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**FORM X-17A-5
PART III**

SEC FILE NUMBER
8-68770

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 01/01/17 AND ENDING 12/31/17
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Kayan Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3450 Wilshire Boulevard, Suite 1208

(No. and Street)

Los Angeles,

CA

90010

(City)

(State)

(Zip Code)

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

Yong Soo Kim

213 739-0998

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg, CPA

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

2367 Clubhouse Dr.

Rocklin

CA

95765

(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)

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.

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OATH OR AFFIRMATION

I, Yong Soo Kim, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Kayan Securities, Inc., as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

[Handwritten Signature]
Signature

President
Title

[Handwritten Signature]
Notary Public

NOTARIZATION cert attached.

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).

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

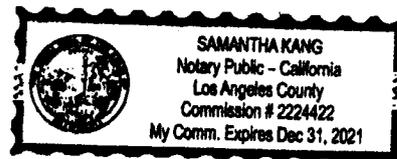
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 27th day of Feb, 2017

By YONG SOO KIM

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

Signature Samantha Kang (seal)



Elizabeth Tractenberg, CPA
2367 Clubhouse Drive
ROCKLIN, CALIFORNIA 95765
916/259-1666 – Fax 323/517-2625
elizabeth@tractenberg.net
PCAOB # 3621

Report of Independent Registered Public Accounting Firm

To the Board of Directors
Kayan Securities, Inc.
Los Angeles, CA 90010-2245

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Kayan Securities, Inc., as of December 31, 2017 and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and Schedule I, Statement of Net Capital Under Rule 15c3-1, Schedule II, Determination of Reserve Requirements Under Rule 15c3-3(exemption), and Schedule III, Information Relating to Possession or Control Requirements Under Rule 15c3-3 (exemption) (collectively referred to as the "financial statements"). In my opinion, the financial statements present fairly, in all material respects, the financial position of Kayan Securities, Inc. as of December 31, 2017, 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.

Basis for Opinion

These financial statements are the responsibility of Kayan Securities, Inc.'s management. My responsibility is to express an opinion on Kayan Securities, Inc.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and I am required to be independent with respect to Kayan Securities, Inc. in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.



Elizabeth Tractenberg, CPA
I have served as Kayan Securities, Inc.'s auditor since 2013.

Rocklin, CA
February 17, 2018

Kayan Securities, Inc.
Statement of Financial Condition
December 31, 2017

Assets

Cash	\$ 15,842
Clearing broker deposit	45,000
Commissions receivable	26,122
Property and Equipment, at cost, net of accumulated depreciation of \$9,233	0
Rent deposit	<u>2,748</u>

Total Assets \$ 89,712

Liabilities and Stockholder's Equity

Liabilities

Accrued expenses \$ 27,119

Total Liabilities 27,119

Stockholder's Equity

Common stock, \$.01 par value, 100,000 shares
authorized; 10,967 shares issued and outstanding \$ 110

Retained earnings (deficit) 62,483 62,593

Total Liabilities and Stockholder's Equity \$ 89,712

See accompanying notes to the financial statements

Kayan Securities, Inc.
Statement of Income
December 31, 2017

Revenues	
Commissions and fees	\$ 302,316
12b1 fees	<u>9,166</u>
Total Revenues	<u>311,482</u>
Direct Costs	
Commission expense	130,941
Clearing expenses	<u>42,363</u>
Total Direct Costs	<u>173,304</u>
Gross Profit	<u>138,178</u>
Expenses	
Depreciation	58
Insurance	22,452
Office expense	3,569
Parking	5,760
Professional fees	4,300
Regulatory fees	4,325
Rent	32,196
Salaries and payroll taxes	12,538
Telephone	5,660
All other expenses	<u>3,505</u>
Total Expenses	<u>94,363</u>
Income before provision for income taxes	43,815
Income tax provision	<u>800</u>
Net Income	<u><u>\$ 43,015</u></u>

See accompanying notes to the financial statements

Kayan Securities, Inc.
Statement of Changes in Stockholder's Equity
December 31, 2017

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
Balance, December 31, 2016	10,967	\$ 110	\$ 0	\$ 61,634	\$ 61,744
Net Income				43,015	43,015
Capital Distribution	_____	_____	_____ 0	<u>(42,166)</u>	<u>(42,166)</u>
Balance, December 31, 2017	<u>10,967</u>	<u>\$ 110</u>	<u>\$ 0</u>	<u>\$ 62,483</u>	<u>\$ 62,593</u>

See accompanying notes to the financial statements

Kayan Securities, Inc.
Statement of Cash Flows
December 31, 2017

Cash Flows from Operating Activities:	
Net income	\$ 43,015
Depreciation and amortization	58
Changes in operating assets and liabilities:	
Commissions receivable	(8,118)
Rent deposit	0
Other assets	0
Accounts payable	<u>6,016</u>
Net Cash Provided by Operating Activities	<u>40,971</u>
Cash Flows for Investing Activities:	
	<u>0</u>
Cash Flows from Financing Activities:	
Loan to officer	(2,050)
Repayment of loan by officer	2,050
Capital distribution	<u>(42,166)</u>
Cash Flows from Financing Activities	<u>(42,166)</u>
Net increase in cash	(1,195)
Cash - beginning of the year	<u>17,037</u>
Cash - year end	<u>\$ 15,842</u>
Supplemental Cash Flow Information	
Cash paid for interest	\$ -
Cash paid for income tax	\$ 800

See accompanying notes to the financial statements

Kayan Securities, Inc.
Notes to Financial Statements
December 31, 2017

Note 1 – Organization and Nature of Business

Kayan Securities, Inc. (the “Company”) was incorporated on July 22, 2009. The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (“FINRA”), and the Securities Investor Protection Corporation (“SIPC”).

Note 2 – Significant Accounting Policies

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

- Broker or dealer retailing corporate equity securities over-the-counter
- Broker or dealer selling corporate debt securities
- Underwriter or selling group participant (corporate securities other than mutual funds)
- Mutual fund retailer
- U.S. government securities broker
- Broker or dealer selling variable life insurance or annuities
- Put and call broker or dealer or option writer
- Non-exchange member arranging for transactions in listed securities by exchange member
- Private placements of securities
- Broker or dealer selling tax shelters or limited partnerships in primary distributions
- Broker or dealer selling tax shelters or limited partnerships in the secondary market

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

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Kayan Securities, Inc.
Notes to Financial Statements
December 31, 2017

Note 2 – Significant Accounting Policies (continued)

Income Taxes - The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and comparable State of California statutes wherein the Company's taxable federal and state income is taxed directly to the shareholder. Additionally, the state of California imposes a 1.5% state franchise tax on the corporation's taxable income. The tax returns are prepared on a cash basis, however no deferred taxes are reported as the impact on the financial statements are not material.

The accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2014 to the present, generally for three years after they are filed.

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

Note 3 - Fair Value

Unless otherwise indicated, the fair value of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

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

Amounts receivable from and payable to broker-dealers and clearing organizations at December 31, 2017, consist of the following:

	Receivable	Payable
Fees and commissions receivable/payable	\$ 26,122	\$ 0

Note 5 – Clearing Broker Deposit

The Company has an agreement with a clearing broker which requires a minimum deposit of \$50,000. But during September 2012, the Company withdrew \$5,000 under the permission of the clearing broker.

Kayan Securities, Inc.
Notes to Financial Statements
December 31, 2017

Note 6 – Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

Note 7 – Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2017, the Company had net capital of \$59,845 which was \$54,845 in excess of its required net capital of \$5,000. The Company's net capital ratio was .45 to 1.

Note 8 – Income Taxes

As discussed in Note 2 - Significant Accounting Policies, the company is subject to a 1.5% tax on net income over the minimum tax of \$800. At December 31, 2017, the Company recorded the minimum franchise tax of \$800.

Note 9 – Exemption from the SEC Rule 15c3-3

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

Kayan Securities, Inc.
Notes to Financial Statements
December 31, 2017

Note 10 – Operating Lease Commitments

On December 14, 2010, the Company entered into a lease for office space under a non-cancellable operating lease. The lease has been relocated and extended for forty three months, commencing on May 1, 2015 and terminating on November 30, 2018.

At December 31, 2017, future minimum lease payments under this agreement were as follows:

2018 \$ 29,875

Rent expense for the year ended December 31, 2017 was \$32,196.

Note 11 – Subsequent Events

Management has reviewed the results of operations for the period of time from its year end December 31, 2017 through February 17, 2018, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosures.

Kayan Securities, Inc.
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
December 31, 2017

Computation of Net Capital	
Total stockholder's equity from statement of financial condition	\$ 62,593
Nonallowable assets:	
Rent deposit	<u>(2,748)</u>
Net Capital	<u>\$ 59,845</u>
Computation of Net Capital Requirements	
Minimum net aggregate indebtedness -	
6.67% of net aggregate indebtedness	<u>\$ 1,808</u>
Minimum dollar net capital required	<u>\$ 5,000</u>
Net Capital required (greater of above amounts)	<u>\$ 5,000</u>
Excess Capital	<u>\$ 54,845</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 57,133</u>
Computation of Aggregate Indebtedness	
Total liabilities	<u>\$ 27,119</u>
Aggregate indebtedness to net capital	0.45
Reconciliation	
The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):	
Net Capital Per Company's Computation	\$ 59,845
Variance	<u>-</u>
Net Capital Per Audited Report	\$ 59,845

See accompanying notes to the financial statements

Kayan Securities, Inc.
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2017

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

Kayan Securities, Inc.
Schedule III – Information Relating to Possession or Control
Requirements Pursuant to Rule 15c3-3
As of December 31, 2017

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

Elizabeth Tractenberg, CPA
2367 Clubhouse Drive
ROCKLIN, CALIFORNIA 95765
916/259-1666 – Fax 323/517-2625
elizabeth@tractenberg.net
PCAOB # 3621

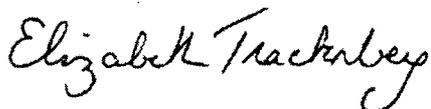
Report of Independent Registered Public Accounting Firm – Exemption Report

To the Board of Directors
Kayan Securities, Inc.
Los Angeles, CA 90010-2245

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

My 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 Kayan 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, I do not express such an opinion.

Based on my review, I am 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 Exchange Act of 1934.



Elizabeth Tractenberg, CPA
Rocklin, CA
February 17, 2018



Kayan Securities, Inc.

Member FINRA/SIPC

3450 Wilshire Blvd., Ste. 1208 • Los Angeles, CA 90010 • (T) (213) 739-0998 (F) (213) 739-2686

December 31, 2017

Elizabeth Tractenberg, CPA
2367 Clubhouse Drive
Rocklin, CA 95765

Re: SEA Rule 17a-5(d)(4) Exemption Report

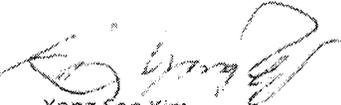
Dear Ms. Tractenberg:

Pursuant to the referenced rule, the following information is provided.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers.

Kayan Securities Inc met the Section 204, 15c3-3(k)(2)(ii) exemption for the period January 1, 2017 to December 31, 2017.

Sincerely,



Yong-Soo Kim

President