Exhibit 7

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, JUNE 27, 2003

22,000,000 SHARES OF COMMON STOCK

IASG
Integrated Alarm Services Group, Inc

We are selling 22,000,000 shares of our common stock. We have granted the underwriters an option to purchase up to an additional 3,300,000 shares of our common stock at the public offering price to cover over-allotments, if any.

This is the initial public offering of our common stock. We currently expect the initial public offering price to be between $9.00 and $11.00 per share. We have applied to list our common stock on the NASDAQ National Market under the symbol "IASG."

Investing in our common stock involves risks. Please see "Risk Factors" beginning on page 6.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us(1)	$	$

(1) Before deduction of our other expenses related to this offering, estimated at $1,600,000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Concurrently with this offering, 733,333 shares of common stock have been registered under the Securities Act of 1933, as amended, on behalf of certain holders of convertible promissory notes, pursuant to a selling shareholder prospectus included within the Registration Statement of which this prospectus forms a part. The selling shareholders' shares are not part of this underwritten offering. The selling shareholders' shares may not be sold prior to 270 days from the effective date of the Registration Statement, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc. The selling shareholders' shares are issuable upon conversion of an aggregate of $5.5 million of our promissory notes.

The underwriters expect to deliver the shares to purchasers on or about , 2003.

FRIEDMAN BILLINGS RAMSEY

STIFEL, NICOLAUS & COMPANY
Incorporated

WELLS FARGO SECURITIES, LLC

The date of this Prospectus is , 2003.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $203.0 million, or $233.7 million if the underwriters exercise their over-allotment option in full. Such estimates are based on an initial public offering price of $10.00 per share. The amounts listed below include balances as of July 2, 2003 and take into account prepayment fees.

We intend to use the net proceeds of this offering as follows:

• Repayment of promissory notes issued upon exchange of trust certificates of seven trusts, due in June and July 2005, bearing interest at 12% per annum. The seven trusts were originally controlled by affiliates of ours. The trusts were formed for the purpose of acquiring monitoring contracts. The note holders are comprised of non-affiliated investors. All of such indebtedness was incurred by IASI.	$ 25.2 million
• Repayment of bank debt, due through May 1, 2005, bearing interest at various rates from 8.0% to 12.5% per annum. The debt is due to Key Bank, N.A. and was incurred for the purpose of acquiring central stations, wholesale monitoring contracts, and for working capital. All of such indebtedness was incurred by KC Acquisition.	$ 24.7 million
• Repayment of subordinated debt, due on dates ranging from April 1, 2005 to April 1, 2007, bearing interest at rates ranging from 10.10% to 12.50% per annum. The subordinated debt is from a collection of investment trusts created for the purchase of monitoring contracts, and were originally controlled by affiliates of ours. The debt is payable to non-affiliated investors. All of such indebtedness was incurred by IASI.	$ 9.2 million
• Repayment of subordinated debt, due on June 1, 2006, bearing interest at 12.5% per annum. This debt is from an investment trust controlled by an affiliate of ours. The trust was formed for the purpose of acquiring monitoring contracts. The debt is payable to non-affiliated accredited investors. All of such indebtedness was incurred by IASI.	$ 6.2 million
• Repayment of promissory notes to Lynn A. Smith, the wife of one of our directors, bearing interest at 6.25% and 12% per annum, and due in March 2004 and January 2004, respectively. One of the notes ($3.0 million) is debt incurred by KC Acquisition, and the other ($3.0 million) is debt incurred by IASI prior to its acquisition in January. A portion ($2.0 million) of the proceeds of the $3.0 million indebtedness incurred by IASI was loaned by IASI to KC Acquisition.	$ 6.0 million
• Repayment of debt, due on December 1, 2005, bearing interest at a variable interest rate, which is currently 6.75%. This debt is due to Security Leasing Partners, L.P., an unaffiliated third-party, and was created for the purpose of acquiring monitoring contracts. This indebtedness was incurred by IASI.	$ 3.7 million
• Repayment of debt to various lenders, due on dates ranging from May 1, 2003 to April 1, 2006, bearing interest at rates ranging from 8.0% to 12.0% per annum. The debt is due to Key Bank, N.A., BSB Bancorp, and 15 investment trusts not exchanged for promissory notes of IASI. In the aggregate 38% of the 41 trusts' certificates were not exchanged for promissory notes. The investment trusts were created for the purchase of monitoring contracts, and were originally controlled by affiliates of ours. The debt is payable to non-affiliated investors. All of such indebtedness was incurred by IASI.	$ 3.6 million
• Repayment of debt to M&S Partners, an entity controlled by Messrs. Smith and McGinn. This indebtedness was assumed from M&S Partners by IASI.	$ 0.9 million

• Repayment of debt to Royal Thoughts, LLC, due in January, 2004, bearing interest of 9.0% per annum. Curt Quady, an Executive Vice President and his family own a majority of Royal Thoughts. This indebtedness was incurred by KC Acquisition in connection with the acquisition of the 5.3% interest in Royal Thoughts.	$ 0.6 million
Total repayment of debt:	$ 80.1 million
Proceeds intended for purchases of alarm monitoring contracts. This represents the estimated cash portion of the net proceeds that management believes it will expend to acquire additional alarm monitoring contracts. The cost of the alarm monitoring contracts to be acquired will be determined by arms length negotiations between management and the owners of such contracts. None of such contracts is owned by any of our affiliates.	$119.9 million
Working capital and general corporate purposes	$ 3.0 million
Total Uses:	$203.0 million

All of the debt to be repaid from the proceeds of this offering is related to the purchase of alarm monitoring contracts, central stations, Dealer relationships or was utilized for working capital. Other than Royal Thoughts, Lynn A. Smith, and M&S Partners, none of the holders of our debt to be repaid from the proceeds of this offering is an affiliate of ours or related to one of our affiliates. In total, 64.7% of the debt to be repaid with this offering was incurred by entities that were affiliated with us prior to their acquisition in January. Management will have broad discretion in the application of the net proceeds allocated to working capital and other general corporate purposes.