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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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ANNUAL AUDITED REPORT
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PART III

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

REPORT FOR THE PERIOD BEGINNING January 1, 2011 AND ENDING December 31, 2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Allegheny Investments, Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

811 Camp Horn Road, Suite 100

(No. and Street)

Pittsburgh

PA

15237

(City)

(State)

(Zip Code)

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

Jonathan Kuhn

412-536-8026

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

S.R. Snodgrass, A.C.

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

2100 Corporate Drive, Suite 400 Wexford

PA

15090

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

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

SEC 1410 (06-02)

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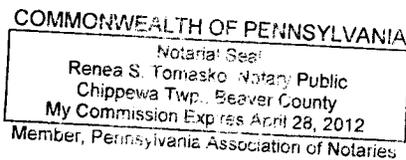
OATH OR AFFIRMATION

I, Karl G. Smrekar, Jr., 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, 2011, 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:

[Handwritten Signature]
Signature

Secretary/Treasurer
Title

[Handwritten Signature: Renea S. Tomasko]
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 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

ALLEGHENY INVESTMENTS, LTD.

PITTSBURGH, PENNSYLVANIA

AUDIT REPORT

DECEMBER 31, 2011

ALLEGHENY INVESTMENTS, LTD.

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Allegheny Investments, Ltd.

We have audited the accompanying statement of financial condition of Allegheny Investments, Ltd. (the "Company") as of December 31, 2011, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 U.S. generally accepted auditing standards. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. 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, 2011, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules I, II, and III required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A. R. Snodgrass, A. C.

Wexford, Pennsylvania
February 28, 2012

**ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2011**

ASSETS

Cash and cash equivalents	\$	788,177
Broker deposit		50,000
Investments, trading		1,150,280
Receivables, net		1,079,626
Furniture and fixtures - net of accumulated depreciation of \$191,032		6,367
Prepaid expenses		<u>160,678</u>
Total assets	\$	<u><u>3,235,128</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Commissions payable	\$	824,571
Accounts payable - related party		110,202
Accrued expenses		<u>128,589</u>
Total liabilities		<u><u>1,063,362</u></u>

STOCKHOLDERS' EQUITY

Common stock - voting; no par value; 25,000 shares authorized; 1,320 shares issued and 1,254 shares outstanding		33,750
Class N non-voting stock; no par value; 25,000 shares authorized; none issued and outstanding		-
Paid-in capital		116,430
Retained earnings		2,036,017
Treasury stock, 66 shares at cost		<u>(14,431)</u>
Total stockholders' equity		<u><u>2,171,766</u></u>

\$ 3,235,128

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

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

ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES

Commissions on securities	\$ 109,382
Commissions on investment company shares	10,664,213
Commissions on partnership interests	437,304
Commissions on annuities	1,159,658
Commissions - other	1,068,245
Rental income	19,834
Dividend income	22,266
Interest income	3,566
Other income	<u>16,150</u>

TOTAL REVENUES 13,500,618

EXPENSES

Employee compensation and benefits	10,672,799
Other expenses	<u>2,151,652</u>

TOTAL EXPENSES 12,824,451

NET INCOME \$ 676,167

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

**ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Total</u>	<u>Comprehensive Income</u>
Balance, beginning	\$ 33,750	\$ 116,430	\$ 1,359,850	\$ (14,431)	\$ 1,495,599	
Net income	-	-	676,167	-	676,167	<u>\$ 676,167</u>
Balance, ending	<u>\$ 33,750</u>	<u>\$ 116,430</u>	<u>\$ 2,036,017</u>	<u>\$ (14,431)</u>	<u>\$ 2,171,766</u>	

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

**ALLEGHENY INVESTMENTS, LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

INCREASE IN CASH AND CASH EQUIVALENTS		
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from commissions	\$ 14,523,383	
Cash paid to suppliers and employees	(14,182,179)	
Interest received	<u>3,566</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ 344,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	<u>(25,832)</u>	
NET CASH USED FOR INVESTING ACTIVITIES		<u>(25,832)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		318,938
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>469,239</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		\$ <u><u>788,177</u></u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
NET INCOME		\$ 676,167
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation		5,116
Trading gains on investments		(16,143)
CHANGES IN ASSETS AND LIABILITIES THAT PROVIDED (USED) CASH		
Receivables		(67,570)
Prepaid expenses		(24,614)
Deferred revenue		14,191
Commissions payable		66,378
Accounts payable, including related party		(316,326)
Accrued expenses		<u>7,571</u>
TOTAL ADJUSTMENTS		<u>(331,397)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ <u><u>344,770</u></u>

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 a full-service broker dealer firm, offering access to a wide range of financial products and services, and specializing in consumer-oriented financial planning.

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 that have readily determinable fair values are classified and accounted for as trading securities. Realized and unrealized gains and losses on trading securities are included in other income.

Furniture and Fixtures – Furniture and fixtures are carried 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 – 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:

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

Depreciation expense for the year ended December 31, 2011, amounted to \$5,116.

Cash Flows – For purposes of the Statement of Cash Flows, the Company considers highly liquid debt instruments purchased with an original 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 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. Advertising expense for the year ended December 31, 2011, amounted to \$135,244.

Commissions – Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

2. INVESTMENTS

Investment securities have been classified according to management's intent. A summary of investments at December 31, 2011, is as follows:

	<u>2011</u>
Trading securities at cost	\$ 1,128,461
Gross realized gains	<u>21,819</u>
Total	<u>\$ 1,150,280</u>

3. CASH RESERVE

The Company has cash of approximately \$50,000, which has been segregated in a special reserve account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission.

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 event occurs that requires a change. There is currently no liability for uncertain tax positions and no known unrecognized tax benefits. The Company's federal and state income tax returns for taxable years ending prior to 2008 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's allocated contribution was approximately \$150,788 to the plan during the year ended December 31, 2011.

6. RELATED-PARTY TRANSACTIONS

The Company has a payable of \$110,202 to an affiliated corporation for various expenses that have been allocated between the corporations based on calculations.

7. OPERATING LEASES

The Company and an affiliated corporation have also entered into a seven-year and five-month lease for the facilities they currently occupy. The total monthly rental is \$0 for the first five months; \$29,304 for the next three and a half years; and \$30,847 for the remaining three and half years. The Company's portion of these rental payments is \$0 for the first five months; \$19,282 for the next three and half years; and \$20,297 for the remaining three and a half years. During 2007, the Company and an affiliated company entered into an additional lease agreement for office space on an additional floor of the facility that it currently occupies. The total monthly rental for the additional space is \$0 for the first 2 months; \$8,691 for the next 22 months; and \$9,148 for the remaining 41 months. The Company's portion of these rental payments is \$0 for the first two months, \$5,719 for the next 22 months and \$6,020 for the remaining 41 months. Rent expense for the year ended December 31, 2011, amounted to \$324,370.

7. OPERATING LEASES (Continued)

The following is a schedule of future minimum rental payments required under the above leases as of December 31, 2011:

<u>Year Ended</u>	<u>Amount</u>
2012	\$ 315,801
2013	72,931

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 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, 2011, the Company had net capital of \$1,554,266, which was \$1,304,266 in excess of its required net capital of \$250,000. The Company's net capital ratio was 0.68 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.

As of December 31, 2011, the Company has been notified of a potential pending claim alleging that Allegheny Investments, Ltd. and a former registered representative sold unsuitable investments to the plaintiff. Allegheny Investments, Ltd. has reached a tentative settlement with the plaintiff and has accrued \$47,585 related to this claim as of December 31, 2011.

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 defined by U.S. generally accepted accounting principles are as follows:

11. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

- 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 tables present the assets reported on the Statement of Financial Condition at their fair value as of December 31, 2011, 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, 2011			
	Level I	Level II	Level III	Total
Assets:				
Investments, trading	\$ 1,150,280	\$ -	\$ -	\$ 1,150,280
Total	\$ 1,150,280	\$ -	\$ -	\$ 1,150,280

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. Trading 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 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. Cash and cash equivalents, broker deposit, investments, trading and receivables would be considered financial instruments. At December 31, 2011, the carrying amount of all financial instruments approximates fair value. In addition, the Company is obligated for the delivery of financial instruments that are not included on the accompanying Statement of Financial Condition. The fair value of these financial instruments approximates the commitment amount, as disclosed in Note 12, to deliver these financial instruments.

12. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In accordance with industry practice, the Company records clients' transactions on a trade date basis with settlement dates that generally can occur up to 30 days subsequent to the trade date. The Company is, therefore, exposed to risk of loss on these transactions in the event of the client's or broker's inability to meet other terms of their contracts, in which case the Company may have to purchase or sell financial instruments at prevailing market prices. The exposure to loss would be the difference in market prices between the date the financial instrument was traded and the date the financial instrument was ultimately disposed. At December 31, 2011, the Company had unsettled transactions of approximately \$5,999,637.

13. SUBSEQUENT EVENTS

In January 2012, the Company was the victim of a fraudulent transaction perpetrated by an outside party diverting certain assets under management to a bank account in a foreign country. The net amount of this transaction approximated \$506,000 for which the Company is aggressively pursuing recovery of these monies. The Company has reimbursed their client, and as such, this has resulted in a reduction to the Company's net capital position. However, the Company continues to maintain net capital levels in excess of regulatory requirements.

Management has reviewed events occurring through February 28, 2012, the date the financial statements were issued, and no other subsequent events occurred requiring accrual or disclosure.

SUPPLEMENTARY INFORMATION

ALLEGHENY INVESTMENTS, LTD.
 COMPUTATION OF NET CAPITAL
 UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
 DECEMBER 31, 2011

Schedule I

NET CAPITAL	
Total stockholders' equity	\$ <u>2,171,766</u>
Less: Nonallowable assets	
Receivables from brokers or dealers	329,153
Receivables from noncustomers	705
Furniture and equipment	6,367
Prepaid expenses	<u>160,678</u>
TOTAL NONALLOWABLE ASSETS	<u>496,903</u>
NET CAPITAL BEFORE HAIRCUTS	1,674,863
Haircuts on trading and investments securities - other	(100,597)
Deduction for Fidelity bond deductible	<u>(20,000)</u>
NET CAPITAL	\$ <u>1,554,266</u>
AGGREGATE INDEBTEDNESS	
Accounts payable, commissions payable, and deposits	\$ <u>1,063,362</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required	\$ <u>70,891</u>
Minimum dollar net capital requirement	\$ <u>250,000</u>
Net capital requirement	\$ <u>250,000</u>
Excess net capital at 1,500%	\$ <u>1,483,375</u>
Excess net capital at 1,000%	\$ <u>1,447,930</u>
Excess net capital	\$ <u>1,304,266</u>
Ratio: Aggregate indebtedness to net capital	<u>0.68 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, 2011**

Schedule II

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

Name of clearing firms - National Financial Services

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

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

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, 2011

Schedule III

NET CAPITAL, AS REPORTED IN COMPANY'S UNAUDITED FOCUS REPORT (FORM X 17A 5, PART IIA)	\$ 1,638,100
ADJUSTMENTS	
Adjustments to accrued expenses	<u>(83,834)</u>
AUDITED NET CAPITAL	\$ <u>1,554,266</u>

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



**Board of Directors
Allegheny Investments, Ltd.**

In planning and performing our audit of the financial statements of Allegheny Investments, Ltd. (the "Company") as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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 consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control 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 controls 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 internal control 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 conformity 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 internal control and the practices and procedures referred to above, error or fraud 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 or operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

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 and 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, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

A. R. Brodquist, A.C.

Wexford, PA
February 28, 2012



INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of Allegheny Investment, Ltd.
Pittsburgh, PA

In accordance with Rule 17a-5(e)(4) under the Securities and Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2011, which were agreed to by Allegheny Investments, Ltd., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Allegheny Investment Ltd.'s compliance with the applicable instructions on the General Assessment Reconciliation (Form SIPC-7). Allegheny Investments, Ltd.'s management is responsible for Allegheny Investment Ltd.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

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

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

A. R. Snodgrass, A.C.

Wexford, PA
February 28, 2012

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

For the fiscal year ended December 31, 20 11

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

022183 FINRA DEC
ALLEGHENY INVESTMENTS LTD 14*14
STONE QUARRY CROSSING
811 CAMP HORNE RD STE 100
PITTSBURGH PA 15237-1282

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (item 2e from page 2) \$ 1,206
- B. Less payment made with SIPC-6 filed (exclude interest) (-0-)
- C. Less prior overpayment applied (10,251)
- D. Assessment balance due or (overpayment) < 9,045 >
- E. Interest computed on late payment (see instruction E) for days at 20% per annum -0-
- F. Total assessment balance and interest due (or overpayment carried forward) < \$ 9,045 >
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ N/A
- H. Overpayment carried forward \$(9,045)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Allegheny Investments, LTD
(Name of Corporation, Partnership or other organization)
[Signature]
(Authorized Signature)
President
(Title)

Dated the 28 day of February, 20 11

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1-1, 20 11
and ending 12-31, 20 11

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 13,479,023

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

12,996,432

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ _____

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

12,996,432

2d. SIPC Net Operating Revenues

\$ 482,591

2e. General Assessment @ .0025

\$ 1,206

(to page 1, line 2.A.)