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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Washington, DC

**ANNUAL REPORTS  
FORM X-17A-5  
PART III**

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**FACING PAGE**

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 1/1/2022 AND ENDING 12/31/2022  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Allegiance Capital, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer
- Security-based swap dealer
- Major security-based swap participant
- Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

50 Donald B. Dean Dr. Suite One  
(No. and Street)

South Portland Maine 04106  
(City) (State) (Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Neal Richard (207) 347-2440 richard@richardbrothersfinancial.com  
(Name) (Area Code - Telephone Number) (Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Jennifer Wray CPA PLLC  
(Name - if individual, state last, first, and middle name)

800 Bonaventure Way, Suite 168 Sugar Land TX 77479  
(Address) (City) (State) (Zip Code)

11/30/2016 6328  
(Date of Registration with PCAOB)(if applicable) (PCAOB Registration Number, if applicable)

**FOR OFFICIAL USE ONLY**

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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

OATH OR AFFIRMATION

I, Neal Richard, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Allegiance Capital, LLC, as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

**CHRISTINE J. CRAM**  
Notary Public • State of MAINE  
My Commission Expires MAY 27, 2028

*Neal Richard*  
PRINCIPAL

Signature:

Title:

*Christine J. Cram*  
Notary

Notary Public

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**Allegiance Capital, LLC**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**Year Ended December 31, 2022**

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# **Jennifer Wray CPA PLLC**

800 Bonaventure Way, Suite 168, Sugar Land, TX 77479  
Tel: 281-923-7665 Email: [jenniferwraycpa@yahoo.com](mailto:jenniferwraycpa@yahoo.com) PCAOB#6328

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## **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, 2022, the related statements of income, changes in member's equity, and cash flows for the year ended December 31, 2022, 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, 2022 and the results of its operations and its cash flows for the year ended December 31, 2022 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, II & III have 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

March 1, 2023

Allegiance Capital, LLC  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$128,782
Accounts receivable	2,503
Due from affiliate	1,742
Prepaid expenses	<u>5,330</u>
 Total assets	 <u>\$138,357</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	\$ 2,609
 MEMBERS' EQUITY	 <u>135,748</u>
	<u>\$138,357</u>

The accompanying notes are an integral part of these statements.

**Allegiance Capital, LLC**  
**STATEMENT OF LOSS**  
**Year Ended December 31, 2022**

<b>REVENUES</b>	
Commissions and consulting	\$29,133
Interest income	<u>391</u>
<b>Total revenues</b>	<b><u>29,524</u></b>
<b>OPERATING EXPENSES</b>	
Brokerage, exchange and clearance fees	753
Filing fees	7,580
Insurance	2,139
Professional fees	42,474
Rent	720
Management fee	9,382
Telephone	183
Office expenses	133
Miscellaneous	<u>23</u>
<b>Total operating expenses</b>	<b><u>63,387</u></b>
<b>NET LOSS</b>	<b><u>\$ (33,863)</u></b>

The accompanying notes are an integral part of these statements.

**Allegiance Capital, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**Year Ended December 31, 2022**

Balance, beginning of year	\$169,611
Net loss	<u>(33,863)</u>
Balance, end of year	<u>\$135,748</u>

The accompanying notes are an integral part of these statements.

**Allegiance Capital, LLC**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss	<u>\$ (33,863)</u>
Adjustments to reconcile net loss to net cash used by operating activities	
Increase in accounts receivable	(2,503)
Decrease in prepaid expenses	9,076
Decrease in due to affiliate	(67,588)
Increase in due from affiliate	(1,742)
Increase in accounts payable	<u>2,559</u>
Total adjustments	<u>(60,198)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(94,061)</b>
Cash and cash equivalents, beginning	<u>222,843</u>
Cash and cash equivalents, ending	<u>\$128,782</u>

The accompanying notes are an integral part of these statements.

Allegiance Capital, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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 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 17C.F.R. §240.17a-5(d) (1) and (4). The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) Mutual fund retailer; (2) Municipal securities broker; and (3) Broker or dealer selling variable life insurance or annuities; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b) (2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

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.

Allegiance Capital, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

Commissions

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.

CONTINGENCIES

Credit Risk

The Company maintains its cash in banks that may exceed federally insured limits. Amounts uninsured and uncollateralized were \$2,085 at December 31, 2022, and were held at 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, 2022.

Allegiance Capital, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

**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 \$10,441 for the year ended December 31, 2022. The amounts are included in the Statement of Loss in the following captions:

Management fee	\$9,382
Rent	720
Telephone	183
Office expenses	133
Miscellaneous	23

Total expenses reimbursed by Allegiance Financial Group, Inc. to the Company were \$15,539 for the year ended December 31, 2022.

There were no transactions between AFX Global Advisors, Inc. or Marlin Enterprises, LLC and the Company during 2022.

**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, 2022. The Company had net capital of \$124,088, which was \$119,088 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital at December 31, 2022 was 45.65 to 1.

**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, 2022**

<b>NET CAPITAL</b>	
Members' equity	<u>\$135,748</u>
<b>DEDUCTIONS</b>	
Nonallowable assets	
FINRA daily account	2,085
Accounts receivable	2,503
Due from affiliate	1,742
Prepaid expenses	<u>5,330</u>
Total nonallowable assets	<u>11,660</u>
Net capital	124,088
<b>MINIMUM NET CAPITAL REQUIREMENT OF THE GREATER OF</b>	
6-2/3% OF AGGREGATE INDEBTEDNESS OR \$5,000	<u>5,000</u>
Excess net capital	<u>\$119,088</u>
Aggregate Indebtedness	\$ 2,609
Ratio of aggregate indebtedness to net capital	45.65:1

There are no material differences when comparing the preceding computation and the Company's corresponding unaudited original Part IIA Focus Filing dated January 26, 2023, of Form X-17A-5.

See report of independent registered public accounting firm.

Schedule 2

Allegiance Capital, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS PURSUANT TO RULE 15c3-3  
Year Ended December 31, 2022

A computation of reserve requirement is not applicable to Allegiance Capital, LLC.

Allegiance Capital, LLC  
INFORMATION RELATING TO THE POSSESSION  
OR CONTROL REQUIREMENTS UNDER RULE 15c3-3  
Year Ended December 31, 2022

Information Relating to the Possession or Control Requirements is not applicable to Allegiance Capital, LLC.

# **Jennifer Wray CPA PLLC**

800 Bonaventure Way, Suite 168, Sugar Land, TX 77479  
Tel: 281-923-7665 Email: [jenniferwraycpa@yahoo.com](mailto:jenniferwraycpa@yahoo.com) PCAOB#6328

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## **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 Allegiance Capital, LLC, 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 does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) Mutual fund retailer; (2) Municipal securities broker; and (3) Broker or dealer selling variable life insurance or annuities; and The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception. Allegiance Capital, LLC's management is responsible for compliance with the exemption compliance 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 Rule 15c3-3 under the Securities Exchange Act of 1934.

Jennifer Wray CPA PLLC



Sugar Land, Texas.

March 1, 2023

**Allegiance Capital LLC DBA  
Richard Brother Securities**

**Exemption Report**

**Allegiance Capital 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 17C.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 does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) Mutual fund retailer; (2) Municipal securities broker; and (3) Broker or dealer selling variable life insurance or annuities; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Allegiance Capital LLC  
Name of Company

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

By: *Neal P. Richard*  
Title: *FINANCIAL OPERATIONS PRINCIPAL*

Date of report *2/28/23*