Item 1

Allegheny Investments, LTD

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This Brochure provides information about the qualifications and business practices of Allegheny Investments, LTD ("Allegheny"). If you have any questions about the contents of this Brochure, please contact us at 412-367-3880 or comments@alleghenyfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Allegheny is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training.

Additional information about Allegheny also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Allegheny has updated Form ADV Part 2 (brochure) as part of the annual amendment process. There have been no material changes since our last annual brochure update dated March 2018. Although we have previously disclosed the conflicts related to our receipt of brokerage revenues, 12b-1 fees and share class selection, in response to the Securities and Exchange Commission's emphasis on disclosure related to share class selection, we have added more disclosure information to assist clients in understanding the issues and conflicts related to share class selection.

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Item 4 – Advisory Business

Allegheny offers asset management, portfolio management and financial planning services to clients. Allegheny is a dually registered investment adviser and broker dealer. Allegheny investment adviser representatives are also registered representatives of the broker-dealer. Allegheny is principally owned by its employee advisers.

Allegheny Financial Group (an affiliated investment adviser) was founded in 1976 by James D. Hohman and James J. Browne to provide comprehensive financial planning to clients in the Greater Pittsburgh area. Messrs. Browne and Hohman began attracting like-minded professionals intent on providing exceptional financial planning services to their clients. In 1977, Messrs. Hohman and Browne founded Allegheny to provide brokerage services for Allegheny clients. Today Allegheny is one of the oldest and largest independent broker dealers headquartered in Pittsburgh. Allegheny is a member of the Financial Industry Regulatory Authority "FINRA", the Securities Investor Protection Corporation "SIPC", and the Municipal Securities Rulemaking Board "MSRB".

Allegheny provides the following investment advisory and financial planning services. Advisory services are tailored to the individual needs of the client. Clients may impose restrictions on investments in certain securities, or certain types of investments.

Asset Management Services
Allegheny Advisors may utilize the Asset Management Program administered by in-house personnel. Clients selecting this service are charged an asset management fee (described below). This service provides a comprehensive investment advisory service. This advisory service will coordinate the following processes; development of the basic investment strategy, setting reasonable investment objectives, determining an appropriate balance among major asset categories within the investment portfolio and specifying benchmarks for evaluating investment performance. Allegheny will employ the following strategies to enhance performance results and control portfolio risk; allocation of investment funds among a group of carefully selected professional money managers and use of special investment situations. Allegheny will monitor the client results on a continuous basis. Clients will receive semi-annual reports showing the value and status of investment positions along with semi-annual performance reviews with comparisons to specific benchmarks. For more information on these services, please contact your Allegheny advisor.

Advised Accounts
Allegheny Advisors have flexibility in their client dealings and often provide advisory services outside of Allegheny's Asset Management Program. Generally, services include an analysis and summary of the client's present financial assets and render investment planning recommendations and economic utilization of current income and assets both before and after taxes on a continuous basis. Advisers will periodically review the client's finances and advise whether revisions are necessary due to changes in the client's personal position, asset structure, tax situation or the then present investment climate. In these instances Allegheny clients have the option of working with Allegheny Advisors through one of the arrangements listed below:

- Managed Account - clients are charged an asset management fee (described below);
- Retainer - clients are billed a flat fee or on an hourly basis for planning services provided.

Financial Planning and Other Services
Allegheny may develop individualized investment plans for a client based upon an analysis of client objectives, risk tolerance, time frame and other data. Allegheny clients may also contract with Allegheny Advisors for specific investment advice that is less comprehensive than a financial plan. Some Allegheny Advisors are qualified to provide advice, on a consultative basis, on various business and personal matters not involving securities.

Using a team approach and in conjunction with other professionals, Allegheny is qualified to provide assistance and advice concerning:

- Business purchase or disposition
- Business continuation planning
- Succession planning and legacy planning
- Business valuations

- Business financing
- Retirement Planning

IRA Rollovers

As part of the retirement and/or financial planning process, Allegheny Advisers may recommend rollovers to an IRA. Clients, and prospective clients, considering a rollover from a qualified employer sponsored retirement plan (“Employer Retirement Plan”) to an Individual Retirement Account (“IRA”) are encouraged to consider the advantages and disadvantages of an IRA rollover from their existing Employer Retirement Plan.

A plan participant leaving an employer typically has four options (and may engage in a combination of these options): 1) Leave the money in the former Employer Retirement Plan, if permitted; 2) Transfer the assets to the new employer’s plan, if one is available and if rollovers are permitted; 3) Rollover the assets to an IRA; 4) Cash out (or distribute) the assets and pay the taxes due.

Regulatory authorities have advised investors that they may face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA. The regulators have advised investors that even if there are no costs associated with the IRA rollover itself, there will be costs associated to account administration, investment management or both. In addition to the fees charged by Allegheny, the underlying investments (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees may also apply. Investing in an IRA managed by Allegheny may be more expensive than the current Employer Retirement Plan.

Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA an investor should consider:

- The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- Available investment choices.
- The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by Allegheny in an advised IRA account.
- The cost of advisory fees.
- Management expenses associated with the underlying investments in an IRA advisory account vs. the underlying investment expenses associated with the current Employer Retirement Plan. Often, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- Custodial charges in the advised IRA account vs. the current Employer Retirement Plan.
- Transaction charges associated with the advised IRA vs. the current Employer Retirement Plan.
- The rules pertaining to the required minimum distributions (“RMD”) in the current Employer Retirement Plan when compared to the advised IRA.
- Legal protections afforded to current Employer Retirement Plan participants and to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- The rules pertaining to beneficiaries of an IRA vs. the current Employer Retirement Plan (inherited accounts).
- The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.
- Employer Retirement Plans that may be available from a new employer.

You are encouraged to consult with a CPA, tax adviser, the plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with Allegheny.

Private Fund Advisor

Supervised persons of Allegheny and affiliated persons advise private funds (“Funds”) as listed below. Private funds are generally available only to high-net worth individuals. Certain Allegheny advisors and other related entities (as disclosed in ADV Part 1) serve as General Partner and Advisors to the Funds. Offers to invest in Funds may only be made pursuant to appropriate offering documents.

As of 12/31/2018, Allegheny (including its related brokerage clients) and its related affiliate (Allegheny Financial Group, a registered investment adviser) managed $2,536,044,318 of client regulatory asset under management. Collectively, the related entities managed $2,278,844,341 of discretionary assets and $257,199,977 of non-discretionary assets.

Item 5 – Fees and Compensation

Allegheny Advisors are compensated for providing financial services in the following ways:

- Flat or Hourly Fees
- Asset Management Fees
- Private Fund Fees

Flat or Hourly Fees
Fees for financial planning and other services described above may be negotiated on a flat, retainer, or hourly basis. Allegheny's maximum hourly fee rate is $500.00. Fees are negotiated in advance between the Advisor and the Allegheny client. The amount of the fee charged is determined by several factors including, but not limited to, the size and complexity of the portfolio, the client's other assets and liabilities, the breadth of the issues explored and any other ancillary advice or services that the client may require. The ultimate plan created may be comprehensive in nature, or may address an individual issue. Typically, half of the fee is paid upon execution of the contract, and the remainder is due upon completion of the work. However, Allegheny clients and Advisors may make other arrangements that are mutually agreeable to all parties.

Asset Management Fees
Asset management fees are calculated as a percentage of assets under management and generally billed at least semi-annually. Fees may be billed in advance or arrears, in accordance with the terms of the investment management agreement. Instructions may be provided to Allegheny's qualified custodian to have the advisory fees deducted from your account. The following are the maximum permissible asset management fees payable by the client to Allegheny:

- 1.25% on the first $300,000 of assets under management
- 1.00% on the amount from $300,000 to $2,500,000
- 0.65% on the amount from $2,500,000 to $5,000,000
- 0.50% on the amount from $5,000,000 to $10,000,000
- 0.45% on the amount from $10,000,000 to $25,000,000
- 0.40% on the amount from $25,000,000 to $50,000,000
- 0.35% on the amount of assets over $50,000,000

Allegheny may, in its sole discretion, deviate from this schedule. A client's total fee may exceed the schedule above when flat or hourly fees apply. Allegheny permits existing clients to continue to be billed according to previously published ADV schedules for cases where the relationship was established under the then published ADV terms. Previously established fee schedules may be calculated differently than the schedule stated above. Allegheny retains the right to negotiate fees on a client-by-client basis. Each client's facts, circumstances and needs are considered in determining the client fee. Allegheny considers the complexity of the client, amount and types of assets managed, related accounts and other factors. Clients may choose whether fees are deducted from the client's account or clients may receive a bill for services provided. Clients may terminate their advisory contract with Allegheny upon 30 (thirty) days written notice. In cases where fees are collected in advance and upon termination of a management agreement, any prepaid, unearned fees will be refunded to the client. Allegheny will prorate the refund according to the number of days remaining in the billing period.

For the purpose of asset management fee calculations Allegheny may combine the advisory accounts of immediate family members or other related accounts. Allegheny, in its sole discretion, may permit an Allegheny Advisor to include additional accounts.

Private Fund Fees
Private fund fees are detailed in the Fund offering documents. These fees generally include management fees and performance-based fees (described below in Item 6).

Brokerage Commissions and Other Fees
Fees assessed and collected by an outside manager or fund company are not included in this schedule. In addition to the fees charged by Allegheny, clients will incur brokerage, custodial or mutual fund fees and expenses on certain investments. Some investments have additional fees embedded within the product.

Once the financial or advisory plan is complete, the Allegheny client may elect to have the plan executed by their Allegheny Advisor through the affiliated broker-dealer; they may execute the plan on their own; or they may choose to have another broker dealer execute the plan.

Please discuss your individual account with your Allegheny Advisor. For additional information, please see Item 12-Brokerage Practices.

12b-1 Fees
12b-1 fees are known in the securities industry as trails and service fees. Some mutual funds charge investors 12b-1 fees to cover fund distribution and/or shareholder service expenses pursuant to Section 12(b) of the Investment Company Act of 1940 and Rule 12b-1 thereunder, and pass these fees on to the fund's distributor, which passes some or all of them to broker-dealers and other intermediaries whose customers hold fund shares. Allegheny receives 12b-1 fees from mutual funds and/or mutual fund distributors. Allegheny does not receive these fees for all mutual fund share classes. Fees are only received for share classes that pay such fees and when the fees are not credited back to the client account.

Mutual fund share classes represent an interest in the same portfolio of underlying securities with the same investment objective. Most mutual funds offer different share classes with varying fee structures, including Class A, Class C, Class I and various other share classes. The primary differences among the various share classes is their fee structure and availability.

For example, Class A shares are available to everyone and generally are sold with sales charges or front-end sales "loads" that are often waived when Class A shares are purchased through fee-based accounts. Class A shares also often include what are known as "12b-1" fees to cover fund distribution and shareholder services. These fees are deducted from the mutual fund assets on an ongoing basis and paid to the fund's distributor. In turn, these fees are passed on as compensation to the broker-dealers and registered representatives, whose customers own the shares. Allegheny, as a broker, is paid 12b-1 fees when the selected share class has such a fee and when the fees are not credited back to the client account. Allegheny then passes a portion of that compensation on to its IARs who are registered representatives.

Class I shares on the other hand, usually have no up-front or deferred sales charges and rarely have 12b-1 fees. As a result, an individual who invests in Class I shares of a given mutual fund will pay lower fees over time—and keep more of his or her investment returns—than an individual who holds Class A shares of the same fund. Therefore, if an investor meets a mutual fund's criteria for purchasing Class I shares, it is almost always in the investor's best interest to select that share class over the same fund's more expensive Class A shares.

Clients should review the mutual fund prospectus to learn more about the fees and expenses related to the mutual funds Allegheny selects or recommends.

The choice of share classes is a complex issue. Please discuss this with your Advisor or Allegheny's Chief Compliance Officer to ensure that you understand the choices involved. Additional information on this topic is available by reading the investment prospectus and on websites maintained by the Securities and Exchange Commission (www.sec.gov) and the Financial Industry Regulatory Association (www.FINRA.org).

In addition to advisory fees, Allegheny Advisors who are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers receive additional compensation on certain brokerage products.

These individuals can implement investment recommendations for advisory clients and receive separate yet customary compensation including, commissions, 12b-1 fees or other transaction related compensation. These additional fees and expenses will increase the overall investment cost to the client.

Receipt of these commissions presents a conflict of interest and gives Allegheny and the Advisor an incentive to recommend an investment product based on the compensation received. Allegheny addresses this conflict by disclosing to clients brokerage and other expenses. Allegheny clients will receive notification of brokerage commissions charged by the affiliated broker-dealer.

Allegheny endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Allegheny in and of itself creates a conflict of interest and can indirectly influence Allegheny's choices for investments, custody and brokerage services.

As described above, not all share classes pay 12b-1 fees. In certain instances, Allegheny recommends share classes that pay 12b-1 fees rather than a lower-cost alternative share class even when a lower-cost share class is available for the same fund. Clients are hereby made aware that many mutual funds offer lower cost share classes, including some that do not charge 12b-1s and are accordingly less expensive for the investor than those recommended by Firm. The receipt of compensation by Allegheny and/or its employees when recommending more expensive share classes creates an incentive for the firm and employees to recommend, select and hold revenue producing share classes rather than a less costly share class.

For most advisory accounts Allegheny either recommends share classes which do not have 12b-1 fees or credits the 12b-1 fees received against the negotiated advisory fee. Clients with agreements that include the crediting or rebating of 12b-1 fees either receive the 12b-1 fees directly into their accounts or have their advisory fees reduced by the amount of 12b-1 fees received by Allegheny.

Under some historical agreements Allegheny advisory clients have agreements that do NOT credit or rebate 12b-1 fees. For those historical agreements on which 12b-1s are not credited, Allegheny charges a reduced advisory fee. In these accounts Allegheny earns 12b-1 and other similar fees that are not credited or rebated to the client even when the client is eligible to invest in a share class of the same fund that does not charge such a fee and therefore is less expensive.

Additionally, Clients should consider the impact of transaction costs related to mutual fund purchases. Certain share classes have transaction related expenses and others do not. All of these additional fees and expenses will increase the overall investment cost to the Client. When recommending or selecting share classes for advisory clients, Allegheny generally avoids using share classes that incur transaction fees. However, share classes that can be traded without transaction charges ("NTF Funds") are generally more expensive than share classes that carry a transaction charge. Many mutual funds have share classes with higher internal expenses which are traded with no transaction costs charged by the broker/custodian and another share class that has a lower internal expense but carries a transaction charge for each purchase/sale. Allegheny will generally purchase NTF Funds with a higher internal expense to avoid the potential cost of incurring repeated transaction fees. In some instances, this practice will cause the client to pay higher total expense. The impact of the higher expense share class varies based on the amount of assets invested in the fund and the number of transactions.

Item 6 - Performance-Based Fees and Side by Side Management

Allegheny does not use performance fee arrangements with individual clients. Some Allegheny Advisors and related entities enter into such arrangements with Private Funds. These arrangements present a conflict of interest that may create an incentive to favor accounts with a performance-based fee over other accounts. Allegheny addresses this conflict in the management process of these funds. Given the specialized nature of these arrangements any client considering such an investment will be given detailed information concerning the fee structure and risks of these investments.

Item 7 - Types of Clients

Allegheny provides investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, corporation and other business entities, pension plans, individual retirement account plans, and profit sharing plans. Allegheny sets no minimum account limit for opening or maintaining an account.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Allegheny advisors place a strong emphasis on the financial planning process. During this process, Allegheny advisors generally:

a. DEFINE CLIENT OBJECTIVES Our Allegheny Advisors ask questions and discover key client issues and concerns, based upon their extensive experience, to build a meaningful evaluation of our clients' finances. These questions include determining risk tolerance, education needs, retirement objectives, long and short-term goals and objectives.

b. DEVELOP A FINANCIAL PLAN Allegheny Advisors analyze assets and liabilities and evaluate risk tolerances to develop a clear picture of our clients' financial status. This enables us to build a plan to meet each client's objectives. The financial plan may contain programs to enhance cash flow, decrease tax liabilities, enhance the funding of educational goals or a comfortable retirement, or meet a business or organization's financial goals. Our planning tools enable Allegheny Advisors to chart detailed projections to account for factors that impact our clients' finances, and anticipate changing needs. At the end of the process, Allegheny Advisors provide a very specific set of recommendations. Clients then decide whether to implement these recommendations.

c. IMPLEMENT THE FINANCIAL PLAN Allegheny Advisors work with a team of specialists to select the most appropriate fund managers, insurance providers, and risk managers to ensure consistent portfolio performance.

d. MONITOR AND REFINE THE FINANCIAL PLAN Allegheny Advisors support our clients' portfolio with ongoing and original research to measure performance. Allegheny Advisors report to clients through detailed reports and updates and one-on-one meetings.

Allegheny Advisors primarily use mutual funds in their investment strategy. Risks associated with this include:

Market conditions- The prices of, and the income generated by, the common stocks, bonds and other securities held by the fund may decline due to market conditions and other factors, including those directly involving the issuers of securities held by the fund.

Investing in growth-oriented stocks- Growth-oriented stocks may involve larger price swings and greater potential for loss than other types of investments.

Investing in income-oriented stocks- Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests.

Investing in bonds- Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities.

Investing in securities backed by the U.S. government- Securities backed by the U.S. government are guaranteed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates. Securities issued by government sponsored entities and federal agencies and instrumentalities are neither issued nor guaranteed by the U.S. government.

Investing in mortgage-backed and asset-backed securities- Many types of bonds and other debt securities, including mortgage-back securities, are subject to prepayment risk, as well as the risks associated with investing in debt securities in general. If interest rates fall and the loans underlying these securities are prepaid principal in lower yielding securities, thus reducing the fund's income. Conversely, if interest rates increase and the loans underlying the securities are prepaid more slowly than expected, the expected duration of the securities may be extended. This reduces the potential for the fund to invest the principal in higher yielding securities.

Thinly traded securities- There may be little trading in the secondary market for particular bonds or other debt securities, which may make them more difficult to value or sell.

Investing outside the United States- Securities of issuers domiciled outside the United States, or with significant operations outside the United States, may lose value because of political, social or economic developments in the country or region in which the issuer operates. These securities may also lose value due to changes in the exchange rate of currencies which are more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards than those in the United States. These risks may be heightened in connection with investments in developing countries.

Management- The investment advisor to the fund actively manages the fund's investments. Consequently, the fund is subject to the risk that the methods and analyses employed by the investment adviser may not produce the desired results. This could cause the fund to lose value or its results to lag relevant benchmarks or other funds with similar objectives.

Equity Market Risk- Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.

Investment Selection Risk- Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a while or our intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.

Investing in securities involves the risk of loss. Your investment in a fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person. You should consider how this fund fits into your overall investment program.

Item 9 - Disciplinary Information

Allegheny is a dually registered investment adviser and licensed broker-dealer. As a broker-dealer, Allegheny has been involved in some regulatory and civil settlements. However, none of these matters involved advisory clients, or Allegheny's activities as an investment adviser. For more information on these brokerage issues you may contact Compliance at Allegheny by email or telephone. Information is also available on the FINRA website at www.finra.org/brokercheck.

Item 10 - Other Financial Industry Activities and Affiliations

As noted previously, Allegheny is a dually registered investment adviser and licensed broker-dealer. Allegheny is under common control with Allegheny Financial Group and the directors of Allegheny are also the directors of Allegheny Financial Group. Allegheny Financial Group is an affiliated entity registered with the SEC as an Investment Advisor under the Investment Advisors Act of 1940 as amended.

Registered Representatives and Affiliated Broker-Dealer
Some members of management and other personnel are registered representatives of the affiliated broker-dealer. In this capacity they may implement investment recommendations for advisory clients and receive separate yet customary compensation including, commissions, 12b-1 fees or other transaction related compensation.

Receipt of commissions can present a conflict of interest and it can give Allegheny and the Advisor an incentive to recommend an investment product based on the compensation received. Allegheny addresses this conflict by disclosing to clients brokerage and other expenses. Allegheny clients will receive notification of brokerage commissions charged by the affiliated broker-dealer.

Allegheny endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Allegheny in and of itself creates a conflict of interest and may indirectly influence Allegheny's choices for investments, custody and brokerage services.

Insurance Agents
Some members of management and other personnel are licensed insurance agents and receive additional compensation for the implementation or purchase of insurance products for advisory clients. Allegheny is a licensed insurance broker.

Other Professional Services
Some Allegheny Advisors are involved in other business activities including accounting services and other professional services. Please see the supplement for information concerning your advisor.

Private Funds
Some members of management are shareholders and/or general partners or managing members of limited partnerships of limited liability corporations formed for investment purposes. Advisory clients may be solicited to invest in these Funds. Funds are generally available only available to accredited investors and involve certain additional risks. General Partners and other related entities are compensated in accordance with the partnership offering documents. A list of these related entities is disclosed on Schedule D of Form ADV Part 1. Form ADV Part 1 can be accessed by following the directions on the Cover Page of this Brochure. Clients interested in investing in the Funds should refer to Fund offering documents.

Item 11 - Code of Ethics

Allegheny has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Allegheny must acknowledge the terms of the Code of Ethics annually, or as amended. Allegheny's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Allegheny Compliance.

Allegheny anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Allegheny has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Allegheny, its affiliates and/or clients, directly or indirectly, have a position of interest. Allegheny's employees and persons associated with Allegheny are required to follow Allegheny's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Allegheny and its affiliates may trade for their own accounts in securities and investments which are recommended to and/or purchased for Allegheny's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Allegheny will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Allegheny and its clients.

It is Allegheny's policy that the firm will not affect any principal or agency cross securities transactions for client accounts, with the exception of a very limited number of bond transactions with pre-notification to the clients. Allegheny will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise since Allegheny is dually registered as a broker-dealer and investment adviser.

Item 12 – Brokerage Practices

Generally, clients select the broker-dealer and custodian for their accounts. Allegheny may recommend and clients may select our affiliated broker-dealer, clearing through National Financial Services ("NFS"), a FINRA registered broker-dealer, member SIPC. Broker-dealers and custodians are generally compensated by account holders through commissions and other transaction related fees.

Brokers and custodians are generally compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through a Custodian or settle into Custodian accounts.

Custodians also make available to our firm other products and services that benefit Allegheny but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at the Custodian providing the service.

Custodian products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and trade orders for multiple client accounts;
- provide research, and other market data;
- assist with back-office functions, recordkeeping and client reporting.

Custodians may make available, arrange and/or pay third-party vendors for the types of services rendered to Allegheny. Custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Custodians may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at a particular Custodian, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by a Custodian, which may create a potential conflict of interest.

Affiliated Broker-Dealer
As described in Item 5 and Item 10 of this brochure, Management and other personnel are registered representatives of an affiliated broker-dealer. In this capacity they can implement investment recommendations for advisory clients and receive separate yet customary compensation including, commissions, 12b-1 fees or other transaction related compensation. This presents a conflict of interest to the extent that recommendations are made to Clients that result in additional compensation for Allegheny or its employees. Clients have the option to purchase investments and insurance products through other advisers. When the Client has provided written authorization that gives Allegheny trading discretion, Allegheny will not contact the Client prior to implementation

of transactions. When the Client has selected a financial planning or non-discretionary management service the Client is not obligated to engage Allegheny when implementing advisory recommendations. In cases were the Client has selected non-discretionary management, the implementation of any or all recommendations is solely at the discretion of the Client.

Allegheny endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Allegheny in and of itself creates a conflict of interest and may influence Allegheny's choices for investments, custody and brokerage services.

The majority of our clients select our affiliated broker-dealer. Allegheny and NFS have entered into a revenue participation program, wherein Allegheny receives reduced fees or enhanced compensation based on a certain volume of transactions or assets. NFS offers a "No Transaction Fee' program with more than 3,000 funds. Funds participating in the NTF program pay Fidelity Brokerage Services LLC (FBS) and National Financial Services (NFS) certain fees in connection with offering their products in the NTF program. NFS pays a portion of these fees to Allegheny. Fidelity Brokerage Services LLC, or its affiliates, receives compensation in connection with (i) access to, purchase or redemption of, and/or maintenance of positions in mutual funds and other investment products ("funds"), (ii) infrastructure needed to support such funds as well as additional compensation for shareholder services, start-up fees, infrastructure support and maintenance, and other programs and/or (iii) a fund's attendance at events for FBS's clients and/or representatives, and opportunities for the fund to promote its products and services. This compensation may take the form of sales loads and 12b-1 fees described in the prospectus and/or additional compensation paid by the fund, its investment adviser or an affiliate. This presents a conflict of interest to the extent that recommendations are made to Clients that result in additional compensation for Allegheny or its employees. NFS provides Allegheny with access to their institutional trading and custody services. NFS services include the execution of securities transactions, custody, operations and technology services. You may discuss this arrangement with your Allegheny Advisor, or contact Allegheny Compliance.

Soft Dollar Arrangements

Allegheny does not have any traditional soft-dollar arrangements.
However, Allegheny may also receive other economic benefits in the form of monetary support for client appreciation dinners, client seminars, educational conferences and meetings and related materials sponsored by various financial institutions, including but not limited to custodians, broker-dealers, mutual funds, TAMP providers, insurance and annuity companies and other vendors. Allegheny may also receive monetary support and business development allowances for technology, investment research, marketing and advertising from these entities, as well as monetary support and/or guest speakers for client events. Clients are advised that a potential conflict of interest exists to the extent that Allegheny recommends products from these financial institutions or other vendors. However, the client is under no obligation to purchase these products.

Brokerage for Client Referrals

Allegheny does not recommend broker-dealers to clients in exchange for client referrals.

Directed Brokerage

Allegheny does not permit, require, request or recommend clients to direct brokerage.

Trade Aggregation

Allegheny does not aggregate client trades.

Best Execution

Clients select a broker dealer to execute the advisory plan. AI may or may not provide the lowest execution cost. The brokerage commissions for sale of securities charged by AI may be higher or lower than those charged by other broker dealers. AI may not be able to negotiate volume discounts or to obtain best execution in some transactions. Since AI is under common control with Allegheny, this may encourage the investment advisor representatives to recommend transactions to be placed with AI as opposed to a different broker dealer. Allegheny does not receive compensation for directing orders to particular broker dealers or market centers for execution.

Item 13 – Review of Accounts

Allegheny Advisors typically contact their clients at least semi-annually, as well as offer to schedule meetings with them at least annually to review the performance of Allegheny clients' advisory accounts, and discuss any changes in the clients' finances, financial goals, or profile. An Allegheny supervising principal reviews client transactions. Each financial plan or report is reviewed by at least one Allegheny Advisor in addition to the Advisor preparing the plan. Allegheny advisors may provide reports to clients on a periodic basis as determined by the relationship and indicated in the client/advisor agreement.

Allegheny Advisors monitor client portfolios continuously. Allegheny supervising principals, in conjunction with Compliance, review client information on an ongoing basis. Allegheny relies in part on technology but also reviews and audits other information.

Allegheny Advisors and Allegheny home office personnel are available during normal business hours to answer questions or other inquiries from Allegheny clients.

Item 14 – Client Referrals and Other Compensation

Allegheny does not accept or allow our supervised persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Allegheny compensates others for client referrals. When compensating others Allegheny will follow the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 and any corresponding securities law requirements. At the time of the referral Allegheny will disclose the nature of the relationship and provide a written disclosure statement. Referral arrangements will not result in any additional fees to clients.

Item 15 – Custody

Allegheny does not maintain physical custody of client funds or securities. However, Allegheny is deemed to have custody of client assets in certain situations where we (or a related person) have the authority to obtain possession of client funds or securities. In the instances where Allegheny is deemed to have custody, we will follow the requirements of rule 206(4)-2 including obtaining all required audits.

Clients receive statements at least quarterly from the qualified custodian that holds and maintains the client's investment assets. Allegheny urges you to carefully review such statements and compare such official custodial records to the reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Discretion

Allegheny may receive limited discretionary authority from a client to select the identity and amount of securities to be bought or sold. Clients must provide written authorization to allow Allegheny discretionary authority. In all cases, this discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Allegheny observes the investment policies, limitations and restrictions as provided by the client. Investment guidelines and restrictions must be provided to Allegheny in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Allegheny does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Clients will receive proxies or other solicitations directly from their custodian or transfer agent. We may provide clients with assistance regarding proxy issues if they contact us with questions.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about Allegheny's financial condition. Allegheny has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Allegheny may require or solicit payment of fees in excess of $1,200 per client more than six months in advance of services rendered. Therefore, we have included financial statements from an independent auditor.

SNODGRASS
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors
Allegheny Investments, Ltd.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Allegheny Investments, Ltd. (the "Company") as of December 31, 2018, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018, 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 Company's management. Our responsibility is to express an opinion on the Company'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 Company in accordance with 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 supplementary information contained in the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and Information Relating to Possession or Control Requirements under Rule 15c3-3 of the Securities and Exchange Commission (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of Allegheny Investments, Ltd.'s financial statements. The Supplemental Information is the responsibility of Allegheny Investments Ltd.'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 supplementary information contained in the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and Information Relating to Possession or Control Requirements under Rule 15c3-3 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company's auditor since 2009.

S. R. Snodgrass, P.C.

Cranberry Township, Pennsylvania
February 27, 2019

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	$	1,490,743
Deposits held in accounts with clearing organization		72,813
Equity securities		1,685,584
Receivables from clearing organization		256,184
Other receivables		579,227
Furniture and fixtures - net of accumulated depreciation of $295,999		192,865
Intangible assets - net of accumulated amortization of $80,366		15,865
Prepaid expenses		143,930
Total assets	$	4,437,211

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES		
Accrued advisor payout	$	313,912
Accounts payable - related party		2,561,166
Accrued expenses and other liabilities		86,532
Total liabilities	$	2,961,610
STOCKHOLDERS' EQUITY		
Common stock - voting; no par value; 100,000 shares authorized; 1,320 shares issued and 1,254 shares outstanding		150,180
Retained earnings		1,339,852
Treasury stock, 66 shares at cost		(14,431)
Total stockholders' equity	$	1,475,601
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,437,211

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

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2018

REVENUES		
Commission and advisory revenue:		
Service fees and commissions on investment company shares	$	8,761,068
Investment advisory fees		2,627,326
Commissions on annuities		1,160,909
Commissions on partnership interests		69,896
Commissions on insurance		178,723
Commissions on securities		45,338
Other Income		
Loss on equity securities		(37,768)
Revenue share from clearing firm		79,362
Dividend income		33,668
Rental income		2,950
Interest income		11,792
Other income		278
TOTAL REVENUES		12,933,542
EXPENSES		
Employee compensation and benefits		11,098,303
Brokerage fees		589,758
Occupancy & equipment		232,743
Communication & technology		207,883
Travel & entertainment		155,911
Professional fees		103,418
Advertising		99,380
Other expenses		262,070
TOTAL EXPENSES		12,749,466
NET INCOME	$	184,076

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

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
DECEMBER 31, 2018

	Common Stock	Retained Earnings	Treasury Stock	Total
Balance, December 31, 2017	$ 150,180	$ 1,355,776	$ (14,431)	$ 1,491,525
Net income	-	184,076	-	184,076
Distributions	-	(200,000)	-	(200,000)
Balance, December 31, 2018	$ 150,180	$ 1,339,852	$ (14,431)	$ 1,475,601

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

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

OPERATING ACTIVITES		
Net income	$	184,076
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation		75,273
Amortization		26,616
Loss on sale of equity securities		37,768
(INCREASE) DECREASE IN OPERATING ASSETS		
Purchases and proceeds from the sale of equity securities, net		(27,400)
Receivable from clearing organization		461,551
Other receivables		(354,923)
Prepaid expenses		(16,474)
INCREASE (DECREASE) IN OPERATING LIABILITES		
Accrued advisor payout		(207,012)
Accounts payable - related party		483,608
Accrued expenses and other liabiliites		(128,946)
NET CASH PROVIDED BY OPERATING ACTIVITIES		534,137
FINANCING ACTIVITIES		
Distributions paid		(200,000)
NET CASH USED FOR FINANCING ACTIVITIES		(200,000)
INCREASE IN CASH AND CASH EQUIVALENTS		334,137
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,156,606
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$	1,490,743

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

ALLEGHENY INVESTMENTS, LTD.
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Allegheny Investments, Ltd. (the "Company") is an introducing broker-dealer firm, offering access to a wide range of financial products and services, and specializing in consumer-oriented financial planning. The Company is registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation. The Company operates pursuant to SEC Rule 15c3-3(k)(2)(ii) (the "Customer Protection Rule"). It does not hold funds or safe keep customer securities. The Company clears securities transactions through National Financial Services, LLC (NFS) on a fully disclosed basis.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Investments – Investments in equity securities have readily determinable fair values. Realized and unrealized gains and losses on equity securities are included in revenue.

Furniture and Fixtures – Furniture and fixtures are carried at cost, net of accumulated depreciation. Maintenance and repairs are charged to expense as incurred. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

Depreciation – Depreciation is calculated using straight-line and various accelerated methods over the useful lives of the assets.

Assets and their economic lives or recovery period are as follows:

Assets	Economic Lives/ Recovery Period
Furniture and fixtures	3 - 10 years

Depreciation expense for the year ended December 31, 2018, amounted to $75,273.

Intangible Assets – In 2015, the Company began purchasing book of businesses from existing investment advisors. In the year ended December 31, 2018, the Company purchased a new book of business for $10,231 and recognized it as intangible assets related primarily to the advisor's customer list. These assets are being amortized over their estimated useful live of 2 years. Intangible assets include 2 books of businesses which totals $96,231. The total amortization expense recorded during 2018 was $26,616 and the remaining unamortized balance of $15,865 will be amortized straight-line over the remaining estimated useful life of the assets. Certain identifiable intangible assets, such as customer relationships we acquire are evaluated for impairment whenever events or changes in circumstances suggest that the carrying value of an asset or asset group may not be recoverable.

Cash Flows – For purposes of the Statement of Cash Flows, the Company considers highly liquid investments, purchased with original maturities of three months or less that are not held for sale in the ordinary course of business, to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk – The Company's principal activities include sales of securities, real estate partnerships, annuities, and insurance contracts with the majority of the clients located in the western Pennsylvania area. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Receivables – Receivables primarily consist of revenue due to the Company being a distributor for various investment and insurance products. The Company has reviewed the accounts receivable, and management considers the balance at year-end to be substantially collectible.

Advertising Costs – The Company's policy is to expense advertising costs in the year in which they occur.

In May 2014, the FASB issued ASU No. 2014-09, *"Revenue from Contracts with Customers."* The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Subsequent to the issuance of ASU 2014-09, the FASB issued targeted updates to clarify specific implementation issues including ASU No. 2016-08, *"Principal versus Agent Considerations (Reporting Revenue Gross versus Net),"* ASU No. 2016-10, *"Identifying Performance Obligations and Licensing,"* ASU No. 2016-12, *"Narrow-Scope Improvements and Practical Expedients,"* and ASU No. 2016-20 *"Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers."* For financial reporting purposes, the standard allows for either full retrospective adoption, meaning the standard is applied to all of the periods presented, or modified retrospective adoption, meaning the standard is applied only to the most current period presented in the financial statements with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company completed its overall assessment of revenue streams and review of related contracts potentially affected by the ASU, including primarily service fees, advisory fees, and commissions. Based on this assessment, the Company concluded that ASU 2014-09 did not materially change the method in which the Company currently recognizes revenue for these revenue streams. The Company adopted ASU 2014-09 and its related amendments on its required effective date of January 1, 2018 utilizing the modified retrospective approach. Since there was no net income impact upon adoption of the new guidance, a cumulative effect adjustment to opening retained earnings was not deemed necessary. See Note 2 *Revenue Recognition* for more information.

In January 2016, the FASB finalized ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. This accounting standard (a) requires separate presentation of equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) on the balance sheet and measured at fair value with changes in fair value recognized in net income; (b) simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; (c) eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities; (d) eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; (e) requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; (f) requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset(that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements; and (g) clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The Company added the applicable disclosures related to the adoption of this standard, however, since there was no net income impact upon adoption of the new guidance, a cumulative effect adjustment to opening retained earnings was not deemed necessary.

2. REVENUE RECOGNITION

Effective January 1, 2018, the company adopted ASU 2014-09 Revenue from Contracts with Customers – (Topic 606) and all subsequent ASUs that modified ASU 606. The implementation of the new standard had no material impact on the measurement or recognition of revenue for prior periods and did not require any cumulative effect adjustment for adoption.

The main types of revenue within the scope of the standard are as follows:

Service Fees and Commissions on Investment Company Shares - The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

The Company enters into arrangements with Investment Companies or Funds (Fund) to distribute or sell shares to investors / customers. The Company may receive service fees paid by the Fund up front, over time, or upon the investors exit from the Fund. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. The service fee is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are susceptible to factors outside the Company's influence. Since these factors are not determinable until the market value of the fund is known (usually monthly or quarterly) service fees are recognized in the period related to performance obligations that have been satisfied in prior periods.

Investment Advisory Fees - The Company provides investment advisory services on a daily basis. The Company believes the performance obligation for providing investment advisory services is satisfied over time because the customer is receiving the benefits as they are provided by the Company. Advisory fee arrangements are based on a percentage applied to the customer's assets under advisement. Advisory fees are received quarterly, semi-annually and (in a few instances) annually and are recognized as revenue at the time they relate specifically to the services provided in that period.

3. EQUITY SECURITIES

A summary of equity securities at December 31, 2018, is as follows:

		2018
Mutual funds - municipals	$	1,661,113
Other equities		24,471
Total	$	1,685,584

4. INCOME TAXES

The Company, with the consent of its stockholders, has elected to have its income taxed as an S Corporation under Section 1372 of the Internal Revenue Code, which provides that in lieu of corporate income taxes, the stockholders are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes is included in these financial statements.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes.* Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an

4. INCOME TAXES (continued)

event occurs that requires a change. There is currently no liability for uncertain tax positions and no known unrecognized tax benefits. The Company recognizes, when applicable, interest and penalties related to unrecognized tax benefits in other expenses on the Statement of Income. The Company's federal and state income tax returns for taxable years ending prior to 2015 are closed for purposes of examination by the Internal Revenue Service and state taxing authorities.

5. PROFIT SHARING PLAN

The Company is involved in a joint profit sharing plan under Section 401(k) of the Internal Revenue Code with the other member of its controlled group. All full-time employees are eligible for the plan, regardless of age or years of service. The Company may, at the discretion of the Board of Directors, make a discretionary contribution into the Plan during the year. The Company's allocated contribution was $256,643 to the plan during the year ended December 31, 2018.

6. RELATED-PARTY TRANSACTIONS

The Company has a payable of $2,561,166 to an affiliated corporation for various expenses and distributions that have been allocated between the corporations based on the terms of the expense sharing agreement.

7. OPERATING LEASES

The Company and an affiliated corporation have entered a nine-year lease for the facilities they currently occupy. The first payment on this lease agreement commenced in March of 2013. The total monthly rental is $43,796 for the first three years; $45,881 for the next three years; and $47,967 for the remaining three years. The Company's portion of these rental payments is $29,802 for the first three years; $15,990 for the next three years; and $16,716 for the remaining three years.

The following is a schedule of future minimum rental payments required under the above leases as of December 31, 2018:

Year Ended	Amount
2019	199,142
2020	200,596
2021	200,596
2022	33,433

Rental expense amounted to $212,846 for the year ended December 31, 2018.

8. STOCKHOLDERS' EQUITY

The stockholders of the Company entered into an agreement stipulating, among other things, the terms under which the Company's stock can be sold or transferred. The agreement provides that ownership of the Company will be determined by the cumulative gross revenues produced for the Company by each revenue producer at a price determined in accordance with the agreement. The agreement also requires that the Company redeem the shares owned by a stockholder upon death, disability, or retirement if those shares are not purchased by any of the other stockholders.

9. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rules (Rule 15c3-1), which require the maintenance of minimum net capital and require that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2018, the Company had net capital of $390,330 which was $192,889 in excess of its required net capital of $197,441. The Company's net capital ratio was 7.59 to 1.

10. LITIGATION

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of its business and have not been fully adjudicated. These actions, when finally concluded and determined, will not, in the opinion of management, have a material adverse effect upon the financial position of the Company.

11. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following disclosures show the hierarchal disclosure framework associated with the level of pricing observations utilized in measuring assets and liabilities at fair value. The three broad levels are defined as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level III: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available.

The following table presents the assets reported on the Statement of Financial Condition at their fair value as of December 31, 2018, by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	December 31, 2018			
	Level I	Level II	Level III	Total
Assets:				
Equity Securities:				
Mutual funds- municipals	$ 1,661,113	$ -	$ -	$ 1,661,113
Other investments	24,471	-	-	24,471
Total	$ 1,685,584	$ -	$ -	$ 1,685,584

	2018
Total net loss on equity securities	$ (37,768)
Less: gains on securities sold during the year	-
Plus: losses on securities sold during the year	-
Unrealized net gains on securities held at end of year	$ (37,768)

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. If a quoted market price is available for a financial instrument, the estimated fair value would be calculated based upon the market price per trading unit of the instrument. Equity investment securities are valued based upon quoted market prices.

Financial instruments are defined as cash, evidence of ownership interest in an entity, or a contract that creates an obligation or right to receive or deliver cash or another financial instrument from or to a second entity on potentially favorable or unfavorable terms. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced liquidation or sale. If a quoted

11. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

market price is available for a financial instrument, the estimated fair value would be calculated based upon the market price per trading unit of the instrument.

As certain assets such as furniture and equipment are not considered financial instruments, the estimated fair value of financial instruments would not represent the full value of the Company. Additionally, certain financial instruments that are not carried at fair value on the Statement of Financial Condition are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk. These instruments include cash and cash equivalents, deposits held in accounts with clearing organization, receivables, payables, and accrued expenses.

12. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Company's customer securities transactions are introduced on a fully disclosed basis with NFS. NFS carries all of the accounts of the customers of the Company and is responsible for execution, collection of and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein NFS may charge any losses it incurs to the Company. The Company seeks to minimize the risk through procedures designed to monitor the credit worthiness of its customers and insure that customer transactions are executed properly by NFS.

13. SUBSEQUENT EVENTS

Management has reviewed events occurring through February 27, 2019, the date the financial statements were issued, and no other subsequent events occurred requiring accrual or disclosure.