

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

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

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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: **G1 EXECUTION SERVICES, LLC**

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

**401 CITY AVENUE, SUITE 220**

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
**BALA CYNWYD** **PA** **19004**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**ROBERT SACK** **610-617-2812**  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

**EISNERAMPER LLP**

(Name - if individual, state last, first, middle name)  
**750 THIRD AVENUE** **NEW YORK** **NY** **10017**  
(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)

## OATH OR AFFIRMATION

I, ROBERT C SACK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of G1 EXECUTION SERVICES, LLC, as of DECEMBER 31, 20 17, 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:

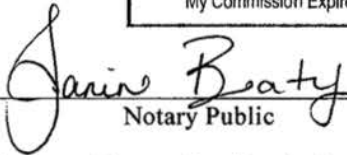
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Commonwealth of Pennsylvania

Notarial Seal  
JANINE BEATY – Notary Public  
LOWER MERION TWP, MONTGOMERY COUNTY  
My Commission Expires Mar 22, 2021

  
Notary Public



Signature

TREASURER

Title

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.
- ☒ (o) Report of Exemption

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

**G1 EXECUTION SERVICES, LLC**  
(a limited liability company)

This report is deemed **CONFIDENTIAL** in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A statement of financial condition bound separately has been filed with the Securities and Exchange Commission simultaneously herewith as a **PUBLIC** document.

**DECEMBER 31, 2017**

# G1 EXECUTION SERVICES, LLC

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member  
G1 Execution Services, LLC

### *Opinion on the Financial Statements*

We have audited the accompanying statement of financial condition of G1 Execution Services, LLC (the "Entity") as of December 31, 2017, and the related statements of income, changes in member's equity, and cash flows for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity 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 the Entity's management. Our responsibility is to express an opinion on the Entity's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Entity in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we 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. Our 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. Our 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. We believe that our audit provides a reasonable basis for our opinion.

### *Report on Supplemental Information*

The information contained in Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of the Entity's financial statements. The supplemental information is the responsibility of the Entity'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 the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



We have served as the Entity's auditor since 2014.

EISNERAMPER LLP  
New York, New York  
February 22, 2018

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## G1 EXECUTION SERVICES, LLC

### Statement of Financial Condition

December 31, 2017

(dollars in thousands)

#### ASSETS

Cash	\$ 11
Receivable from clearing brokers	168,204
Securities owned - at fair value	903,968
Accrued trading receivables	5,487
Receivable from affiliates	147
Fixed assets (net of accumulated depreciation of \$11,736)	10
Goodwill	5,750
Intangible assets (net of accumulated amortization of \$4,743)	7,587
Other assets	<u>2,513</u>

Total assets \$ 1,093,677

#### LIABILITIES AND MEMBER'S EQUITY

Securities sold, not yet purchased - at fair value	\$ 807,149
Accrued trading payables	8,542
Payable to affiliates	7,131
Accrued compensation	3,120
Accrued expenses and other liabilities	<u>631</u>

Total liabilities 826,573

Member's equity 267,104

Total liabilities and member's equity \$ 1,093,677

## G1 EXECUTION SERVICES, LLC

### Statement of Income

Year Ended December 31, 2017

(dollars in thousands)

#### Revenue:

Net gain from principal transactions	\$ 204,892
Dividends	11,071
Other income	<u>3,232</u>
Total revenue	<u>219,195</u>

#### Expenses:

Interest	14,871
Dividends	21,266
Employee compensation, payroll taxes, and employee benefits	7,112
Trading and execution charges	82,574
Management fees	1,413
Indirect operating expenses	14,599
Licensing fees	21,585
System administration expenses	4,796
Rent and utilities	1,122
Other	<u>4,095</u>
Total expenses	<u>173,433</u>

Net income	<u>\$ 45,762</u>
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## G1 EXECUTION SERVICES, LLC

### Statement of Changes in Member's Equity Year Ended December 31, 2017 (dollars in thousands)

Member's equity at January 1, 2017	\$ 221,342
Capital contributions	139,000
Capital withdrawals	(139,000)
Net income	<u>45,762</u>
Member's equity at December 31, 2017	<u>\$ 267,104</u>

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## G1 EXECUTION SERVICES, LLC

### Statement of Cash Flows Year Ended December 31, 2017 (dollars in thousands)

#### Cash flows from operating activities:

Net income	\$ 45,762
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	3,654
(Increase) decrease in operating assets:	
Receivable from clearing brokers	(71,544)
Securities owned - at fair value	(265,526)
Accrued trading receivables	(3,217)
Receivable from affiliates	(147)
Other assets	132
Increase (decrease) in operating liabilities:	
Securities sold, not yet purchased - at fair value	285,532
Accrued trading payables	1,698
Payable to affiliates	3,529
Accrued compensation	512
Accrued expenses and other liabilities	<u>(377)</u>
Net cash provided by operating activities	<u>8</u>

#### Cash flows from investing activities:

Purchase of fixed assets	(3)
Sales of fixed assets	<u>5</u>
Net cash provided by investing activities	<u>2</u>

#### Cash flows from financing activities:

Capital contributions	139,000
Capital withdrawals	<u>(139,000)</u>
Net cash provided by financing activities	<u>0</u>

#### Net change in cash

10

Cash at beginning of year

1

Cash at end of year

\$ 11

#### Supplemental disclosure of cash flow information:

Cash paid during the year for interest	\$ 15,035
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## **G1 EXECUTION SERVICES, LLC**

### **Notes to Financial Statements**

**December 31, 2017**

(dollars in thousands)

#### **NOTE A - ORGANIZATION**

G1 Execution Services, LLC (the "Entity") is a registered broker-dealer with the Securities and Exchange Commission (the "SEC"). The Entity's designated examining regulatory authority is the Financial Industry Regulatory Authority, Inc. The Entity generally acts as a market maker in listed and over-the-counter (OTC) equity securities. The Entity is 100% owned by G1X Holdings, LLC.

#### **NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

The Entity records purchases and sales of securities, and related revenue and expenses on a trade-date basis.

Interest expense is recorded on the accrual basis.

Dividend income and dividends on securities sold, not yet purchased, are recorded on the ex-dividend date.

The Entity maintains cash in a deposit account which, at times, may exceed federally insured limits.

Depreciation of fixed assets is computed using either a straight-line method or a double-declining-balance method over the estimated useful life of the assets.

Goodwill and intangibles represent the excess of the purchase price over the fair value of net tangible assets acquired through the Entity's business combinations. The Entity evaluates goodwill and intangible assets for impairment on at least an annual basis or when events or changes in circumstances indicate the carrying value may not be recoverable. Determining whether an asset's carrying value can be supported by its fair value is a subjective process that involves management estimates and judgments and use of various valuation methodologies.

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the period-end exchange rates. Purchases and sales of financial instruments and income and expenses that are denominated in foreign currencies are translated into United States dollar amounts at the prevailing rates of exchange on the transaction date. Adjustments arising from foreign currency transactions are reflected in the statement of income.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by management.

#### **NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Entity measures its financial instruments in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Section for Fair Value Measurements. This codification section clarifies the definition of fair value financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. Fair Value Measurements establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).



## G1 EXECUTION SERVICES, LLC

### Notes to Financial Statements

December 31, 2017

(dollars in thousands)

#### NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The three levels of the fair value hierarchy under Fair Value Measurements are described below:

- Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Entity has the ability to access at the measurement date;
- Level 2 Inputs that are observable for substantially the full term of the asset or liability (other than quoted prices for the specific asset or liability in an active market), including quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in a nonactive market, inputs other than quoted prices, and inputs derived principally from or corroborated by observable market data by correlation or otherwise; and
- Level 3 Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As required by the Codification Section for Fair Value Measurements, financial instruments are classified within the level of the lowest significant input considered in determining fair value. Financial instruments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

The tables that follow set forth information about the level within the fair value hierarchy at which the Entity's financial instruments are measured at December 31, 2017:

Assets measured at fair value:

Description	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Equities/Warrants/Rights: Market Maker/Facilitation	\$ 903,963	\$ 894,103	\$ 9,860
Debt Securities: Corporate	5		5

Liabilities measured at fair value:

Description	Totals	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)
Equities/Warrants/Rights: Market Maker/Facilitation	\$ 807,149	\$ 805,931	\$ 1,218

## G1 EXECUTION SERVICES, LLC

### Notes to Financial Statements

December 31, 2017

(dollars in thousands)

#### NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The amounts presented in each of the above tables include a net amount for those instances where the Entity holds the long and short positions for the same security symbols in different accounts.

The Entity recognizes transfers between levels of the fair value hierarchy at the beginning of the year for financial reporting purposes. During the year ended December 31, 2017, transfers of assets into level 1 from level 2 were \$1,712 due to increased market activity and transfers into level 2 from level 1 were \$1,166 due to decreased market activity. During the year ended December 31, 2017, transfers of liabilities into level 1 from level 2 were \$131 due to increased market activity and transfers into level 2 from level 1 were \$285 due to decreased market activity.

Equity securities owned and equity securities sold, not yet purchased that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Debt securities are generally valued using broker or dealer quotations or alternative pricing sources on the last business day of the year. The resulting unrealized gains and losses related thereto are reflected in net gain from principal transactions on the accompanying statement of income.

#### NOTE D - SECURITIES OWNED AND SECURITIES SOLD, NOT YET PURCHASED

Securities owned and securities sold, not yet purchased, are summarized as follows:

	<b>Securities Owned</b>	<b>Securities Sold, Not Yet Purchased</b>
Equity securities	\$ 900,878	\$ 806,610
Warrants	2,871	500
Rights	214	39
Debt securities	5	-
	<u>\$ 903,968</u>	<u>\$ 807,149</u>

#### NOTE E - RECEIVABLE FROM CLEARING BROKERS AND CONCENTRATION OF CREDIT RISK

The clearing and depository operations for the Entity's securities transactions are provided by Merrill Lynch Professional Clearing Corp., Cowen Execution Solutions LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

At December 31, 2017, all of the securities owned and securities sold, not yet purchased, and the amount receivable from clearing brokers reflected in the statement of financial condition are securities positions with and amounts due from these clearing brokers. The securities serve as collateral for the amount payable to the brokers. The clearing brokers have the right to sell or repledge this collateral, subject to the clearing agreements with the Entity.

#### NOTE F - GOODWILL AND OTHER INTANGIBLES

At December 31, 2017, the Entity's goodwill had a carrying value of \$5,750.



## G1 EXECUTION SERVICES, LLC

### Notes to Financial Statements

December 31, 2017

(dollars in thousands)

#### NOTE F – GOODWILL AND OTHER INTANGIBLES (CONTINUED)

Intangible assets with finite lives, which are primarily amortized on a straight line basis, consist of the following:

Description	Original Useful Life (Years)	Remaining Useful Life (Years)	Gross Amount	Accumulated Amortization	Net Amount
E*TRADE Customer Relationship	12	8	\$10,020	\$(3,253)	\$6,767
Other Customer Relationships	7	3	<u>1,850</u>	<u>(1,030)</u>	<u>820</u>
			<u>\$11,870</u>	<u>\$(4,283)</u>	<u>\$7,587</u>

The aggregate amortization expense for these intangible assets for the year ended December 31, 2017 was \$1,099.

Assuming no future impairment of these assets, annual amortization expense will be as follows:

**Year Ending  
December 31,**

2018	\$1,099
2019	1,099
2020	1,099
2021	863
2022	835
Thereafter	<u>2,592</u>
	<u>\$7,587</u>

#### NOTE G - RELATED PARTY TRANSACTIONS

The Entity is affiliated through common ownership with Susquehanna International Group, LLP ("SIG"), Susquehanna Technology Management, Inc. ("STMI"), and Waves Licensing, LLC.

SIG acts as a common payment agent for the Entity and various affiliates for various direct and indirect operating expenses. The Entity pays for the indirect costs at an amount agreed upon between the Entity and SIG based on allocations determined at SIG's discretion. Included in payable to affiliates is \$2,333 related to these direct and indirect operating costs. Under this arrangement, the direct and indirect costs incurred by the Entity amounted to \$28,520 for the year ended December 31, 2017.

STMI provides administrative and technology services to the Entity and various affiliates. The Entity pays a monthly management fee for these services based on allocations determined at STMI's discretion. Included in payable to affiliates is \$197 related to these services. Under this arrangement, the total costs incurred by the Entity amounted to \$1,413 for the year ended December 31, 2017 which is included in management fees on the Entity's statement of income.

The Entity has a licensing agreement with Waves Licensing, LLC. The agreement allows the Entity to utilize Waves Licensing, LLC's intellectual property and research and development, of which Waves Licensing, LLC is the exclusive owner. As consideration for the license, the Entity pays an annual licensing fee equal to a percentage of the Entity's net trading profits, if any, as defined in the licensing agreement. Included in payable to affiliates are licensing fees to Waves Licensing, LLC amounting to \$4,601. Total licensing fees under this arrangement amounted to \$21,585 for the year ended December 31, 2017.



## **G1 EXECUTION SERVICES, LLC**

### **Notes to Financial Statements**

**December 31, 2017**

(dollars in thousands)

#### **NOTE G - RELATED PARTY TRANSACTIONS (CONTINUED)**

Affiliated broker-dealers execute trades for the Entity for which it pays a fee or receives a rebate, based on liquidity provided, based on monthly trading and execution charges, plus a surcharge to cover other costs. As of December 31, 2017, the affiliates owed the entity \$147 related to these fees. For the year ended December 31, 2017, net fees incurred to these affiliated broker-dealers were \$346, which is included in trading and execution charges on the Entity's statement of income.

Because of their short-term nature, the fair values of the payable to and receivable from affiliates approximate their carrying amounts.

The Entity and various other entities are under common ownership and control. As a result, management can exercise its discretion when determining which entity will engage in new or current business activities and/or trade new products. Therefore, the financial position and operating results presented herein may not necessarily be indicative of those which would be obtained had these entities operated autonomously.

#### **NOTE H - COMMITMENTS**

In January 2017, the Entity exercised its option to terminate its lease agreement as of February 2018. Lease termination payments of \$945 were made in January 2017 and December 2017. The final monthly lease payment will be paid in January 2018.

The office rental expense related to this lease was \$272 for the year ended December 31, 2017. Annual rent charges arising from lease commitments may be allocated to affiliates at management's discretion.

The Entity has an order handling agreement with E\*TRADE Securities LLC (ETS) whereby ETS routes a various percentage of its customer equity order flow to the Entity, subject to best execution standards. Under the agreement, the Entity has committed to paying market rates for this order flow.

#### **NOTE I - FINANCIAL INSTRUMENTS AND RISK**

In the normal course of its business, the Entity trades various financial instruments and enters into various financial transactions where the risk of potential loss due to market risk, currency risk, credit risk, liquidity risk and other risks could exceed the related amounts recorded. In general, the Entity hedges its positions to mitigate these risks based on certain models. These models take into consideration the types of risks mentioned above in an attempt to identify arbitrage opportunities associated with various types of financial instruments held by the Entity. Losses may occur when the underlying assumptions on which the Entity's trading is based are not completely representative of actual market conditions. The success of any trading activity is influenced by general economic conditions that may affect the level and volatility of equity prices, credit spreads and interest rates for both equity and interest rate sensitive instruments. Unexpected volatility or illiquidity in relevant markets could adversely affect the Entity's operating results.

Market risk represents the potential loss that can be caused by increases or decreases in the fair value of financial instruments resulting from market fluctuations.

Currency risk is the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. Financial instruments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.



# G1 EXECUTION SERVICES, LLC

## Notes to Financial Statements

December 31, 2017

(dollars in thousands)

### NOTE I – FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

Credit risk represents the potential loss that would occur if counterparties fail to perform pursuant to the terms of their obligations. In addition to its financial instruments and related transactions, the Entity is subject to credit risk to the extent a custodian or broker with whom it conducts business is unable to fulfill contractual obligations.

Liquidity risk is the risk stemming from the lack of marketability of a position that cannot be bought or sold quickly enough to prevent or minimize a loss.

While the use of certain forms of leverage, including margin borrowing and derivative instruments, can substantially improve the return on invested capital; such use may also increase the adverse impact to which the portfolio of the Entity may be subject.

Short selling, or the sale of securities not owned by the Entity, exposes the Entity to the risk of loss in an amount greater than the initial proceeds. Such losses can increase rapidly, and in the case of equities, without effective limit. The Entity limits the risk associated with the short selling of equities by hedging with other financial instruments.

### NOTE J - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments may be used to manage market risk and to take an active long or short position in the market. Should interest rates or credit spreads move unexpectedly, anticipated benefits may not be achieved and a loss realized. Furthermore, the use of derivative financial instruments involves the risk of imperfect correlation in movements in the price of the instruments, interest rates and the underlying assets.

Derivatives used for risk management include warrants and rights.

The following table sets forth the net loss and annual volume of the Entity's derivative financial instruments by major product type on a gross basis as of December 31, 2017:

	Approximate Annual Volume (Contracts)*	Statement of Income (A)	Fair Value		Statement of Financial Condition Location
			Assets	Liabilities	
Warrants	174,014	\$ 99	\$ 2,871	\$ 500	Securities owned; Securities sold, not yet purchased
Rights	92,383	(1,286)	214	39	Securities owned; Securities sold, not yet purchased

\*Approximate annual volume of contracts shown is in thousands.

(A) All items of gain or loss associated with derivative financial instruments are presented under net gain from principal transactions on the statement of income.

## **G1 EXECUTION SERVICES, LLC**

### **Notes to Financial Statements**

**December 31, 2017**

(dollars in thousands)

#### **NOTE K - INCOME TAXES**

No provision for federal income taxes has been made because the Entity is a single-member LLC and, therefore, is not subject to federal income taxes. The Entity's income or loss is reportable by its member on its tax return. The Entity is currently not subject to state or local income taxes.

For the year ended December 31, 2017, management has determined that there are no material uncertain income tax positions.

The Entity's prior owner is responsible for any tax liabilities related to the period prior to February 10, 2014.

#### **NOTE L - NET CAPITAL REQUIREMENT**

As a registered broker-dealer, the Entity is subject to the SEC's Uniform Net Capital Rule 15c3-1. The Entity computes its net capital under the basic method permitted by the rule, which requires the maintenance of minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or \$1,000, whichever is greater. As of December 31, 2017, the Entity had net capital of \$241,948, which exceeded its requirement of \$1,295 by \$240,653.

#### **NOTE M - SUBSEQUENT EVENTS**

Subsequent to year end, the member made capital contributions of \$301,000 and capital withdrawals of \$261,000.

**SUPPLEMENTARY INFORMATION**

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## G1 EXECUTION SERVICES, LLC

### Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1

December 31, 2017

(dollars in thousands)

#### Credits:

Member's equity	\$ 267,104
Discretionary liabilities	<u>3,234</u>
Total credits	<u>270,338</u>

#### Debits:

Accrued trading receivables	4,400
Fixed assets	10
Other deductions	492
Goodwill	5,750
Intangible assets	7,587
Other assets	<u>161</u>
Total debits	<u>18,400</u>

Net capital before haircuts on proprietary positions 251,938

Haircuts on proprietary positions (9,990)

**Net capital** 241,948

Minimum net capital requirement of 6-2/3% of aggregate indebtedness of \$19,424 or \$1,000, whichever is greater 1,295

**Excess net capital** \$ 240,653

Ratio of aggregate indebtedness to net capital 0.08 to 1

#### Schedule of aggregate indebtedness:

Accrued trading payables	\$ 8,542
Payable to affiliates	7,131
Accrued compensation	3,120
Accrued expenses and other liabilities	<u>631</u>
Total aggregate indebtedness	<u>\$ 19,424</u>

There are no material differences between the preceding computation and the Entity's corresponding amended unaudited Part II of Form X-17A-5 as of December 31, 2017.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
G1 Execution Services LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which G1 Execution Services LLC (the "Entity") stated that the Entity may file an Exemption Report because the Entity had no obligations under 17 C.F.R. §240.15c3-3 (the "Rule") and that the Entity had no such obligation throughout the most recent fiscal year without exception. The Entity's management is responsible for compliance with the Rule 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 the Entity's assertion that they had no obligation under the Rule. 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 the Rule under the Securities Exchange Act of 1934.



EISNERAMPER LLP  
New York, New York  
February 22, 2018

**CONFIDENTIAL**

### **G1 Execution Services, LLC Exemption Report**

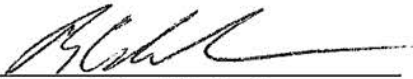
G1 Execution Services, LLC (the "Entity") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Entity states the following:

The Entity may file an Exemption Report because the Entity had no obligations under 17 C.F.R. §240.15c3-3.

The Entity had no obligations under 17 C.F.R. §240.15c3-3 throughout the most recent fiscal year without exception.

The Entity hereby affirms that, to the best of its knowledge and belief, this Exemption Report is true and correct in all material respects in respect of the most recent fiscal year commencing on January 1, 2017 and ending on December 31, 2017.

G1 Execution Services, LLC

By:   
Name: Robert C. Sack  
Title: Treasurer

Dated: January 11, 2018