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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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**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 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Allegiance Capital LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
50 Donald B. Dean Dr. Suite One

(No. and Street)

SOUTH PORTLAND
(City)

ME
(State)

04106
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Neal Richard 207-879-2352
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Jennifer Wray CPA PLLC

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

16418 Beewood Glen Dr.
(Address)

Sugar Land
(City)

TX
(State)

77498
(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 (11-05)

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OATH OR AFFIRMATION

I, Neal Richard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Allegiance Capital LLC, as of December, 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:

Neal Richard
Signature

Principal of Financial Operations
Title

Mallory C. Bakutis
Notary Public

Mallory C. Bakutis
Notary Public, State of Maine
My Commission Expires October 18, 2026

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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).

Allegiance Capital, LLC

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended December 31, 2019

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Jennifer Wray CPA PLLC

16418 Beewood Glen Dr Sugar Land, TX 77498 Tel: 281-923-7665 Email: jenniferwraycpa@yahoo.com PCAOB#6328

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the member of
Allegiance Capital LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Allegiance Capital LLC as of December 31, 2019, the related statements of income, changes in member's equity, and cash flows for the 2019 then ended, and the related notes and schedules. In our opinion, the financial statements present fairly, in all material respects, the financial position of Allegiance Capital LLC as of December 31, 2019 and the results of its operations and its cash flows for the 2019 then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Allegiance Capital LLC's management. Our responsibility is to express an opinion on Allegiance Capital LLC 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 Allegiance Capital LLC 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.

Auditor's Report on Supplemental Information

The supplementary information contained in Schedules I on the page 12 has been subjected to audit procedures performed in conjunction with the audit of Allegiance Capital LLC financial statements. The supplemental information is the responsibility of Allegiance Capital LLC management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Supplementary schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Jennifer Wray CPA PLLC



We have served as Allegiance Capital LLC's auditor since 2020.

Sugar Land, Texas

Feb 27, 2020

Allegiance Capital, LLC
STATEMENT OF FINANCIAL CONDITION
December 31, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 62,887
Cash and cash equivalents - restricted	<u>\$ 25,000</u>
Total Cash and Cash Equivalents	<u>\$87,887</u>
Prepaid expenses	<u>16,804</u>
Total Assets	<u>\$104,691</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	\$ 6,619
Accounts payable	<u>98,072</u>
MEMBERS' EQUITY	<u>\$104,691</u>

The accompanying notes are an integral part of these statements.

Allegiance Capital, LLC
STATEMENT OF INCOME
Year Ended December 31, 2019

REVENUES	
Commissions and consulting	\$188,699
Trading service income	180,000
Interest income	<u>2,926</u>
Total revenues	<u>371,625</u>
OPERATING EXPENSES	
Brokerage, exchange and clearance fees	78,122
Filing fees	10,934
Insurance	7,298
Professional fees	47,344
Rent	14,400
Management fee	147,897
Telephone	2,339
Office expenses	16,487
Miscellaneous	<u>1,124</u>
Total operating expenses	<u>325,945</u>
NET INCOME	<u>\$ 45,680</u>

The accompanying notes are an integral part of these statements.

Allegiance Capital, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
Year Ended December 31, 2019

Balance, beginning of year	\$106,866
Net income	45,680
Members' distributions	<u>(54,474)</u>
Balance, end of year	<u>\$ 98,072</u>

The accompanying notes are an integral part of these statements.

Allegiance Capital, LLC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	<u>\$45,680</u>
Adjustments to reconcile net income to net cash provided by operating activities	
Decrease in other receivables	3,736
Decrease in prepaid expenses	127
Decrease in accounts payable	(1,287)
Decrease in due from affiliates	<u>48,275</u>
Total adjustments	<u>50,851</u>
Net cash provided by operating activities	96,531
CASH FLOWS FROM FINANCING ACTIVITIES	
Members' distributions	<u>(54,474)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	42,057
Cash and cash equivalents, beginning	<u>45,830</u>
Cash and cash equivalents, ending	<u>\$87,887</u>

The accompanying notes are an integral part of these statements.

Allegiance Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Allegiance Capital, LLC (the Company) is a broker-dealer d/b/a Richard Brothers Securities registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company is a limited liability company organized in Maine. The clients are located primarily in New England. The Company is exempt from SEC Rule 15c3-3, paragraph (k)(2)(ii), Customer Protection Reserves and Custody of Securities, since it does not hold client funds or securities.

The accompanying financial statements have been prepared from separate records maintained by the Company and, due to certain transactions and agreements with affiliated entities, may not necessarily be indicative of the financial condition that would have existed, or the results that would have been obtained from operations, had the Company operated as an unaffiliated company.

Income Taxes

The Company is treated as a partnership for income tax purposes. Under subchapter K of the Internal Revenue Code, each member is taxed separately on their distributive share of the Partnership's income whether or not that income is actually distributed.

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 during the reporting period and at the date of the financial statements. Actual results could differ from those estimates.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days and not held for sale in the ordinary course of business.

Allegiance Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur. The Company is introducing broker for these clients through Allegiance Financial Group, Inc., a related party, and earns trading service income. The Company still receives commissions for accounts that are not managed.

The performance obligation is satisfied on a daily basis as commission revenue is recognized on daily average assets of the fund. Revenue is recognized as it is earned.

Trading Service Income

Trading service income are amounts earned from executing transactions on behalf of managed clients through Allegiance Financial Group, Inc., a related party, as an introducing broker. The trading service income is received on a quarterly basis based upon fees associated with executing trades to total management advisory fees earned by Allegiance Financial Group, Inc. The performance obligation is satisfied upon the execution of the trades and therefore revenue is recognized as it is earned.

Concentrations of Risk

A significant majority of the Company's revenue is generated by transactions initiated by one customer, which is a related party.

Allegiance Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONT.)

Statement of Cash Flows

ASU No. 2016-18, Statement of Cash Flows (Topic 320), requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted this ASU effective January 1, 2018 and it did not have a material impact to the Company's financial statements.

CONTINGENCIES

Credit Risk

The Company maintains its cash in banks that may exceed federally insured limits. Amounts uninsured and uncollateralized were \$84,892 at December 31, 2019, and were held at Pershing and FINRA. The Company has not experienced any losses in such account and believes it is not exposed to any significant risk related to the cash account.

Litigation

Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's financial statements. The Company was not involved in any litigation or any other legal claims as of December 31, 2019.

Allegiance Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

RELATED PARTY TRANSACTIONS

The Allegiance Financial Group, Inc., AFX Global Advisors, Inc., and Marlin Enterprises, LLC are related parties to the Company due to common ownership.

The Company has entered into a Management Services Agreement (the Agreement) with Allegiance Financial Group, Inc. Accordingly, certain expenses are allocated among the Company and Allegiance Financial Group, Inc. Total expenses allocated to the Company under this Agreement were \$168,284 for the year ended December 31, 2019. The amounts are included in the Statement of Income in the following captions:

Management fee	\$147,897
Rent	14,400
Telephone	2,339
Office expenses	3,586
Miscellaneous	62

Total expenses reimbursed by Allegiance Financial Group, Inc. to the Company were \$6,143 for the year ended December 31, 2019.

The Company and Allegiance Financial Group, Inc. share a similar client base. Allegiance Financial Group, Inc. collected and remitted trading service income on behalf of the Company's clients. Trading service income was \$180,000 for the year ended December 31, 2019.

There were no transactions between AFX Global Advisors, Inc. or Marlin Enterprises, LLC and the Company during 2019.

Allegiance Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1) at December 31, 2019. The Company had net capital of \$80,707, which was \$75,707 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital at December 31, 2019 was .08 to 1.

CASH AND CASH EQUIVALENTS - RESTRICTED

The Company is required to maintain a \$25,000 escrow fund with the clearing broker. This money can not be used for any other purpose.

SUBSEQUENT EVENTS

Management has evaluated the impact of all events and transactions occurring after the balance sheet date through the date these financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure.

Allegiance Capital, LLC
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION
 December 31, 2019

NET CAPITAL	
Members' equity	<u>\$98,072</u>
DEDUCTIONS	
Nonallowable assets	
FINRA renewal account	534
FINRA daily account	27
Prepaid expenses	<u>16,804</u>
Total nonallowable assets	<u>17,365</u>
Net capital	80,707
MINIMUM NET CAPITAL REQUIREMENT OF THE GREATER OF 6-2/3% OF AGGREGATE INDEBTEDNESS OR \$5,000	<u>5,000</u>
Excess net capital	<u>\$75,707</u>
Aggregate Indebtedness	\$ 6,619
Ratio of aggregate indebtedness to net capital	<u>8.2%</u>

There are no material differences between the preceding computation and the Company's corresponding unaudited Part IIA of Form X-17A-5.

See report of independent registered public accounting firm.

Jennifer Wray CPA PLLC

16418 Beewood Glen Dr Sugar Land, TX 77498 Tel: 281-923-7665 Email: jenniferwraycpa@yahoo.com PCAOB#6328

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
Allegiance Capital LLC

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

Jennifer Wray CPA PLLC



Sugar Land, Texas.

Feb 27, 2020

Allegiance Capital, LLC
EXEMPTION REPORT
December 31, 2019

To the Members of
Allegiance Capital, LLC

As required by Rule 17a-5 of the Securities and Exchange Commission (SEC), Allegiance Capital, LLC (the Company) claims exemption under the exemptive provisions of SEC Rule 15c3-3 under paragraph (k)(2)(ii). The Company met this exemption provision through the fiscal year ended December 31, 2019, without exception.

I, Neal Richard, affirm that, to the best of my knowledge and belief, this Exemption Report pertaining to Allegiance Capital, LLC as of and for the year ended December 31, 2019, is true and correct.

Neal Richard Date
Principal and COO
Allegiance Capital, LLC

