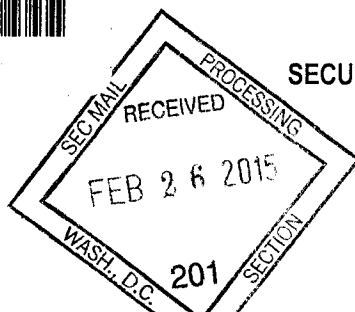




15046131

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

OMB APPROVAL

OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response... 12.00

SEC FILE NUMBER

8-13659

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

ILG Securities Corporation

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

11001 Lakeline Blvd, Building 2, Suite 300

(No. and Street)

Austin

(City)

Texas

(State)

78717

(Zip Code)

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

Darren Cook

816-391-2384

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CF & Co., L.L.P.

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

8750 N. Central Expressway, Suite 300

(Address)

Dallas

(City)

TX

(State)

75231

(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).

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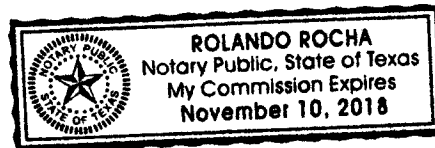
OATH OR AFFIRMATION

I, Jeannine Jenkins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of ILG Securities Corporation, as of December 31, 2014, 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:

Jeannine Jenkins
Signature

Chief Financial Officer
Title

Rolando Rocha
Notary Public

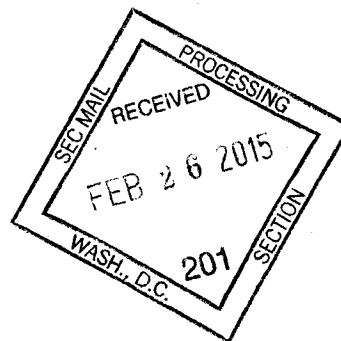


This report** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or partners' or Sole Proprietor's 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) Management's Exemption Report

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

ILG SECURITIES CORPORATION
REPORT PURSUANT TO RULE 17a-5(d)
YEAR ENDED DECEMBER 31, 2014



ILG SECURITIES CORPORATION

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
ILG Securities Corporation
Austin, Texas

We have audited the accompanying statement of financial condition of ILG Securities Corporation (the "Company") as of December 31, 2014, and the related statements of income, changes in liabilities subordinated to claims of general creditors, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ILG Securities Corporation as of December 31, 2014, 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.

The supplementary information contained in Schedules I and II (the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company'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 Supplemental Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

CF & Co., L.L.P.
CF & Co., L.L.P.

Dallas, Texas
February 19, 2015

ILG SECURITIES CORPORATION
Statement of Financial Condition
December 31, 2014

ASSETS

Cash	\$ 76,892
Commissions receivable	2,400
Prepaid expenses	15,323
Receivable from affiliate	<u>273</u>
Total assets	<u>\$ 94,888</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable and accrued liabilities	<u>\$ 17,056</u>
Total liabilities	<u>17,056</u>
Stockholder's equity	
Common stock - \$100 par value, 10,000 shares authorized, 300 shares issued and outstanding	30,000
Additional paid-in capital	1,091,107
Accumulated deficit	<u>(1,043,275)</u>
Total stockholder's equity	<u>77,832</u>
Total liabilities and stockholder's equity	<u>\$ 94,888</u>

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

ILG SECURITIES CORPORATION
Statement of Income
For the Year Ended December 31, 2014

Revenues	
Commission income	\$ 16,181
Total revenues	<u>16,181</u>
Expenses	
Regulatory fees and expenses	3,259
Other administrative expenses	<u>86,741</u>
Total expenses	<u>90,000</u>
Net loss before income taxes	(73,819)
Provision (benefit) for income taxes	<u>(25,837)</u>
Net loss	<u>\$ (47,982)</u>

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

ILG SECURITIES CORPORATION
Statement of Changes in Stockholder's Equity
For the Year Ended December 31, 2014

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-In	Deficit	Total
			Capital		
Balances at December 31, 2013	300	\$ 30,000	\$ 1,041,107	\$ (995,293)	\$ 75,814
Capital contribution from parent	--	--	50,000	--	50,000
Net loss	--	--	--	(47,982)	(47,982)
Balances at December 31, 2014	300	\$ 30,000	\$ 1,091,107	\$ (1,043,275)	\$ 77,832

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

ILG SECURITIES CORPORATION
Statement of Changes in Liabilities Subordinated
To Claims of General Creditors
For the Year Ended December 31, 2014

Balance at December 31, 2013	\$	--
Additions		--
Retirements		<u>--</u>
Balance at December 31, 2014	\$	<u><u>--</u></u>

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

ILG SECURITIES CORPORATION
Statement of Cash Flows
For the Year Ended December 31, 2014

Cash flows from operating activities	
Net loss	\$ (47,982)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:	
(Increase) decrease in assets:	
Commissions receivable	826
Prepaid expenses	836
Receivable from affiliate	(273)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	<u>13,674</u>
Net cash provided (used) by operating activities	<u>(32,919)</u>
Cash flows from investing activities	
Net cash provided (used) by investing activities	<u>--</u>
Cash flows from financing activities	
Capital contribution from parent	<u>50,000</u>
Net cash provided (used) by financing activities	<u>50,000</u>
Net increase in cash	17,081
Beginning cash	<u>59,811</u>
Ending cash	<u><u>\$ 76,892</u></u>
Supplemental Disclosures	
Cash paid (received) for:	
Interest	<u>\$ --</u>
Income tax	<u><u>\$ (25,564)</u></u>

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

ILG SECURITIES CORPORATION

Notes to Financial Statements

December 31, 2014

Note 1 - Description of Business

ILG Securities Corporation (the "Company") is a wholly-owned subsidiary of Investors Life Insurance Company of North America ("ILICNA", or the "Parent"), an indirect, wholly-owned subsidiary of Financial Holding Corporation ("FHC"). The Company is a registered broker-dealer with the Securities and Exchange Commission under (SEC) Rule 15c3-3(k)(2)(1), which acts as the principal underwriter of variable annuity products sponsored by the Parent and is a member of the Financial Industry Regulatory Authority (FINRA). Previously, the Company was actively engaged in the retail marketing of mutual fund shares issued by unrelated companies. The Company's income is primarily related to commissions on unsolicited additional account purchases made by mutual fund customers for whom the Company is the broker of record.

Note 2 - Summary of Significant Accounting Policies

For purposes of reporting cash flows, the Company has defined cash equivalents as highly liquid debt instruments purchased with a maturity of less than ninety days.

Commission income related to the service and maintenance of accounts held with mutual fund companies is recognized when earned.

Commissions receivable are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for doubtful accounts on these receivables. Management records an allowance for bad debts based on a collectability review of specific accounts. Any receivables deemed uncollectible are written off against the allowance.

Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years. A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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.

The Company has evaluated these financial statements for subsequent events through February 19, 2015, the date on which these financial statements were available to be issued.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers", which provides guidance for revenue recognition. ASU 2014-09 requires an entity to recognize revenue in an amount that reflects the consideration to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The ASU will be effective commencing with the Company's year ending December 31, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently assessing the potential impact of this ASU on its financial statements.

ILG SECURITIES CORPORATION

Notes to Financial Statements

December 31, 2014

Note 3 - Federal Income Taxes

The Company files a consolidated federal income tax return with FHC and its subsidiaries. The Company is charged or credited an amount of federal income tax equal to the tax that would have been paid by or refunded to the Company on a separate return basis in accordance with a written tax allocation agreement. During 2014, the Company recorded federal income tax benefits of \$25,837, of which \$25,564 has been reimbursed by FHC and \$273 was outstanding as receivable at December 31, 2014.

Prior to 2014, the Company filed a separate federal income tax return. At December 31, 2014, the Company had net operating loss carryforwards totaling \$324,528, which will be carried forward to offset future taxable income but cannot be used to offset taxable income generated by other companies in the consolidated group. The net operating loss carryforwards expire at various dates through 2032.

The tax benefit of \$113,584 from the net operating loss carryforward of \$324,528 has not been reported on these financial statements as the Company believes it is more likely than not that the carryforward will expire unused. Accordingly, the tax benefit has been offset by a valuation allowance of the same amount. The following reflects the changes in the deferred tax benefit:

	Deferred Tax Asset December 31, 2013	Current Period Changes	Deferred Tax Asset December 31, 2014
Federal income tax benefit	\$ 113,584	\$ --	\$ 113,584
Valuation allowance	(113,584)	--	(113,584)
Amount per statement of financial condition	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

With few exceptions, the Company is no longer subject to U.S. federal, state and local tax examinations by taxing authorities for years before 2011.

The Company had no uncertain tax positions at December 31, 2014. The Company will recognize interest and penalties, if any, related to unrecognized tax benefits as a component of income tax expense.

Note 4 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2014, the Company had net capital of \$44,836 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.4 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 5 - Possession or Control Requirements

The Company holds no customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(1).

ILG SECURITIES CORPORATION

Notes to Financial Statements

December 31, 2014

Note 6 - Related Party Transactions/Economic Dependency

The Company and its Parent are under common control and the existence of that control could create operating results and financial position different than if the companies were autonomous.

Under a service agreement, an affiliate of the Parent provides the Company with personal property, support staff and office space. The affiliate incurs general and administrative expenses on behalf of the Company. For providing these services, the affiliate is entitled to receive compensation from the Company on a monthly basis. The services and support agreement is automatically renewed on a year-to-year basis unless terminated by written notice not less than 60 days prior to the expiration of an annual term. The Company paid \$18,992 under this agreement during the year ended December 31, 2014. These expenses are included in other administrative expenses.

The Company is economically dependent on its Parent.

Supplemental Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
as of
December 31, 2014

Schedule I

ILG SECURITIES CORPORATION
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2014

COMPUTATION OF NET CAPITAL

Total stockholder's equity qualified for net capital		\$	77,832
Add:			
Other deductions or allowable credits			<u> --</u>
Total capital and allowable subordinated liabilities			77,832
Deductions and/or charges			
Non-allowable assets:			
Commissions receivable	\$	2,400	
Prepaid expenses		15,323	
Receivable from affiliate		<u>273</u>	(17,996)
Other charges:			
Excess fidelity bond charge			<u>(15,000)</u>
Net capital before haircuts on securities positions			44,836
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))			<u> --</u>
Net capital		\$	<u>44,836</u>

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition			
Accounts payable and accrued liabilities		\$	<u>17,056</u>
Total aggregate indebtedness		\$	<u>17,056</u>

Schedule I (continued)

ILG SECURITIES CORPORATION
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2014

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6 $\frac{2}{3}$ % of total aggregate indebtedness)	<u>\$ 1,137</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of required minimum	<u>\$ 39,836</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital	<u>\$ 38,836</u>
Ratio: Aggregate indebtedness to net capital	<u>0.4 to 1</u>

RECONCILIATION WITH COMPANY'S COMPUTATION

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

Schedule II

ILG SECURITIES CORPORATION
Computation for Determination of Reserve Requirements Under
Rule 15c3-3 of the Securities and Exchange Commission
As of December 31, 2014

EXEMPTIVE PROVISIONS

The Company is exempt from the possession, control and reserve requirements of SEC Rule 15c3 as the Company's activities are limited to those as set forth in paragraphs (k)(1) of Rule 15c3-3.

Report of Independent Registered Public Accounting Firm

On Management's Exemption Report

Year Ended

December 31, 2014



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON MANAGEMENT'S EXEMPTION REPORT

To the Board of Directors
ILG Securities Corporation
Austin, Texas

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

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

CF & Co., L.L.P.
CF & Co., L.L.P.

Dallas, Texas
February 19, 2015

ILG SECURITIES CORPORATION
Management's Exemption Report
Year Ended
December 31, 2014

ILG Securities Corporation (the "Company") 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 Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3(k)(1)
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the year ended December 31, 2014 without exception.

ILG Securities Corporation

I, Jeannine Jenkins, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Jeannine Jenkins
Title: Chief Financial Officer

February 19, 2015