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

SEC FILE NUMBER
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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 01/01/18 AND ENDING 12/31/18
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Mazzone & Associates, Inc.	OFFICIAL USE ONLY FIRM I.D. NO.	
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 75 Fourteenth St., NE, Suite 2800, Office Tower at the Four Seasons		
(No. and Street)		
Atlanta	GA	30309
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Dominic Mazzone 404.931.8545
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ascent CPA Group, LLC

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

3348 Peachtree Road, NE, Suite 150	Atlanta	GA	30326
(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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MAZZONE & ASSOCIATES, INC.

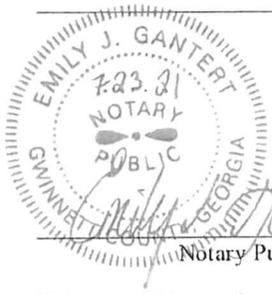
**FINANCIAL STATEMENTS
(CONFIDENTIAL)**

For the Year Ended December 31, 2018

OATH OR AFFIRMATION

I, Dominic C. Mazzone, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mazzone & Associates, Inc., as of February 19, 2019, 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:

Not applicable.



Emily J. Gantert
Notary Public
2/19/2019

[Signature]
Signature

Chief Executive Officer
Title

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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).

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Ascent CPA Group, LLC
CPAs & Trusted Advisors.
3348 Peachtree Road, NE - Suite 150
Atlanta, GA 30326
<http://ascentcpa.com>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of
Mazzone & Associates, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition Mazzone & Associates, Inc. (an S-Corporation) as of December 31, 2018, and the related statements of income, changes in shareholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Mazzone & Associates, Inc. as of December 31, 2018, 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.

Basis for Opinion

These financial statements are the responsibility of Mazzone & Associates, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Mazzone & Associates, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplementary information is the responsibility of the Company's management. Our audit procedures included determining whether the supplementary 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 supplementary information. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ascent CPA Group, LLC

We have served as Mazzone & Associates, Inc.'s auditor since 2017.
Atlanta, Georgia
February 18, 2019

MAZZONE & ASSOCIATES, INC.
STATEMENT OF FINANCIAL CONDITION
As of December 31, 2018

<u>Assets</u>	
Cash	\$ 56,162
Accounts receivable	3,000
Prepaid expenses	3,361
Property and equipment, net	5,077
Deposits	<u>7,299</u>
Total assets	\$ <u>74,899</u>
<u>Liabilities and Shareholder's Equity</u>	
Liabilities	
Accounts payable and accrued expenses	\$ 10,271
Deferred rent	<u>8,903</u>
Total liabilities	<u>19,174</u>
Shareholder's equity	
Common stock, \$0.01 par value, 1,000 shares authorized; 1,000 shares issued and outstanding	10
Additional paid-in capital	124,990
Retained earnings (accumulated deficit)	<u>(69,275)</u>
Total shareholder's equity	<u>55,725</u>
Total liabilities and shareholder's equity	\$ <u>74,899</u>

See accompanying notes to financial statements.

MAZZONE & ASSOCIATES, INC.
STATEMENT OF INCOME
For the Year Ended December 31, 2018

<u>Revenues</u>	
Investment advisory fees	\$ 1,097,875
Other advisory services	588,627
Reimbursed expenses	1,288
Interest income	<u>7</u>
Total revenues	1,687,797
<u>Expenses</u>	
Compensation and related expenses	816,544
Brokerage, commission, and clearing fees	18,899
Office and other operating expenses	405,356
Loss on sale of assets	10,292
Sales and marketing expenses	<u>21,852</u>
Total expenses	1,272,943
Net income	\$ <u>414,854</u>

See accompanying notes to financial statements.

MAZZONE & ASSOCIATES, INC.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the Year Ended December 31, 2018

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Shareholder's Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Balance December 31, 2017	550	\$10	\$124,990	\$(4,129)	\$120,871
Net income	-	-	-	414,854	414,854
Distributions	-	-	-	(480,000)	(480,000)
Balance December 31, 2018	550	\$10	\$124,990	\$(69,275)	\$55,725

See accompanying notes to financial statements.

MAZZONE & ASSOCIATES, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

<u>Cash flows from operating activities</u>	
Net income	\$ 414,854
Adjustments to reconcile net income to net cash provided by operating activities:	
Loss on sale of asset	10,292
Depreciation	8,406
Deferred rent	6,443
Changes in operating assets and liabilities:	
Accounts receivable	(3,000)
Prepaid expenses and deposits	1,130
Accounts payable and accrued expenses	<u>663</u>
Net cash provided by operating activities	438,788
<u>Cash flows from investing activities</u>	
Asset additions and disposals	<u>20,671</u>
Net cash provided by investing activities	20,671
<u>Cash flows from financing activities</u>	
Distributions to shareholder	<u>(480,000)</u>
Net cash used by financing activities	(480,000)
Net decrease in cash and cash equivalents	(20,541)
Cash and cash equivalents at beginning of year	76,703
Cash and cash equivalents at end of year	\$ <u>56,162</u>

See accompanying notes to financial statements.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

1. Organization and description of business

Mazzone & Associates, Inc. (the "Company"), is a non-carrying, non-clearing broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). The Company provides agency transactions, investment banking, mergers and acquisitions advisory, and corporate finance services including structuring debt to middle market companies, private equity groups, and individuals buying and selling companies in multiple industry sectors throughout the United States of America. The Company generates revenue from a few large transactions. Because of the nature of this business, the Company may experience long periods of time without closing a transaction. The Company, a Georgia corporation formed on February 2, 2007, is based in Atlanta, Georgia.

2. Summary of significant accounting policies

a. *Basis of accounting*

The accompanying financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities in accordance with accounting principles generally accepted in the United States of America.

b. *Investment banking, investment advisory fees, and other advisory services*

Investment banking revenues include fees and commissions, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment advisory fees include mergers and acquisitions transaction fees earned. Other advisory services include fees earned from providing merger and acquisition and financial advisory services. Investment banking, investment advisory fees, and other advisory services are recorded at the date of settlement or the time the transaction is completed and the related income is reasonably determinable. All related expenses, including commission expense arising from these transactions are also recorded at the date of settlement.

c. *Advertising costs*

Advertising and promotion expenses are recognized as incurred. During the year ended December 31, 2018 the Company expensed advertising and marketing costs of approximately \$21,852.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

2. Summary of significant accounting policies (continued)

d. Income taxes

The Company has elected to be taxed as an S Corporation for income tax purposes. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements as the tax effects of the Company's activities are the responsibility of its shareholder.

FASB ASC 740, *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. FASB ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions would "more-likely-than-not" be sustained if challenged by an applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The Company evaluates its uncertain tax positions using the provisions of FASB ASC 450, *Contingencies*. Management believes there are no material estimates that should be accrued as of December 31, 2018. The Company is no longer subject to examination by taxing authorities for tax years prior to 2015.

e. Cash and cash equivalents

The Company considers all cash and money market investments with original maturities of three months or less to be cash equivalents.

f. Receivable from Customer

Receivable from customers is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible accounts through a charge to earnings and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has performed reasonable collection efforts are written off through a charge to the allowance and a credit to receivable from customers. Management believes that all accounts receivable are fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations when that determination is made.

g. Property and equipment

Property and equipment are recorded at acquisition cost less depreciation accumulated over the useful life of the asset in accordance with the guidance of FASB ASC 360. Expenditures for maintenance and repairs are expensed as incurred, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired or otherwise disposed of, and the related allowance of depreciation are eliminated from the accounts and any resulting gain or loss is recognized.

Furniture and fixtures, software, and equipment are depreciated on a straight-line basis over five-year estimated useful lives.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

2. Summary of significant accounting policies (continued)

h. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i. Fair value of financial instruments

The Company determines the fair value of financial instruments in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income, and cost approaches. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

As a basis for categorizing these inputs, FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes the following hierarchy, which prioritizes the inputs used to measure fair value from market based assumptions to entity specific assumptions:

- Level 1: Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

2. Summary of significant accounting policies (continued)

There were no assets or liabilities measured at fair value on a recurring basis at December 31, 2018.

j. Subsequent events

The Company evaluates subsequent events in accordance with FASB ASC 855, *Subsequent Events*. The Company has evaluated subsequent events through the date and time the financial statements were issued on February 18, 2019.

k. Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" (ASU 2014-09) and has since modified the standard with ASU 2015-14, "Deferral of the Effective Date." These standards replace existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements. The Company adopted ASU 2014-09 effective January 1, 2018. The adoption had minimal impact on The Company's financial statement presentation.

l. Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02") which supersedes existing guidance on accounting for leases in "Leases (Topic 840)." The standard requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The Company will adopt ASU 2016-02 effective January 1, 2019. The Company is currently evaluating the effects of adopting ASU 2016-02 on its financial statements.

3. Property and equipment

Property and equipment recorded at cost as of December 31, 2018, consists of the following classifications:

Equipment	\$	36,335
Furniture and fixtures		21,712
Telephone		<u>10,449</u>
		68,496
Less accumulated depreciation		<u>63,419</u>
Net property and equipment	\$	<u>5,077</u>

Depreciation expense charged to operations totaled \$8,406 for the year ended December 31, 2018.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

4. Operating leases

The Company has a noncancelable operating lease agreement for office space that originally expired in 2018, with monthly payments ranging from \$3,648 to \$8,459. During 2017, the Company amended the lease to extend the expiration date to February 2023 with escalating monthly payments ranging from \$9,021 to \$10,154.

The office rental expenses charged to operations under the lease agreements totaled approximately \$120,324 for the year ended December 31, 2018.

As of December 31, 2018, minimum future payments required under the terms of the operating leases were as follows:

For the year ending December 31,	
2019	\$ 110,962
2020	114,290
2021	117,712
2022	121,231
2023	<u>20,303</u>
	\$ <u>484,498</u>

5. Retirement plan

The Company has a simplified employee pension plan (SEP) for employees. Under the Plan, the Company makes discretionary contributions to traditional IRA accounts on behalf of eligible employees. Employees are 100% vested in all contributions. For the year ended December 31, 2018, the Company did not make a contribution to the Plan.

6. Net capital requirements

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. The rule states, in part, that a broker or dealer that does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to, customers and does not carry accounts of, or for, customers is required to maintain minimum net capital of 6-2/3% of aggregate indebtedness, or \$5,000, whichever is greatest. As of December 31, 2018, the Company has net capital of \$36,988, which exceeds its requirement of \$5,000 by \$31,988.

MAZZONE & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2018

7. Concentrations and Contingencies

The Company maintains cash balances at banks and other financial institutions. Accounts at banks and institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company's cash deposits did not exceed the insured amount at December 31, 2018.

The Company is engaged in various agency and investment banking brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

SUPPLEMENTARY INFORMATION

MAZZONE & ASSOCIATES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2018

Schedule I	
Net capital	
Total shareholder's equity	\$ 55,725
Deduct total non-allowable assets	<u>18,737</u>
Net capital before haircuts on securities	36,988
Haircuts on securities	-
Net capital	<u>36,988</u>
Aggregated indebtedness	
Accounts payable and accrued expenses	10,271
Deferred rent	<u>8,903</u>
Total aggregate indebtedness	<u>19,174</u>
Computation of basic net capital Requirement	
Minimum net capital required	<u>5,000</u>
Excess net capital	<u>31,988</u>
Percentage of aggregate indebtedness to net capital	52%
Reconciliation of net capital computation under Rule 17a-5(d)(4) of the Securities and Exchange Act of 1934:	
Net capital, as reported in Company's unaudited Part II of Form X-17 A-5	\$ <u>36,988</u>
Net Capital, as reported in Company's audited financial report	\$ <u>36,988</u>

See independent auditors' report.

MAZZONE & ASSOCIATES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2018

Schedule II

The Company is exempt from compliance with Rule 15c3-3 under Section (k)(2)(i) of the Rule. The Company does not carry security accounts for customers, perform custodial functions relating to customer securities, clear or introduce customer transactions. The Company was in compliance with the conditions of the exemption as of December 31, 2018.

See independent auditors' report.

MAZZONE & ASSOCIATES, INC.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE
15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2018

Schedule III

The Company is exempt from compliance with Rule 15c3-3 under Section (k)(2)(i) of the Rule. The Company does not carry security accounts for customers, perform custodial functions relating to customer securities, or clear or introduce customer transactions. The Company was in compliance with the conditions of the exemption as of December 31, 2018.

See independent auditors' report.



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Atlanta, GA 30326
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of
Mazzone and Associates, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Mazzone and Associates, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Mazzone and Associates, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: Section (k)(2)(ii) (the "exemption provisions") and (2) Mazzone and Associates, Inc. stated that Mazzone and Associates, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Mazzone and Associates, Inc.'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 Mazzone and Associates, Inc.'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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Ascent CPA Group, LLC

Atlanta, Georgia
February 18, 2019

MAZZONE & ASSOCIATES, INC.
EXEMPTION REPORT
As of December 31, 2018

The Company is exempt from Rule 15c3-3 because it meets conditions set forth in paragraph (k) of Rule 15c3-3; specifically 2i. The statements are made to the best knowledge and belief of the broker dealer. The exemptions were met for the year ended December 31, 2018 without exception.

A handwritten signature in black ink, appearing to be the initials 'DMF'.

See independent auditors' report.



Ascent CPA Group, LLC
CPAs & Trusted Advisors.
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Atlanta, GA 30326
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**INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT
ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

To the Shareholder of
Mazzone and Associates, Inc.

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, which were agreed to by Mazzone and Associates, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Mazzone and Associates, Inc. for the year ended December 31, 2018, solely to assist you and SIPC in evaluating Mazzone and Associates, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Mazzone and Associates, Inc.'s management is responsible for Mazzone and Associates, Inc.'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, noting no differences;
- 2) Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2018, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated 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 with the applicable instructions of the Form SIPC-7. 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.

Ascent CPA Group, LLC

February 18, 2019

See independent auditors' report.