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

SEC FILE NUMBER
8-67759

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 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: <u>AlphaSource Capital Securities LLC</u>	OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) <u>32 East 57th Street, FL 12</u>	FIRM I.D. NO.
(No. and Street)	
<u>New York</u> <u>NY</u> <u>10022</u>	
(City) (State) (Zip Code)	

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Noelle-Claire LeCann (212) 308-4500
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Edward Richardson, Jr. CPA

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

<u>15565 Northland Dr. Suite 508 West</u>	<u>Southfield</u>	<u>MI</u>	<u>48975</u>
(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.

OATH OR AFFIRMATION

I, Noelle-Claire LeCann, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AlphaSource Capital Securities LLC, as of December 31, 2016, 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:

N/A

Cath Simpson
Notary Public
Noelle-Claire LeCann
Signature
PRESIDENT
Title
CATHIAN SIMPSON
Notary Public, State of New York
No. 01S16033425
Qualified in New York County
Commission Expires 11/15/2017

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).

Edward Richardson Jr., CPA
15565 Northland Dr. Ste 508 West
Southfield, MI 48075
248-559-4514

Independent Auditor's Report

Board of Directors
Alpha Source Capital Securities
32 East 57th Street
New York, NY 10022

Report on the Financial Statements

I have audited the accompanying statement of financial condition of Alpha Source Capital Securities as of December 31, 2016 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Alpha Source Capital Securities management. My responsibility is to express an opinion on these financial statements based on my audit.

Auditor's Responsibility

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

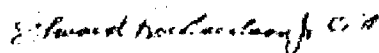
Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alpha Source Capital Securities as of December 31, 2016, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

The Supplemental Information has been subjected to audit procedures performed with audit of Alpha Source Capital Securities financial statements. Supplemental Information is the responsibility of Alpha Source Capital Securities's management. My 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 my opinion on the Supplemental Information, I evaluated whether the Net Capital Computation, including its form and content is presented in conformity 17 C.F.R. § 240.17a-5. In my opinion, the Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.



Edward Richardson Jr., CPA
Southfield, MI 48075
February 24, 2017

AlphaSource Capital Securities LLC
Financial Statements
Statement of Financial Condition
As of and for the Year-Ended 12/31/2016

	Total
ASSETS	
Current Assets	
Bank Accounts	
10100 Chase Checking- 0761	12,670.22
10101 Chase Savings-3501	21,745.38
Total Bank Accounts	\$ 34,415.60
Accounts Receivable	
12100 Accounts Receivable (A/R)	45,291.88
Total Accounts Receivable	\$ 45,291.88
Other Current Assets	
13000 Prepaid Expenses	
13000 Prepaid Expenses	250.00
Total 13000 Prepaid Expenses	\$ 250.00
Total Other Current Assets	\$ 250.00
Total Current Assets	\$ 79,957.48
50300 Illiquid Assets	103.41
Total Other Assets	\$ 103.41
TOTAL ASSETS	\$ 80,060.89
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
21000 Accounts Payable (A/P)	40,363.05
Total Accounts Payable	\$ 40,363.05
Credit Cards	
21200 Credit Card	2,677.22
Total Credit Cards	\$ 2,677.22
Other Current Liabilities	
Accrued Expense	1,016.00
Total Accrued Expense	\$ 1,016.00
Total Other Current Liabilities	\$ 1,016.00
Total Current Liabilities	\$ 44,056.27
Total Liabilities	\$ 44,056.27
Equity	\$ 36,004.62
TOTAL LIABILITIES AND EQUITY	\$ 80,060.89

The accompanying notes are an integral part of these financial statements.

AlphaSource Capital Securities LLC

Financial Statements

Statement of Loss

As of and for the Year-Ended 12/31/2016

	<u>Total</u>	
INCOME	\$	219,468.41
Gross Profit	\$	219,468.41
Expenses		
50100 Advertising		5,877.68
82100 Bank Charges		1,180.00
84100 Commissions - unlisted		-28,310.23
84200 Service -Marketing Fee		-71,898.18
86100 Legal & Professional Fees		55,746.08
87100 Meals and Entertainment		9,451.88
88100 Office Expenses		1,825.24
89101 Incentive Fee		23,955.31
90100 Phone & communications		9,193.70
91100 Regulatory Fees		11,295.45
92100 Rent or Lease		18,000.00
93100 Rep meals		3,928.23
94100 Retainer Fees		157,008.43
95100 Shipping and delivery expense		61.39
97100 technology		4,151.13
98100 Travel		6,577.97
98200 Travel Meals		140.08
98300 Local Travel		957.30
98900 charitable donations		950.00
Admin Fees		7,384.90
Cost of Labor		28,197.58
Employer Taxes/Contributions		2,478.37
Health Insurance		25,486.86
Interest Expense		0.23
Promotional		76.89
Workers Comp		110.16
Total Expenses	\$	273,826.45
Net Operating Loss	\$	[54,358.04]
Other Income		
33100 Interest Earned		14.08
Total Other Income	\$	14.08
Net Other Income	\$	14.08
Net Income	\$	[54,343.96]

The accompanying notes are an integral part of these financial statements.

Financial Statements
Statement of Cash Flows
As of and for the Year-Ended 12/31/2016

	Total
OPERATING ACTIVITIES	
Net Income	[54,343.96]
Adjustments to reconcile Net Income to Net Cash provided by operations:	
12100 Accounts Receivable (A/R)	228,181.43
Prepaid Expenses	6,307.00
21000 Accounts Payable (A/P)	[166,333.69]
21200 Credit Card	1,868.45
Accrued Expense	[5,840.00]
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 64,183.19
Net cash provided by operating activities	\$ 9,839.23
INVESTING ACTIVITIES	
50300 Illiquid Assets	[103.41]
Net cash provided by investing activities	\$ [103.41]
FINANCING ACTIVITIES	
28000 Partner Distributions	[53,600.00]
28001 Partner Contributions	15,000.00
Net cash provided by financing activities	\$ [38,600.00]
Net cash increase for period	\$ [28,864.18]
Cash at beginning of period	63,279.78
Cash at end of period	\$ 34,415.60

The accompanying notes are an integral part of these financial statements.

Financial Statements
Statement of Changes in Ownership Equity
As of and for the Year-Ended 12/31/2016

Balance, beginning of period	128,948.00
28000 Partner Distributions	[53,600.00]
28001 Partner Contributions	15,000.00
Net Income	[54,343.96]
Balance, end of period	\$ 36,004.04

The accompanying notes are an integral part of these financial statements.

AlphaSource Capital Securities LLC
Financial Statements
Statement of Changes in Subordinated Liabilities
As of and for the Year-Ended 12/31/2016

N/A

The accompanying notes are an integral part of these financial statements.

AlphaSource Capital Securities LLC
Notes to Financial Statements
As of and for the Year-Ended 12/31/2016

NOTE A - SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed by AlphaSource Capital Securities (the Company) and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

The Company was incorporated in the State of New York effective April 18, 2007. The Company has adopted a calendar end of December 31.

Description of Business

The Company, located in New York, NY, is a broker dealer for private placements and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(i), which provides an exemption because of "Special Account for the Exclusive Benefit of customers."

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable - Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company when the service is rendered.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash and cash equivalents are held at high credit quality financial institutions.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the

amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others.

During the year ended December 31, 2016, the Company did not have any components of Comprehensive Income to report.

Estimates

The preparation of financial statements in conformity 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

Revenue concentrations exist because its largest five customers account for more than 25% of revenues.

Income Taxes

The company was formed as a limited liability company and elected to be treated as a sole proprietorship for federal income tax purposes. Therefore, no provision, liability or benefit for federal or state income taxes has been included in the accompanying financial statements.

SUBSEQUENT EVENT

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 24, 2017, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

NOTE B- POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exceptive provisions of SEC Rule 15c-3-3(k)(i).

NOTE C -NET CAPITAL REQUIREMENT

Statement of Exemption of Reserve Requirement

The Company is subject to the Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum Net Capital. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintains minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not therefore calculate its net capital requirement under the alternative reserve requirement method.

NOTE D - SIPC RECONCILIATION

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report.

NOTE E - COMMITMENTS AND CONTINGENCIES

AlphaSource Capital Securities does not have and never had any commitments, guarantees, or contingencies (arbitrations, lawsuits, claims, etc.) that may result in a loss or future obligation or that may be asserted against the firm at a future date.

NOTE F -RENT

The Company is a party to an expense sharing agreement with an affiliate. Under the terms of this agreement, the affiliate pays rent and other charges related for the premises and certain other expenses. The affiliate charged the Company \$18,000.00 for rent during the year.

NOTE G -RELATED PARTY TRANSACTIONS

The Company has entered into an expense sharing agreement with an affiliate, AlphaSource Capital Partners LLC. The amount charged to the company this year was \$18,000.00.

AlphaSource Capital Securities LLC
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934

As of and for the Year-Ended December 31, 2016

Statement Related to Uniform Net Capital Rule

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500% (15 to 1), or, during its first year of operations, 800% (8:1). Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2016, the Company had net capital of [\$19,304] which was [\$14,304] in excess of its required net capital of [\$5,000]. The Company's net capital ratio was [228%]. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintain minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not, therefore, calculate its net capital requirement under the alternative reserve requirement method.

Statement Related to Exemptive Provision (Possession and Control)

The Company does not have possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEA Rule [15c3-3(k)(2)(ii)]; All customer transactions cleared through another broker-dealer on a fully disclosed basis.

Statement Related to Material Inadequacies

This audit did not disclose any material inadequacies since the previous audit of the financial statements contained within the audit report of the Computation of Minimum Net Capital Requirement as reported in the Supplemental Schedules contained within the audit report or the filed Financial and Operational Combined Uniform Single Report filed pursuant to SEA Rule 15c3-1. The firm is exempt from 15c3-3; it does not maintain customer funds or securities and therefore does not maintain customer funds to segregate nor does it maintain separate accounts for customers.

AlphaSource Capital Securities LLC
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2016

Auditors Review of Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

Supplementary

Pursuant to rule 17a-5 of the

Securities and Exchange Act of 1934

As of and for the Year Ended December 31, 2016

AlphaSource Capital Securities LLC
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2016

Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

Computation of Net Capital

Total Stockholder's equity:		\$ 36,004.04
Nonallowable assets:		
Other Assets	1,497.00	
Accounts receivable – other	<u>15,203.00</u>	(16,700.00)
Other Charges		
Haircuts	0.00	
Undue Concentration	<u>0.00</u>	<u>(0.00)</u>
Net allowable capital		\$ 19,304.04

Computation of Basic Net Capital Requirement

Minimum net capital required as a percentage of aggregate indebtedness	<u>\$ 2,937.00</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000.00</u>
Net capital requirement	<u>\$ 5,000.00</u>
Excess net capital	<u>\$ 14,304.04</u>

Computation of Aggregate Indebtedness

Total Aggregate Indebtedness	<u>\$ 44,057.00</u>
Percentage of aggregate indebtedness to net capital	<u>228%</u>

Reconciliation of the Computation of Net Capital Under Rule 15c3-1

Computation of Net Capital reported on FOCUS IIA as of December 31, 2016	\$ 20,797.00
Adjustments:	
Change in Equity (Adjustments)	4.00
Change in Non-Allowable Assets	(1,497.00)
Change in Haircuts	(0.00)
Change in Undue Concentration	<u>0.00</u>
NCC per Audit	<u>19,304.00</u>
Reconciled Difference	<u>\$ (0.00)</u>

AlphaSource Capital Securities
Supplemental Schedules Required by Rule 17a-5
As of and for the year ended December 31, 2016

Exemptive Provisions Rule 15c3-3

The Company is exempt from Rule 15c3-3 pursuant to (k)(2)(1).

Statement of Changes in Liabilities Subordinated to the Claims of General Creditors

Balance of such claims at January 1, 2016	\$ -
Additions	-
Reductions	-
Balance of such claims at December 31, 2016	<u>\$ -</u>

REPORT ON BROKER DEALER EXEMPTION

For the year ended December 31, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Edward Richardson, Jr., CPA
15565 Northland Suite 508 West
Southfield, MI. 48075

February 24, 2017

Board of Directors
Alpha Source Capital Services
32 East 57th Street
12th Floor
New York, NY 10504

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

I have reviewed management's statements, included in the accompanying Representation Letter of Exemptions, in which (1) Alpha Source Capital Services identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Alpha Source Capital Services claimed an exemption from 17 C.F.R. § 15c3-3(k)(2)(i), and (2) Alpha Source Capital Services stated that Alpha Source Capital Services met the identified exemption provisions throughout the most recent fiscal year without exception. Alpha Source Capital Services' 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 Alpha Source Capital Services' 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'm 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Edward Richardson Jr. CPA

Edward Richardson, Jr., CPA

REPORT ON SIPC ASSESSMENT RECONCILIATION

For the year ended December 31, 2016

Edward Richardson Jr., CPA
15565 Northland Drive
Suite 508 West
Southfield, MI 48075

To the Members of
Alpha Source Capital Services
32 East 57th Street
12th Floor
New York, NY 10504

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

In accordance with Rule 17a-5©(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the period January 1, 2016 to December 31, 2016, which were agreed to by Alpha Source Capital Services, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and the SIPC, solely to assist you and other specified parties in evaluating Alpha Source Capital Services Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). Alpha Source Capital Services' management is responsible for Alpha Source Capital Services compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures were performed and our findings are as follows:

1. Compared the listed assessment payments represented on Form SIPC-7 with the respective cash disbursements record entries, including check amount of \$85.81.
2. Compared audited Total Revenue for the period of January 01, 2016 through the December 31, 2016 (fiscal year-end) with the amounts reported on Form SIPC-7 for the same period noting no reportable reconciliation differences.
3. Compared any adjustments reported Form SIPC-7 with supporting schedules and work papers, to the extent such exists, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected on Form SIPC-7 noting no differences.
5. If applicable, compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed. According to our findings, Alpha Source Capital Services had no reportable differences.

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

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

Edward Richardson Jr. CPA

February 24, 2017