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

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Section

MAR 01 2017

Washington DC

OMB APPROVAL	
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SEC FILE NUMBER
8-69318

**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 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: *Allegis INVESTMENT SERVICES, LLC*

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
951 Park Ave, Suite 101

(No. and Street)

Idaho Falls

ID

83402

(City)

(State)

(Zip Code)

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

Brian C Pierce

801-826-3907

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

WSRP, LLC

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

155 North 400 West, Suite 400 Salt Lake City

UT

84103

(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)

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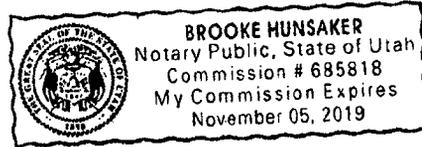
OATH OR AFFIRMATION

I, Brian C Pierce, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Allegis Investment Services, LLC, as of December 31, 2016, 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:

Brian C Pierce
Signature

FINOP
Title

Brooke Hunsaker
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).



CERTIFIED PUBLIC  
ACCOUNTANTS AND  
BUSINESS ADVISORS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Members of  
Allegis Investment Services, LLC

We have audited the accompanying statement of financial condition of Allegis Investment Services, LLC as of December 31, 2016, and the related statements of operations, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of Allegis Investment Services, LLC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 Allegis Investment Services, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Computation of Net Capital Under SEC Rule 15c3-1 (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of Allegis Investment Services, LLC's financial statements. The supplemental information is the responsibility of Allegis Investment Services, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*WSRP, LLC*

Salt Lake City, Utah  
February 28, 2017

# Allegis Investment Services, LLC

## Statement of Financial Condition December 31, 2016

	<u>2016</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 89,186
Restricted Cash	1,423
Accounts Receivable	215,318
Prepaid Expenses	8,012
Total Current Assets	<u>313,939</u>
Fixed Assets, net of \$1,068 of Accumulated Depreciation	<u>3,175</u>
Total Assets	<u>\$ 317,114</u>
<b>Liabilities and Members' Equity</b>	
Current Liabilities	
Accounts Payable	\$ 6,046
Accounts Payable Related Party	26,989
Accrued Commissions	<u>175,234</u>
Current Liabilities	208,269
Members' Equity	108,845
Total Liabilities and Members' Equity	<u>\$ 317,114</u>

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

# Allegis Investment Services, LLC

## *Statement of Operations* *For the year ended December 31, 2016*

	<u>2016</u>
Revenues	
Revenue from the Sales of Variable Insurance Based Products	\$ 1,576,942
Revenue from the Sales of Investment Company Shares	383,403
Reimbursed Expenses	114,536
Revenue from Real Estate Investment Trust	65,381
Revenue from the Sales of Fixed Insurance Based Products	<u>7,170</u>
Total Revenue	<u>2,147,432</u>
Expenses	
Commissions Expense	1,688,352
Payroll Expense	176,427
Regulatory Expenses	97,958
Software Fees	58,250
Liability Insurance Expense	33,534
Other	14,247
Education and Training	12,362
Office Space and Related Expenses	11,710
Accounting Expense	9,800
Compliance Support Fees	2,567
Telephone Expenses	663
Depreciation Expense	<u>534</u>
	<u>2,106,404</u>
Net Income	\$ <u>41,028</u>

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

# Allegis Investment Services, LLC

## *Statement of Changes in Members' Equity For the year ended December 31, 2016*

	<u>Members' Equity</u>
Balance at December 31, 2015	\$ 67,817
Net Income	<u>41,028</u>
Balance at December 31, 2016	<u><u>\$ 108,845</u></u>

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

# Allegis Investment Services, LLC

## *Statement of Cash Flows* *For the year ended December 31, 2016*

	<u>2016</u>
Cash Flows from Operating Activities	
Net Income	\$ 41,028
Adjustments to reconcile Net Income to net cash from operating activities:	
Depreciation Expense	534
Changes in Certain Operating Assets and Liabilities:	
Accounts Receivable	(115,435)
Accounts Payable Related Party	10,319
Accrued Commissions	73,786
Accounts Payable	2,054
Prepaid Expenses	<u>1,153</u>
Net cash from Operating Activities	<u>13,439</u>
Net change in Cash and Cash Equivalents	13,439
Cash and Cash Equivalents at beginning of year	77,170
Cash and Cash Equivalents at end of year	\$ <u><u>90,609</u></u>
Cash paid during the year for	
Interest Paid	\$ -
Income Taxes	\$ -

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

# Allegis Investment Services, LLC

## *Notes to Financial Statements For the year December 31, 2016*

### **Note 1 - Organization and Nature of Operations**

Allegis Investment Services, LLC (the "Company") is a registered securities broker-dealer that is domiciled and registered in the state of Idaho as a Limited Liability Company as of May 30, 2013. The Company is registered to engage in the securities business as a broker-dealer in AK, AL, AR, AZ, CA, CO, CT, FL, GA, IA, ID, IN, KS, KY, LA, MD, MI, MN, MT, NC, ND, NM, NV, NY, OH, OK, OR, PA, SC, TX, UT, VA, WA, WI, and WY.

The Company was approved by Financial Industry Regulatory Authority (FINRA) to operate as a Subscription Firm Broker Dealer on February 28, 2014. The Company is also a member of the Securities Investor Protection Corporation (SIPC). As a Subscription Firm, the Company is limited and is engaged in transactions only with investment company shares and variable life and annuity based products and does not receive customer monies or securities.

### **Note 2 - Summary of Significant Accounting Policies**

*Basis of Presentation* - The Financial Statements are prepared in conformity with accounting principles generally accepting in the United States of America (U.S. GAAP) on the accrual basis. Significant accounting policies are summarized below.

*Revenue Recognition* – The Company recognizes revenue at the time it is earned, which is the trade date of a transaction of investment company shares, the date when a sponsoring company applies the premium received or deducts commission fees from variable annuity and life based products. The notifications of transactions are received either by electronic file downloads from DST Internet Dealer Commissions (DST-IDC) or paper sponsoring commission statements that are received.

*Accounts Receivable* - Accounts Receivable represent unpaid commissions that have been earned on completed transactions. Accounts Receivable also include fees that are due from Registered Representatives for FINRA fees, state registrations, Errors and Omissions fees, and technology fees that have not been received by the Company. Management evaluated the procedure of recognition of Accounts Receivable and does not believe any provisions are necessary due to the short term nature, as amounts are considered collectable in full.

*Cash and Cash Equivalents* - The Company considers all highly liquid investments that have a maturity of 3 months or less to be Cash and Cash Equivalents. Included in Cash and Cash Equivalents is the Flex Funding Account, which is not easily accessible by the

Company. The funds in Restricted Cash are for the sole use of covering FINRA and state registration fees, fingerprint fees, and annual renewal fees. As of December 31, 2016 the balance for this account was \$1,423. The Company had no Cash or Cash Equivalents amounts over the \$250,000 Federal Deposit Insurance Corporation (FDIC) limit at December 31, 2016.

Fixed Assets - The fixed assets include computers and equipment and are carried at cost on the Statement of Financial Condition. The maintenance for the equipment will be expensed as it is incurred. Depreciation Expense will be calculated using the Straight Line method. The estimated useful life of the equipment is 5 years.

Financial Instruments - Management estimates the carrying value of Current Assets and Current Liabilities approximate, fair value based on the short-term nature of these instruments.

Income Taxes - The Company is taxed as a Limited Liability Company for federal and state income tax purposes. The owners of the Company are responsible for federal and state income tax liability. The Company is not liable, therefore the financial statements do not include a provision or liability for federal income taxes. The Company follows the accounting for uncertainty in income taxes of the income taxes topic of the FASB codification. As of December 31, 2016, the Company has no material uncertain income tax positions. Tax years subject to examination by state and local authorities are for years 2013 and forward.

Use of Estimates - The financial statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from these estimates. Management believes that these estimates provide a reasonable basis for the fair presentation of the Company's financial condition and results of operations.

Advertising Expense - The Company expenses advertising as it is incurred. The Company's total advertising expense was \$2,745 for the year ended December 31, 2016.

Accounting Pronouncements - In May 2014, the FASB issued Account Standards Update No. 2014-09, Revenue from Contracts with Customers. The objective of this update is to 1) remove inconsistencies and weaknesses in revenue requirements, 2) provide a robust framework for addressing revenue recognition issues, 3) improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets 4) provide more useful information to users of financial statements through improved disclosure requirements, and 5) simplify the preparation of financial statements. This update is effective in annual reporting periods beginning after December 15, 2017 and the interim periods within that year. The Company will be evaluating the impact of this update as it pertains to the Company's financial statements and other required disclosures on an on-going basis until its eventual adoption and incorporation.

### **Note 3 - Related-Party Transactions**

The Company has a Sharing Expense agreement with Allegis Investment Advisors, LLC and Allegis Insurance Agency Inc., d/b/a Allegis Advisor Group, which are affiliated Companies ("Affiliate"). The Company and Affiliate share common control ownership, and physical location. The Affiliate agrees to furnish and pay, either directly or through related person on behalf of the Company for office equipment, furnishings, and fixtures, wages, office supplies, including software and print/copy supplies, postage, utilities, telephone, internet, travel and entertainment expenses incurred in the conduct of business. The Company is responsible for all bills received in its name, including SIPC and FINRA assessments, licensing and registration fees charged by federal and state securities regulators with oversight over the Company, annual audit and accounting fees incurred for the Company, arbitration and court awards, attorney's fees incurred for the Company, fidelity bond insurance premiums and securities owed to the Company licensed individuals.

The Company's sharing agreement with Allegis Investment Advisors requires a reasonable allocation of shared expenses of office space and related expenses to be paid to the Affiliate. The current sharing agreement was executed on September 1, 2016 and will remain effective for 12 months. The Company has agreed to pay \$1,525 for the office space and 47% of the monthly utilities, maintenance, and other related expenses.

The Company's sharing agreement with Allegis Insurance Agency Inc. requires a reasonable allocation of shared wages expense to be paid to the Affiliate. The Affiliate calculates the allocation of shared wages expense based on work performed for the Company monthly.

The Company accrues monthly the shared expenses as a liability and pays the Affiliate the prior month's shared expenses monthly. The shared expense agreement will be reviewed by the Company and Affiliate every 12 months to evaluate the Company's allocation of expenses. As of December 31, 2016, \$26,989 of Accounts Payable and \$188,137 of expenses account for Related Party transactions with the Affiliates.

### **Note 4 - Net Capital Requirement**

Allegis Investment Services, LLC is a Subscription Firm Broker Dealer that transacts in only business with investment company shares and variable life and annuity based insurance based products and does not receive customer moneys or securities. Under Rule 15c3-1 the Company's net capital requirement is the greater of \$5,000 or 6 2/3% of Aggregated Indebtedness at all times.

As of December 31, 2016 the Company's Net Capital is \$96,234 with \$82,350 of Net Capital in excess of the Company's required Net Capital of \$5,000. Also the ratio of aggregate indebtedness to Net Capital is 2.16 to 1.

**Note 5 - Concentrations**

In the normal course of business, the Company may have concentration of Sales to Customers with Sponsoring Carriers. As of December 31, 2016, the Company had 3 sponsoring carriers that comprised 43% of Company sales.

**Note 6 - Subsequent Events**

In accordance with the provisions set forth in FASB ASC 855, *Subsequent Events*, the Company has evaluated all events and transactions from December 31, 2016 through February 28, 2016, the date the Financial Statements were available to be issued, and has determined that there were no material events that would require adjustment or disclosure herein.

## Supplementary Information

# Allegis Investment Services, LLC

## *Computation and Reconciliation of Net Capital December 31, 2016*

Total Members' Equity	\$	108,845
Less Non-Allowable Assets:		
Office Equipment, Net of Accumulated Depreciation		(3,175)
Prepaid Expenses		(8,012)
Cash in "Flex Funding Account"		(1,424)
Net Capital		<u>96,234</u>
Aggregate Indebtedness		
Total Liabilities		<u>208,269</u>
Total Aggregate Indebtedness		<u>208,269</u>
Computation of Basic Net Capital Requirement		
6 2/3% of Aggregate Indebtedness		13,884
Minimum Net Capital Required		5,000
Greater of the Two Amounts		<u>13,884</u>
Capital in Excess of Required Minimum	\$	<u>82,350</u>
Ratio of Aggregate Indebtedness to Net Capital		2.16

**Reconciliation of Difference Between Net Capital and Net Capital per Focus Report dated December 31, 2016:** A reconciliation of the Company's computation of net capital as report was not prepared as there are no material differences between the Company's computation of net capital included in its unaudited Form X-17A-5 Part III and the computation herein.



CERTIFIED PUBLIC  
ACCOUNTANTS AND  
BUSINESS ADVISORS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Managing Members of  
Allegis Investment Services, LLC

We have reviewed management's statements, included in the accompanying Exemption Statement, in which (1) Allegis Investment Services, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Allegis Investment Services, LLC claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) Allegis Investment Services, LLC stated that Allegis Investment Services, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Allegis Investment Services, LLC's management is responsible for compliance with the exemption provisions and its statements.

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

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*WSRP, LLC*

Salt Lake City, Utah  
February 28, 2017

## Allegis Investment Services, LLC Exemption Report

**Allegis Investments Services, LLC** (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i).

(2) The Company had no obligations under 17 C.F.R. § 240.15c3-3 beginning February, 2014 through December 31, 2015 except as described below.

Commencing with its first FOCUS filing of February 2014 through December 31, 2015, the Company had been inadvertently selecting its exemption provision for Rule 15c3-3 on page 7 of the Focus Report as exemption (k)(1). A review was conducted February 2016 of the Company's FOCUS filing which compared the exemption noted in its FOCUS Filings to its membership agreement. The Company's Membership Agreement indicated the Company's exemption provision was (k)(2)(i). The Company's FINOP, Brian Pierce, called the Company's principal examiner at FINRA, Brendon Maloney, on February 24, 2016, to discuss the matter. Brendon Maloney suggested that the Company simply file the FOCUS reports for February 2016 and forward with the correct exemption. Brian Pierce specifically asked if the Company should amend any previous FOCUS reports and was advised that it was not necessary.

These assertions are the responsibility of management. The Company acknowledges it is also management's responsibility for compliance with the identified exemption provisions through the year ended December 31, 2016.

The Company has made available to the accountants all records and other information relevant to the Company's assertions, including all communications from regulatory agencies, internal auditors, others who perform an equivalent function, compliance functions, and other auditors concerning possible exceptions to the exemption provisions through the date of the review report.

There were no events, subsequent to the period addressed in the Company's assertions, any known events or other factors that might significantly affect the broker's or dealer's compliance with the identified exemption provisions.

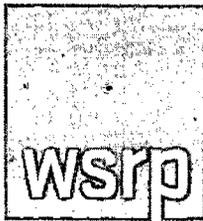
Allegis Investments Services, LLC

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

By: 

Title: FINOP

Date: 2/28/2017



CERTIFIED PUBLIC  
ACCOUNTANTS AND  
BUSINESS ADVISORS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING  
AGREED-UPON PROCEDURES**

To the Managing Members of  
Allegis Investment Services, LLC

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by Allegis Investment Services, LLC and SIPC, and other designated examining authorities, solely to assist you and the other specified parties in evaluating Allegis Investment Services, LLC's compliance with the applicable instructions of Form SIPC-7. Allegis Investment Services, LLC's management is responsible for Allegis Investment Services, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 entries in the general ledger detail of Allegis Investment Services, LLC and respective bank statements, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016 with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers from the general ledger detail as well as invoice copies and other supporting documentation from Allegis Investment Services, LLC, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers from the general ledger detail of Allegis Investment Services, LLC, 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.

*WSRP, LLC*

Salt Lake City, Utah  
February 28, 2017