURITIES, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Net (loss)	\$ (92,392)
Adjustment to reconcile net (loss) to net cash used in operating activities:	
Depreciation	174
Changes in operating assets and liabilities:	
(Increase) in receivable from broker	(202)
Decrease in deferred tax assets	74,700
Decrease in other assets	6,850
(Decrease) in accounts payable and accrued expenses	(7,746)

Net cash used in operating activities (18,616)

CASH FLOWS FROM INVESTING ACTIVITIES

Leasehold improvements (16,627)

CASH FLOWS FROM FINANCING ACTIVITIES

Stockholder contributions 10,000

NET CHANGE IN CASH AND CASH EQUIVALENTS (25,243)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 50,119

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 24,876

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest \$ -

Cash paid for income taxes \$ -

See accompanying notes to financial statements.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements are prepared in accordance accounting principles generally accepted in the United States of America.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents

Accounting basis

The Company uses the accrual basis of accounting for financial statement and income tax reporting. Accordingly, revenues are recognized when services are rendered and expenses realized when the obligation is incurred.

Revenue recognition

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

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 to reduce deferred tax assets to the amount expected to be realized.

The Company follows 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. The Company does not have any accruals for uncertain tax positions as of December 31, 2014. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

Currently, the 2011, 2012 and 2013 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.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

As of December 31, 2014, none of the assets and liabilities were required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, receivable from broker and accounts payable and accrued expenses, approximate fair values due to the short term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2014.

Property and equipment

Property and equipment are stated at cost. The cost of property and equipment is depreciated over the estimated useful life of the related assets. Leasehold improvements are amortized over the lesser of the remaining term of the related lease or the estimated useful lives of the assets. Depreciation and amortization are computed on the straight-line method for financial reporting.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

3. PROPERTY AND EQUIPMENT

At December 31, 2014, property and equipment consists of the following:

Leasehold improvements	\$	44,581
Furniture and fixtures		16,698
Office equipment		95,740
		<hr/>
		157,019
Less: accumulated depreciation and amortization		(139,711)
		<hr/>
	\$	17,308

Depreciation expense for the year ended December 31, 2014 was \$174.

4. LEASES

The Company entered into a five-year office lease agreement expiring on August 31, 2019, with a renewal option for an additional five years. The following is a schedule of future minimum rental payments required under the above lease as of December 31, 2014:

Year Ending December 31,		
2015	\$	48,560
2016		50,260
2017		52,020
2018		53,840
2019		36,720
		<hr/>
Total	\$	241,400

Rent expense for the year ended December 31, 2014 was \$68,741.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

5. INCOME TAXES

The components of deferred tax assets at December 31, 2014 are as follows:

Deferred tax assets	\$ 77,917
Less: valuation allowance	(77,917)
<hr/>	
Net deferred tax asset	\$ -

The deferred tax asset relates to the Company's net operating loss carryforwards.

The Company has available at December 31, 2014, unused operating loss carry-forwards of approximately \$428,000 which may provide future tax benefits, expiring in various years through 2032.

The Company has established a valuation allowance against the deferred tax asset at December 31, 2014 due to the uncertainty of realizing the full tax benefits.

The provision for income taxes for the years ended December 31, 2014 is as follows:

Current	\$ -
Deferred	74,700
<hr/>	
	\$ 74,700

6. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. In addition, the Company is required to maintain a minimum net capital of \$50,000. At December 31, 2014, the Company's net capital was \$77,713, which was \$27,713 in excess of the required net capital, and the Company's aggregate indebtedness to net capital ratio was 0.07 to 1.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

6. NET CAPITAL REQUIREMENTS (continued)

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 26, 2015.

7. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The Company introduces all customer transactions in securities traded on 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 customers or counter parties.

The Company's exposure to credit risk associated with the non-performance of customers and counter parties 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 counter party'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 counter parties in the above situations.

The Company seeks to control the aforementioned risks by requiring customers or counter parties to maintain margin collateral in compliance with various regulatory requirements, the clearing broker's guidelines and industry standards. The Company monitors required margin levels daily and, pursuant to such guidelines, require the customer to deposit additional collateral, or to reduce positions, when necessary.

CATHAY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

8. SUBSEQUENT EVENTS

The Company's management has performed subsequent events procedures through February 28, 2015, which is the date the financial statements were available to be issued. No subsequent events required adjustment to the financial statements or disclosures as stated herein.

CATHAY SECURITIES, INC.

COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION DECEMBER 31, 2014

NET CAPITAL

Total stockholders' equity	\$ 109,929
Total capital	109,929
Deductions and/or charges:	
Non-allowable assets	
Property and equipment, net	(17,308)
Security deposit	(12,518)
Other assets	(1,390)
	(31,216)
Net capital before haircuts on securities positions	78,713
Haircuts on securities:	
Money market fund	(1,000)
NET CAPITAL	\$ 77,713

COMPUTATION OF AGGREGATE INDEBTEDNESS

Accounts payable and accrued expenses	\$ 5,837
AGGREGATE INDEBTEDNESS	\$ 5,837

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 389
Minimum dollar requirement	50,000
Net capital requirement (greater of minimum net capital or dollar requirement)	\$ 50,000
Excess net capital	\$ 27,713

See report of independent registered public accounting firm.

CATHAY SECURITIES, INC.

**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2014**

Net capital less greater of 10% of total aggregate indebtedness or 120% of minimum net capital required	\$ 17,713
<hr/>	
Ratio of aggregate indebtedness to net capital	.08 to 1
<hr/>	
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2014)	
Net capital, as reported in Company's Part II (unaudited) Focus report	\$ 77,095
Increases (decreases) resulting from December 31, 2014 audit adjustments, net	618
<hr/>	
Net capital, as included in this report	\$ 77,713
<hr/>	

See report of independent registered public accounting firm.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING
FIRM ON EXEMPTION REPORT**

Board of Directors and Stockholders of
Cathay Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Cathay Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Cathay Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) Cathay Securities, Inc. stated that they met the identified exemption provisions throughout the year ended December 31, 2014 without exception. Cathay Securities, 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 Cathay Securities, 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 provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities and Exchange Act of 1934.

Wei Wei & Co. LLP
Flushing, New York
February 28, 2015

Date: February 28, 2015

Wei Wei & Co., LLP
133-10 39th Avenue
FLushing, NY 11354

Dear Wei,

Cathay Securities, Inc. is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission. This Exemption Report was prepared as required by 17 C.F.R. 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

Cathy Securities Inc., operates pursuant to paragraph (k)(2)(ii) of SEC Rule 15c3-3 under which the Company claims an exemption from SEC Rule 15c3-3.

The Company has met the identified exemption provisions throughout the period from January 1 - December 31, 2014 without exception.

I, Ruserim S. Hasan, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.



Ruserim s. Hasan - President

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)

10/01/14 24

AND ENDING (MM/DD/YY)

12/31/14 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

RUSERIM HASAN - 212-285-2261 30

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

32

34

36

38

OFFICIAL USE

31

33

35

37

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 26th day of JAN 20 15

Manual Signatures of:

1) _____
Principal Executive Officer or Managing Partner

2) _____
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))

FINRA

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

BROKER OR DEALER
CATHAY SECURITIES, INC.

as of 12/31/14

**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	5,837 1205	1385	5,837 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:			
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	\$ 5,837 1230	\$ 1450	\$ 5,837 1760
 <u>Ownership Equity</u>			
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		312,800	1793
D. Retained earnings		(204,371)	1794
E. Total		184,629	1795
F. Less capital stock in treasury		()	1796
24. TOTAL OWNERSHIP EQUITY			\$ 184,629 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 190,466 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER

CATHAY SECURITIES, INC.

as of

12/31/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	184,629	3480
2. Deduct ownership equity not allowable for Net Capital	(3490
3. Total ownership equity qualified for Net Capital		184,629	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	\$	184,629	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	106,534	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
		(106,534)	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	78,095	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		1,000	3734
D. Undue concentration			3650
E. Other (List)			3736
		(1,000)	3740
10. Net Capital	\$	77,095	3750

OMIT PENNIES

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

BROKER OR DEALER
CATHAY SECURITIES, INC.

as of 12/31/14

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	389	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)	\$	27,095	3770
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	17,095	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	5,837	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	\$	5,837	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	7.57	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 10/01/14 3932 to 12/31/14 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	\$	3935
b. Commissions on listed option transactions		3938
c. All other securities commissions		30,003 3939
d. Total securities commissions		30,003 3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		3945
b. From all other trading		3949
c. Total gain (loss)		3950
3. Gains or losses on firm securities investment accounts		3952
4. Profits (losses) from underwriting and selling groups		3955
5. Revenue from sale of investment company shares		3970
6. Commodities revenue		3990
7. Fees for account supervision, investment advisory and administrative services		3975
8. Other revenue		1,590 3995
9. Total revenue	\$	31,593 4030

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		4120
11. Other employee compensation and benefits		4115
12. Commissions paid to other brokers-dealers		4140
13. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements		4070
14. Regulatory fees and expenses		4195
15. Other expenses		31,928 4100
16. Total expenses	\$	31,928 4200

NET INCOME

17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	(335) 4210
18. Provision for Federal income taxes (for parent only)		4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of		4238
20. Extraordinary gains (losses)		4224
a. After Federal income taxes of		4239
21. Cumulative effect of changes in accounting principles		4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	(335) 4230

MONTHLY INCOME

23. Income (current month only) before provision for Federal Income taxes and extraordinary items		3,185 4211
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER CATHAY SECURITIES, INC.

For the period (MMDDYY) from 10/01/14 to 12/31/14

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

1. Balance, beginning of period	\$	174,964	4240
A. Net income (loss)		(335)	4250
B. Additions (includes non-conforming capital of	\$	4262	10,000
C. Deductions (includes non-conforming capital of	\$	4272	4270
2. Balance, end of period (from item 1800)	\$	184,629	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	4300	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**

BROKER OR DEALER CATHAY SECURITIES, INC.	as of <u>12/31/14</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			\$ <u>4699</u>		

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

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 2014
or if less than 12 months

Report for the period beginning 01/01/01 and ending 12/31/01
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	
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)

FINRA

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 1 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)

2 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 3 8101
- (b) Number of full-time registered representatives employed by respondent included in 13(a) ... 2 8102

14. Number of NASDAQ stocks respondent makes market 0 8103

15. Total number of underwriting syndicates respondent was a member 0 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)

18. Number of branch offices operated by respondent

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)

(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)

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

(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)

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)*

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

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

FINRA Miscellaneous Information	
Annual Municipal Income	\$ <input type="text" value="0"/> <input type="text" value="8151"/>