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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- **22183**

FACING PAGE

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

FEB 26 2004

REPORT FOR THE PERIOD BEGINNING April 1, 2003 AND ENDING December 31, 2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Allegheny Investments, Ltd.

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

3000 McKnight East Drive

(No. and Street)

Pittsburgh

PA

15237

(City)

(State)

(Zip Code)

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

James D. Hohman

(412) 367-3880

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Horovitz, Rudoy & Roteman

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

436 Seventh Avenue, Koppers Building, Sixth Floor, Pittsburgh, PA 15219

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**PROCESSED
MAR 08 2004**

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**THOMSON
FINANCIAL**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

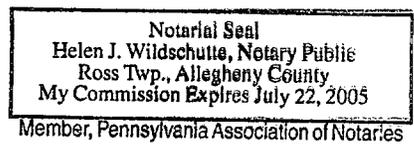
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, James D. Hohman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Allegheny Investments, Ltd., as of December 31, 2003, 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:

James D. Hohman
Signature
President
Title

Helen J. Wildschutte
Notary Public

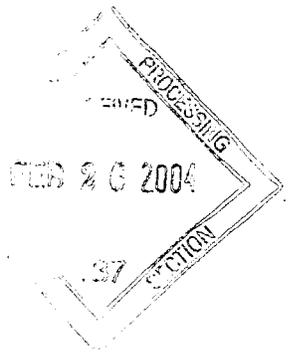


This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

FINANCIAL REPORT
ALLEGHENY INVESTMENTS, LTD.
FOR THE PERIOD APRIL 1, 2003 THRU
DECEMBER 31, 2003



INDEPENDENT AUDITORS' REPORT

February 17, 2004

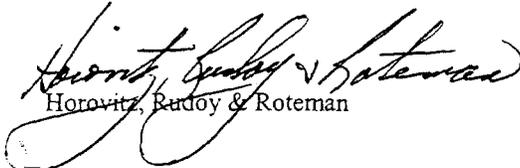
Board of Directors
Allegheny Investments, LTD.
Pittsburgh, Pennsylvania

We have audited the accompanying statement of financial condition of Allegheny Investments, LTD. as of December 31, 2003, and the related statements of income, changes in subordinated borrowings, changes in stockholders' equity, and cash flows for the period April 1, 2003 thru December 31, 2003. 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 auditing standards generally accepted in the United States of America. 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 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 Allegheny Investments, LTD. as of December 31, 2003, and the results of its operations and its cash flows for the period April 1, 2003 thru December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Horowitz, Rudoy & Roteman

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Cash and cash equivalents		\$ 1,444,852
Broker deposits		50,000
Receivables from noncustomers		776,276
Furniture and fixtures - at cost, net of accumulated depreciation of \$399,493		110,875
Leasehold improvements - at cost, net of accumulated depreciation of \$2,161		13,065
Investment		3,300
Prepaid expenses		3,073
Prepaid corporate taxes		<u>2,007</u>
TOTAL ASSETS		<u>\$ 2,403,448</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES		
Commissions payable	\$	587,037
Accounts payable		18,453
Accounts payable - related party		548,675
Representative deposits		800
Subordinated loan - related party		100,000
Installment loan payable		25,000
Accrued expenses		<u>141,989</u>
TOTAL LIABILITIES		\$ 1,421,954
STOCKHOLDERS' EQUITY		
Common stock - voting; no par value; 25,000 shares authorized; 1,320 shares issued and 1,254 outstanding		33,750
Paid-in capital		116,431
Retained earnings		845,744
Treasury stock , 66 shares at cost		<u>(14,431)</u>
TOTAL STOCKHOLDERS' EQUITY		<u>981,494</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 2,403,448</u>

The accompanying notes are an integral
part of the financial statements

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CHANGES IN SUBORDINATED BORROWINGS
FOR THE PERIOD APRIL 1, 2003 THRU DECEMBER 31, 2003

Subordinated borrowings at April 1, 2003	\$ 100,000
Increases:	-
Decreases:	<u> -</u>
Subordinated borrowings at December 31, 2003	<u> \$ 100,000</u>

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD APRIL 1, 2003 THRU DECEMBER 31, 2003

	<u>Common Stock</u>	<u>Paid in Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>
Balance, beginning	\$ 33,750	\$ 116,431	\$ 857,041	\$ (14,431)
Net loss	_____ -	_____ -	_____ (11,297)	_____ -
Balance, ending	<u>\$ 33,750</u>	<u>\$ 116,431</u>	<u>\$ 845,744</u>	<u>\$ (14,431)</u>

The accompanying notes are an integral
part of the financial statements

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF INCOME
FOR THE PERIOD APRIL 1, 2003 THRU DECEMBER 31, 2003

REVENUES		
Commissions on securities	\$ 246,035	
Commissions on investment company shares	5,173,156	
Commissions on partnership interests	495,273	
Commissions on annuities	1,314,259	
Commissions - other	349,705	
Interest and dividend income	<u>12,985</u>	
		\$ 7,591,413
TOTAL REVENUES		
EXPENSES		
Salaries and other employment costs	6,364,711	
Other operating expenses	<u>1,271,285</u>	
		7,635,996
TOTAL EXPENSES		
OTHER INCOME		
Miscellaneous income		<u>15,730</u>
LOSS BEFORE INCOME TAXES (BENEFIT)		(28,853)
INCOME TAXES (BENEFIT)		<u>(17,556)</u>
NET LOSS		<u><u>\$ (11,297)</u></u>

The accompanying notes are an integral
part of the financial statements

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CASH FLOWS
FOR THE PERIOD APRIL 1, 2003 THRU DECEMBER 31, 2003

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from commissions	\$ 7,281,813
Cash paid to suppliers and employees	(6,848,290)
Interest received	12,985
Income taxes refunded	<u>7,128</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 453,636

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on debt	<u>(25,000)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 428,636

CASH AND CASH EQUIVALENTS - BEGINNING 1,016,216

CASH AND CASH EQUIVALENTS - ENDING \$ 1,444,852

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CASH FLOWS
FOR THE PERIOD APRIL 1, 2003 THRU DECEMBER 31, 2003

RECONCILIATION OF NET LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

NET LOSS		\$ (11,297)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	\$ 33,525	
Deferred taxes	(17,400)	
CHANGES IN ASSETS AND LIABILITIES THAT PROVIDED (USED) CASH		
Receivables	(312,790)	
Prepaid expenses	(2,073)	
Prepaid taxes	7,074	
Deposits	445	
Accounts payable	487,279	
Accrued liabilities and corporate taxes	<u>268,873</u>	
TOTAL ADJUSTMENTS		<u>464,933</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ 453,636</u>

ALLEGHENY INVESTMENT, LTD.
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Operations and Significant Accounting Policies

Operations: Allegheny Investments, LTD., is a full-service broker\dealer firm, offering access to a wide range of financial products and services, and specializing in consumer-oriented financial planning.

Property, Plant and Equipment: Property, plant and equipment are recorded at cost. 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 and Amortization: Depreciation and amortization are calculated using straight line and various accelerated methods over the useful lives of the assets.

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

<u>Assets</u>	<u>Economic Lives/Recovery Period</u>
Office furniture and equipment	3 - 10 years
Leasehold improvements	10 - 40 years

Depreciation expense for the nine months ended December 31, 2003 amounted to \$33,525.

Cash Flows: For purposes of the statement of cash flows, the Company considers highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk: The Company's principal activities include sales of securities, real estate partnerships, annuities and insurance contracts with the majority of their 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.

Receivable From Noncustomers: Noncustomer receivables consist of revenue due to the Company as 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. Advertising expense for the nine months ended December 31, 2003 amounted to \$19,040.

Note 2 - Estimates

The preparation of financial statements in conformity with 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.

**ALLEGHENY INVESTMENT, LTD.
NOTES TO THE FINANCIAL STATEMENTS**

Note 3 - Cash Reserve

The Company has cash of approximately \$25,000, which has been segregated in a special reserve account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission.

Note 4 - Income Taxes

The Company, with the consent of its shareholders, has elected effective April 1, 2003 to have its income taxed under Section 1372 of the Internal Revenue Code, which provides that in lieu of corporation income taxes, the shareholders 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. Prior to the change, income taxes currently payable and deferred income taxes related primarily to differences between the basis of property and equipment for financial and income tax reporting were recorded in the financial statements. Accordingly, the deferred tax liability at the date that the election for the change was filed of approximately \$17,400 has been eliminated through a credit to the deferred tax provision.

The provision for income taxes is as follows:

Current	
Federal	\$ (102)
State	(54)
Deferred	
Federal	(10,440)
State	<u>(6,960)</u>
Total	<u>\$ (17,556)</u>

Due to the election to have its income taxed under Section 1372 of the Internal Revenue Code, the Company has changed its year end from March 31 to December 31 effective April 1, 2003.

Note 5 - Profit Sharing Plan

The Company has adopted 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 contributed approximately \$48,227 to the plan during the nine months ended December 31, 2003.

ALLEGHENY INVESTMENT, LTD.
NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Related Party Transactions

The Company currently rents office space from a related party Partnership in accordance with a lease agreement through January 2009 with monthly rent of \$8,700. Rent expense for the nine months ended December 31, 2003 amounted to \$78,300.

The following represents the minimum rental payments:

Years ended December 31, 2004	\$ 104,400
2005	\$ 104,400
2006	\$ 104,400
2007	\$ 104,400
2008	\$ 104,400

Certain expenses are also allocated between the two companies based on calculations.

Note 7 - Leases

The Company rents office space in accordance with various lease agreements. Rent expense for the nine months ended December 31, 2003 amounted to \$24,735

The Company subleases a portion of the above office space in accordance with lease agreements through December 2003. The rental income for the year amounted to \$12,213 and is netted against rent expense.

Note 8 - Long-Term Debt

Long-term debt at December 31, 2003 consisted of the following:

Subordinated loan - related party, payable as approved by the regulatory agency of the NASD plus interest at prime plus 1/2% through November 2004, with interest only payments prior to approved payment.	\$ 100,000
Installment Loan Payable in eight semi-annual installments of \$12,500, with no interest, through September 2004.	<u>25,000</u> 125,000
Less: current portion	<u>25,000</u>
Long-term debt	<u>\$ 100,000</u>

Long-term debt maturities are as follows at December 31, 2003:

Year ended December 31, 2004	\$ <u>100,000</u>
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Interest expense for the nine months ended December 31, 2003 totaled \$142.

ALLEGHENY INVESTMENT, LTD.
NOTES TO THE FINANCIAL STATEMENTS

Note 9 - Stockholders' Equity

The Company has authorized 25,000 shares of class N non-voting common stock which has no par value. At December 31, 2003, no shares have been issued.

The stockholders of the Company have an agreement stipulating, among other things, the terms under which the Company's stock can be sold or transferred. The agreement provides that a stockholder intending to dispose of an interest in the Company must first offer his stock to the Company and then to the other stockholders 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 or disability.

Note 10 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rules (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2003, the Company had net capital of \$742,104 which was \$492,104 in excess of its required net capital of \$250,000. The Company's net capital ratio was 1.9400 to 1.

Note 11 - Investment

This security is not readily marketable, which means it is a security (a) for which there is no market on a securities exchange or no independent publicily quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, of conditions applicable to the securities or to the Company.

Note 12 - 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.

SUPPLEMENTARY INFORMATION

ALLEGHENY INVESTMENTS, LTD.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003

SCHEDULE I

NET CAPITAL	
Total stockholders' equity	\$ <u>981,494</u>
Add: Subordinated loan	<u>100,000</u>
Less: Non allowable assets	
Receivable from noncustomers	73,584
Furniture and equipment	123,940
Prepaid expenses	5,080
Trail commissions over payables	105,791
Advances to reps	16,307
Investment	<u>3,300</u>
TOTAL NON ALLOWABLE ASSETS	<u>328,002</u>
NET CAPITAL BEFORE HAIRCUTS	753,492
Haircuts on trading and investments securities - other	<u>(11,387)</u>
NET CAPITAL	<u>\$ 742,104</u>
AGGREGATE INDEBTEDNESS	
Accounts payable, commissions payable and deposits	<u>\$ 1,439,683</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required	<u>\$ 95,984</u>
Minimum dollar net capital requirement	<u>\$ 250,000</u>
Net capital requirement	<u>\$ 250,000</u>
Excess net capital at 1500%	<u>\$ 646,121</u>
Excess net capital at 1000%	<u>\$ 598,129</u>
Excess net capital	<u>\$ 492,104</u>
Ratio: Aggregate indebtedness to net capital	<u>1.94 to 1</u>

ALLEGHENY INVESTMENTS, LTD.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003

SCHEDULE II

All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Name of clearing firms - Rauscher Pierce Refnes, Inc.
- National Financial Services

Allegheny Investments, Inc. is exempt from the reserve requirements under SEC Rule 15c3-3 under paragraph k2ii.

ALLEGHENY INVESTMENTS, LTD.
RECONCILIATION OF AUDITED AND UNAUDITED COMPUTATIONS OF NET CAPITAL
PURSUANT TO RULE 15c3 1 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2003

SCHEDULE III

NET CAPITAL, AS REPORTED IN COMPANY'S UNAUDITED FOCUS REPORT (FORM X 17A 5, PART IIA)	\$ 1,327,458
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ADJUSTMENTS

Additional nonallowable Concession revenues	
Increase in receivable from noncustomers	75,863
Increase Trail Commission revenues	19,931
Increase in prepaid expenses	29,321
Audit adjustments to record additional expense	<u>(710,469)</u>

AUDITED NET CAPITAL	<u>\$ 742,104</u>
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February 17, 2004

Board of Directors
Allegheny Investments, LTD.
Pittsburgh, Pennsylvania

In planning and performing our audit of the financial statements of Allegheny Investments, LTD. (the Company), for the period April 1, 2003 thru December 31, 2003, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objective stated in Rule 17a-5(g), in the following:

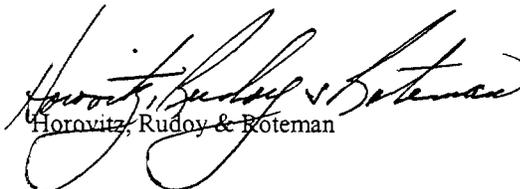
1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e)
2. Making the quarterly securities examinations, counts verifications and comparisons, and the recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of the internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of the internal structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the Commission's objectives.

This report is intended solely for the information and use of the board of directors, management, the SEC, the National Association of Securities Dealers, other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purposes.



Horowitz, Rudoy & Roteman