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Securities and Exchange

MAR 20 2018
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-69601

**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: IASG Alternatives, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
175 West Jackson Blvd, Suite 2270

Chicago Illinois 60604
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
JonPaul Jonkheer (312) 581-3146
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Patke & Associates, Ltd.

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

300 Village Green Drive, Suite 210 Lincolnshire Illinois 60069
(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)

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OATH OR AFFIRMATION

I, JonPaul Jonkheer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IASG Alternatives, LLC, 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:

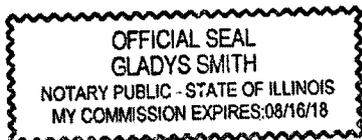
None

[Handwritten Signature]
Signature

Managing Member

Title

[Handwritten Signature: Gladys Smith]
Notary Public



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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 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).

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
IASG Alternatives, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of IASG Alternatives, LLC (an Illinois limited liability company) as of December 31, 2017, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes and supplemental schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of IASG Alternatives, LLC 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 IASG Alternatives, LLC's management. Our responsibility is to express an opinion on IASG Alternatives, LLC'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 IASG Alternatives, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

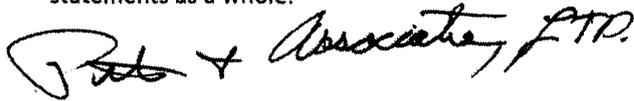
We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures 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.

Supplemental Information

The computation of net capital under SEC rule 15c3-1(schedule 1), computation for determination of reserve requirements under SEC rule 15c3-3 (schedule 2), and information relating to possession or control requirements under SEC rule 15c3-3 (schedule 2) has been subjected to audit procedures performed in conjunction with the audit of IASG Alternatives, LLC's financial statements. The supplemental information is the responsibility of IASG Alternatives, LLC'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

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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 computation of net capital under SEC rule 15c3-1, computation for determination of reserve requirements under SEC rule 15c3-3, and information relating to possession or control requirements under SEC rule 15c3-3 is fairly stated, in all material respects, in relation to the financial statements as a whole.

 J. Stetson & Associates, P.A.

We have served as IASG Alternatives, LLC's auditor since 2018.
Lincolnshire, Illinois
March 8, 2018

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IASG ALTERNATIVES, LLC
Statement of Financial Condition
December 31, 2017

Assets

Cash	\$	41,194
Fees receivables		19,659
Other assets		<u>6,677</u>
Total assets	\$	<u>67,530</u>

Liabilities and Members' Equity

Liabilities

Accounts payable and accrued expenses	\$	168
Commissions payable		<u>4,715</u>
Total liabilities		<u>4,883</u>
Members' equity		<u>62,647</u>
Total liabilities and members' equity	\$	<u>67,530</u>

See accompanying notes.

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IASG ALTERNATIVES, LLC
Notes to Financial Statements
December 31, 2017

1. Organization and Business

IASG Alternatives, LLC (the "Company"), an Illinois limited liability company, was formed on February 27, 2015 and commenced operations as broker-dealer on November 12, 2015. The Company is a broker-dealer registered with the Securities and Exchange Commission, and is a member of the Financial Industry Regulatory Authority. The Company conducts business primarily in dealings with the private placement of securities. The broker-dealer operates primarily out of Illinois with another registered representative working out of Washington state. The Company's primary source of revenue is introducing high net worth individuals to private placements focused in liquid alternatives.

2. METHOD OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Fees Receivables

Fees receivables are stated at their estimated realizable value. Allowance is estimated by the Company based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. In the opinion of the Company, all receivables are collectible in full, therefore, there is no allowance for doubtful accounts at December 31, 2017.

Revenue Recognition

Revenue related to private placement offerings is recognized in the period the revenue is earned.

Recent Accounting Pronouncements

In 2014, the Financial Accounting Standards Board ("FASB") issued new revenue recognition guidance that supersedes the existing revenue recognition guidance under GAAP. The new standard improves comparability of revenue recognition practices across entities and provides more useful information to users of financial statements through improved disclosure requirements.

The FASB has issued several amendments to the standard. The effective date for non-public companies is for annual reporting periods beginning after December 15, 2018. Early adoption is permitted, but no earlier than January 1, 2017. The Company is currently assessing the impact of adopting this guidance on its financial statements.

In February 2016 the FASB issued new guidance regarding the accounting for leases. The FASB issued the update to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The effective date for non-public companies is for fiscal years beginning after December 15, 2019. The Company is currently assessing the impact of adopting this guidance on its financial statements.

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IASG ALTERNATIVES, LLC
Notes to Financial Statements
December 31, 2017

2. METHOD OF ACCOUNTING, continued

Income Taxes

No provision for Federal income taxes has been made in the accompanying financial statements, as each member is responsible for reporting income or loss based on his or her pro rata share of the profits or losses of the Company.

In accordance with GAAP, the Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. Generally, the Company is subject to income tax examinations by major taxing authorities during the three year period prior to the period covered by these financial statements. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2017.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Management determined that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

3. Related Party Transaction

The Company had a sublease agreement with Institutional Advisory Group, Inc. (IAGI), which is related through common ownership. The agreement expired on August 31, 2017 and the Company began renting from IAGI on a month-to-month basis. For the year ended December 31, 2017, rent expense was \$3,318. There were no amounts due to IAGI as of December 31, 2017, and there are no future obligations related to this agreement.

4. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15(c)3-1) and has elected to use the basic method as permitted by this rule. Under this rule, the Company is required to maintain "net capital" equal to the greater of \$5,000 or 6 and 2/3% of "aggregate indebtedness", as defined.

At December 31, 2017, the Company had net capital and net capital requirements of \$46,740 and \$5,000, respectively.

5. Prior Period Adjustment

During 2017, certain errors were discovered in the Company's prior year financial statements resulting in 2017 expenses being reported in the year ended December 31, 2016. Accordingly, a prior period adjustment of \$7,487 was made to beginning retained earnings.

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IASG ALTERNATIVES, LLC
Notes to Financial Statements
December 31, 2017

6. Subsequent Events

The Company's management has evaluated events and transactions through March 8, 2018, the date the financial statements were issued, noting no material events requiring disclosure in the Company's financial statements.

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