



***DISCLOSURE STATEMENT  
FORM ADV, PART II***

Allegiance Financial Advisors, Inc.  
Registered Investment Advisor  
3112 St. Johns Bluff Road South  
Jacksonville, Florida 32246  
Tel 904-642-4401  
Fax 904-680-5035  
[www.allegianceadvisors.com](http://www.allegianceadvisors.com)

Registered Representatives/Securities offered through Signator Investors, Inc., Member FINRA, SIPC.  
3112 St. Johns Bluff Rd. S., Jacksonville, FL 32246 (904) 645-9936

Allegiance Financial Advisors, Inc. and its investment advisory services are offered independent of Signator Investors, Inc., and any of its affiliated companies.

**FORM ADV**  
**Part II – Page 1**

**Uniform Application for Investment Adviser Registration**

Name of Investment Adviser:						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code	Telephone Number:

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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**(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)**

**Potential 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.**

Applicant:

SEC File Number:  
801- 67231

Date:

Definitions for Part II

Related person – Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services – Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature or other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees. (check the applicable boxes)**

Applicant:

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

- |  |         |
|--|---------|
| <input type="checkbox"/> (1) Provides investment supervisory services  | _____ % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services  | _____ % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above  | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription   | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above   | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities   | _____ % |
| <input type="checkbox"/> (8) Provides a timing service   | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above   | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term?

Yes No  
☐ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** – Applicant generally provides investment advice to: (check those that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> A. Individuals                      | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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**3. Types of Investments – Applicant offers advice on the following: (check those that apply)**

- |  |   |
|--|---|
| <input type="checkbox"/> A. Equity Securities  | <input type="checkbox"/> H. United States government securities     |
| <input type="checkbox"/> (1) exchange-listed securities                                | <input type="checkbox"/> I. Options contracts on:                   |
| <input type="checkbox"/> (2) securities traded over-the-counter                        | <input type="checkbox"/> (1) securities                             |
| <input type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (2) commodities                            |
| <input type="checkbox"/> B. Warrants   | <input type="checkbox"/> J. Futures contracts on:                   |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                              |
| <input type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> (2) intangibles                            |
| <input type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (1) real estate                            |
| <input type="checkbox"/> G. Investment company securities:                             | <input type="checkbox"/> (2) oil and gas interests                  |
| <input type="checkbox"/> (1) variable life insurance                                   | <input type="checkbox"/> (3) other (explain on Schedule F)          |
| <input type="checkbox"/> (2) variable annuities  | <input type="checkbox"/> L. Other (explain on Schedule F)           |
| <input type="checkbox"/> (3) mutual fund shares  |   |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |  |  |
|--|--|
| (1) <input type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |  |   |
|--|---|
| (1) <input type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities   | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales  |  |

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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No  
☐ ☐

(If yes, describe these standards on Schedule F)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No  
☐ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

Applicant:

SEC File Number:  
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Date:

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services “ and”impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No  
☐ ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Applicant:

SEC File Number:  
801- 67231

Date:

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No  
☐ ☐

(2) amount of the securities to be bought or sold?

Yes No  
☐ ☐

(3) broker or dealer to be used?

Yes No  
☐ ☐

(4) commission rates paid?

Yes No  
☐ ☐

B. Does applicant or a related person suggest brokers to clients?

Yes No  
☐ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4), or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of product, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant 's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No  
☐ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No  
☐ ☐

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No  
☐ ☐

Applicant:

Allegiance Financial Advisors, Inc.

SEC File Number:

801-67231

Date:

03/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: **Allegiance Financial Advisors, Inc.**  
IRS Empl. Ident. No.: **59-3525847**

Item of Form (identify)	Answer	Page 1 of 5										
Item 1. A. (2)	<p>Allegiance Financial Advisors, Inc., hereinafter referred to as "Allegiance," provides investment management services on a non-discretionary basis for clients by designing and managing tailored investment portfolios. Allegiance will conduct personal interviews with the client to review and discuss their financial situation. Areas of review will focus on, but not be limited to, client's: (i) assets and liabilities; (ii) goals and objectives; (iii) liquidity needs; (iv) risk tolerances; (v) tax status; and (vi) other variables relevant to understanding the client's unique investment circumstances. These interviews provide Allegiance with a picture of each client's financial personality, and an effective and efficient way to address their needs and ensure suitability for their investment portfolio.</p> <p><i>FEE STRUCTURE</i></p> <p>The standardized fee structure for this service is based on an annual percentage of assets under management according to the following schedule:</p> <table border="1"> <thead> <tr> <th>Assets under Management</th><th>Annual Fee Rate</th></tr> </thead> <tbody> <tr> <td>First \$ 250,000</td><td>1.75%</td></tr> <tr> <td>Next \$ 500,000</td><td>1.50%</td></tr> <tr> <td>Next \$ 500,000</td><td>1.25%</td></tr> <tr> <td>Additional Assets</td><td>1.00%</td></tr> </tbody> </table> <p>Fee schedule is negotiable based on the size, complexity, and nature of the portfolio managed.</p> <p>Each client is billed quarterly in advance to their account based upon the account value on the last day of the calendar quarter and adjusted pro-rata for any deposits or withdrawals provided the client continues services under the investment contract.</p> <p><i>TERMINATION PROVISIONS</i></p> <p>The investment agreement will terminate automatically if it is assigned by the Advisor without consent of the Client. The client may terminate the agreement within five (5) days without charge. The Agreement may be terminated at any time by either party by written notice to the other party, such termination to be effective as of the quarter ending date following receipt of such notice in writing. If terminated by the Client, Allegiance shall be paid its fee through the quarter ending date following receipt of such notice in writing.</p> <p><i>ADDITIONAL FEES AND/OR COSTS</i></p> <p>Clients may choose to include stocks, bonds or other mutual funds in their accounts as an accommodation and to facilitate consolidated accounts statements. These investments might be taken into consideration when developing and monitoring the recommended asset allocation depending on client request. Any stock or bond transaction in the account will result in a transaction charge and some mutual fund transactions may incur a fee by the manager or custodian holding the account.</p> <p>Mutual fund fees and expenses charged to shareholders by the fund companies are not included in the fee charged by Allegiance. All such charges are disclosed in the individual mutual fund prospectus. Funds used in Portfolio Management services will be no-load mutual funds or mutual funds waiving any applicable sales load. These funds may be obtained by customers outside the program.</p>	Assets under Management	Annual Fee Rate	First \$ 250,000	1.75%	Next \$ 500,000	1.50%	Next \$ 500,000	1.25%	Additional Assets	1.00%	
Assets under Management	Annual Fee Rate											
First \$ 250,000	1.75%											
Next \$ 500,000	1.50%											
Next \$ 500,000	1.25%											
Additional Assets	1.00%											
Item 1. A. (7)	<p>Allegiance offers to clients both Comprehensive Financial Planning and Modular Financial Planning. Comprehensive Financial Planning is the development of an extensive set of solutions for individual and business financial challenges with all of the following areas addressed:</p> <ul style="list-style-type: none"> <li>➤ Taxes and Cash Flow: Analyzing income tax and spending, explaining impact of possible courses of action on current spending, income tax and future tax liability.</li> <li>➤ Accumulation and Education Funding: Defining accumulation goals, analyzing current situation, identifying a savings program.</li> <li>➤ Retirement Distribution Planning: discussing goals, exploring distribution options, and helping to select the best alternative.</li> <li>➤ Risk Management/Insurance Planning: examining needs and resources upon death, disability or other, identifying potential sources of exposure, and exploring and explaining possible courses of</li> </ul>											



Applicant:	SEC File Number:	Date:
Allegiance Financial Advisors, Inc.	801-67231	03/03/2010

**(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: **Allegiance Financial Advisors, Inc.** IRS Empl. Ident. No.: **59-3525847**

Item of Form (identify)	Answer	Page 2 of 5
	<p>action.</p> <ul style="list-style-type: none"> <li>➤ Investment Planning: defining investment goals and risk tolerance, analyzing current investment portfolio, and exploring alternatives and available investment opportunities.</li> <li>➤ Estate Planning: defining planning goals, estimating current estate planning situation and estimated estate growth, offering estate planning alternatives and their benefits.</li> <li>➤ Retirement: Defining retirement goals, estimating projected retirement situation, presenting possible alternatives and their effects.</li> </ul> <p>Modular Financial Planning is the specialized analysis and evaluation of one or more items identified above taken individually.</p> <p><i>GOAL SETTING</i></p> <p>Through personal interviews, Allegiance gathers information concerning the client's: (i) client's current financial status; (ii) a list of all assets; (iii) insurance policies, wills and/or trust documents; (iv) monthly expenses and other information based on the client's financial status; (v) future goals; and (vi) other information relevant to the planning topic. From these interviews and related documents, Allegiance prepares a net worth statement and goals report. NOTE: All information provided by the client is entirely confidential. Please review our attached Privacy Statement for details.</p> <p><i>ASSESSMENT AND PLAN DRAFT</i></p> <p>Once the net worth statement and goals report have been reviewed by the client, Allegiance will assess the client's financial position and analyze strategies and alternatives for the areas contracted. Allegiance will prepare a plan based on these strategies for examination by the client.</p> <p><i>FINAL PLAN AND RECOMMENDATIONS</i></p> <p>The Plan Draft will be reviewed with the client to determine which strategies and alternatives are acceptable to the client. From this meeting, Allegiance will prepare the Final Plan which outlines the accepted strategies and the effects on the client's financial outlook. In addition, Allegiance will compose an execution list for the client detailing the accepted alternatives and changes that need to be made to achieve the stated objectives. These recommendations will not specify any one company, plan, investment, agent, lawyer or consultant.</p> <p><i>IMPLEMENTATION</i></p> <p>The final stage in any financial plan is to implement the recommendations. To the extent that associated persons of Allegiance are asked to implement any recommendations on behalf of the client, the associated person will be acting as agent for the insurance company or registered representative of the broker/dealer and not as a representative of Allegiance. As such, he or she will receive the normal commissions associated with such transactions. Clients are under no obligation to have Allegiance or its associated persons implement any recommendations made. Associated persons will recommend or use only the financial products offered by the related broker/dealer and/or insurance companies where the associated person is licensed as an agent or registered representative.</p> <p><i>PLANNING FEES</i></p> <p>Allegiance's fees for financial planning are based on the size, complexity, and nature of each client's personal and financial situation and the amount of time it would take to analyze and summarize the plan. The Financial Planning Agreement ("contract") is provided to the client and includes an estimate of the cost to review the financial information. Fixed fees range from \$500.00 for a modular plan to \$4,000.00 for a comprehensive financial plan. Hourly charges will be no more than \$125.00 per hour as agreed with the client. A \$500.00 minimum deposit is due at the time the contract is signed. Fees paid in advance are considered to be earned as work is conducted. Further, Allegiance will make every effort to complete the plan within 6 months of execution of the contract</p>	

Applicant:  
Allegiance Financial Advisors, Inc.

SEC File Number:  
801-67231

Date:  
03/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Allegiance Financial Advisors, Inc.		IRS Empl. Ident. No.: 59-3525847
Item of Form (identify)	Answer <span style="float: right;">Page 3 of 5</span>	
	<p><i>TERMINATION PROVISIONS</i></p> <p>Each client has five (5) full business days to terminate the contract without charge. Should the client wish to terminate the contract after such time period and before presentation of the plan to the client, the deposit shall be refunded minus earned fees. Allegiance shall be compensated through the date of termination for time spent in design of the financial plan at the hourly rate not to exceed \$125.00. The client will be billed for any additional fees earned above the deposit. After the financial plan has been completed and presented to the client, termination of the Financial Planning Agreement is no longer an option.</p>	
Item 4. C. (7)	In addition to long term and short term purchases, Allegiance uses asset allocation modeling and diversification as an investment strategy.	
Item 5.	While there are no absolute standards of education and business background that Allegiance requires of investment advisor representatives, Allegiance, prefers to employ individuals with backgrounds in economics, finance, investment management, and/or financial experience in banking, insurance, or securities related services. All investment advisor representatives must hold a FINRA Series 6 or 7 license and meet the State of Florida investment advisor representative (associated persons) requirements.	
Item 6.	<p><u><b>Alfred C. Della Porta</b></u> was born in 1959 and was an athletic scholarship student at Northeast Oklahoma A&amp;M and North Carolina State University. His business background includes: Chief Compliance Officer of Allegiance Financial Advisors, Inc. from July 2007 to present, President of Allegiance Financial Advisors, Inc. from March 2005 to the present, Vice President of Allegiance Financial Advisors, Inc. from December, 1998 to March 2005; Investment Advisor Representative of Allegiance Financial Advisors from December 1998 to the present, Managing Partner of John Hancock Financial Network from September, 2004 to the present; and Registered Representative of Signator Investors, Inc. from September, 1990 to the present.</p> <p><u><b>Christopher S. O'Shea</b></u> was born in 1951 and attended the University of South Florida, Troy State University and Florida State University. His business background includes: Vice President of Allegiance Financial Advisors, Inc. from February 2010 to present, Investment Advisor Representative for Allegiance Financial Advisors, Inc. from March 2004 to present; Insurance Agent for John Hancock Financial Network from May, 1998 to present; and Registered Representative of Signator Investors, Inc. from May, 1998 to present.</p> <p><u><b>Joseph J. Maltese, CFP, ChFC, CLU</b></u> was born in 1958. His business background includes: Vice President of Allegiance Financial Advisors, Inc. from February 2008 to present, Investment Advisor Representative of Allegiance Financial Advisors, Inc. from January 2008 to present, Registered Representative of Signator Investors, Inc. from 1995 to present, and Brokerage Manager of John Hancock Financial Network from 1995 to present.</p>	
Item 7. B. and C.	All investment advisor representatives devote approximately 50% of their time to duties other than giving investment advice. In addition to providing investment services and financial planning, some related persons are licensed to sell various insurance and annuity products as registered representatives of Signator Investors, Inc., and agents of John Hancock Financial Network.	
Item 8. C.	<p>Allegiance has custodial relationships with Fidelity Investments Institutional Brokerage Group (FIIBG), a FINRA licensed broker/dealer (member FINRA/SIPC) and with Schwab Institutional (Schwab), a FINRA licensed broker/dealer (member SIPC/NYSE).</p> <p>Investment Advisor Representatives, officers and directors of Allegiance are also registered representatives of Signator Investors, Inc., a FINRA licensed broker/dealer and a registered investment advisor. They are also agents of John Hancock Financial Network. All financial planning and investment advice is offered independently of Signator, John Hancock and any other affiliates.</p> <p>Investment Advisor Representatives may act as solicitors making referrals to third-party investment advisors with whom Allegiance has a formal written agreement. In these cases, Allegiance will either earn a portion of the advisory fee charged by the third-party investment advisor or will earn a fee in addition to the fee charged by the third-party investment advisor. The Investment Advisor Representative</p>	

Applicant:

Allegiance Financial Advisors, Inc.

SEC File Number:

801-67231

Date:

03/03/2010

**(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: IRS Empl. Ident. No.:

Allegiance Financial Advisors, Inc.

59-3525847

Item of Form  
(identify)

Answer

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will earn a portion of the amount paid to Allegiance. In each case, clients pay advisory fees to the third-party investment advisors managing the client's assets. See individual product information for fee schedules. Compensation agreements are detailed in the Form ADV of the third-party investment advisor.

Investment Advisor Representatives are licensed by the State of Florida and/or Georgia as Life, Health, Disability and Variable Annuity Insurance Agents. They may become appointed with various insurance companies and earn commissions from the sale of products, separately and apart from their advisory activity for Allegiance. No client is obligated to use any individual, insurance company, or agency.

Item 9.

As registered representatives of Signator Investors, Inc., Investment Advisor Representatives may effect securities transactions for compensation for clients separate and apart from their advisory activities for Allegiance.

To the extent that associated persons of Allegiance are asked to implement any recommendations on behalf of the client, the associated person will be acting as agent for the insurance company or registered representative of the broker/dealer and not as a representative of Allegiance. As such, he or she will receive the normal commissions associated with such transactions. Clients are under no obligation to have Allegiance or its associated persons implement any recommendations made. Associated persons will recommend or use only the financial products offered by the related broker/dealer and/or insurance companies where the associated person is licensed as an agent or registered representative.

Investment Advisor Representatives and employees of Allegiance are permitted to invest their own monies in mutual funds, stocks and/or bonds that may also be, from time to time, recommended to clients. Personal trading activities are monitored by Allegiance management to ensure that such activities do not impact upon client positions. The CCO shall maintain current and accurate records of all personal securities transactions and holdings of its employees, IAR's and associated persons. The CCO must pre-approve (or disapprove) all personal securities transactions in writing, as well as review all personal securities transactions involving the Company and its IAR's on a quarterly basis.

It is the responsibility of all supervisory personnel and employees to ensure that the Company conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients. The Company has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients. The Company must avoid any circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients. The Company will not disclose any nonpublic personal information about a Client to any nonaffiliated third party unless the Client expressly gives permission to the Company to do so. The Client in writing must grant such permission, or denial of permission, to the Company. A copy of the permission/denial document will be filed in the Client file. Prohibited acts include the following: Employing any device, scheme or artifice to defraud; Making any untrue statement of a material fact; Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading; Engaging in any fraudulent or deceitful act, practice or course of business; or, Engaging in any manipulative practices. The Company has a duty to disclose potential and actual conflicts of interest to their clients. All IAR's and solicitors have a duty to report potential and actual conflicts of interest to the Company. Gifts (other than de minimis gifts, which are usually defined as having a value under \$100.00) should not be accepted from persons or entities doing business with the Company.

The Company shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers. The Company shall only recommend those investments that it has a reasonable basis for believing are suitable for a client, based upon the client's particular situation and circumstances. In addition, clients should be instructed to immediately notify the Company of any significant changes in their situation or circumstances so that the Company can respond appropriately.

The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on the Company's behalf. Specific duties include, but are not limited to: Establishing procedures that could be reasonably expected to prevent and detect violations of the law by its advisory personnel; Analyzing its

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Allegiance Financial Advisors, Inc.	801-67231	03/03/2010

**(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Allegiance Financial Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>59-3525847</b>
Item of Form (identify)	Answer <span style="float: right;"><i>Page 5 of 5</i></span>	
	operations and creating a system of controls to ensure compliance with applicable securities laws; Ensuring that all advisory personnel fully understand the Company's policies and procedures; and, Establishing an annual review system designed to provide reasonable assurance that the Company's policies and procedures are effective and are being followed.	
Item 10.	<p>Allegiance requires a minimum initial investment of \$50,000 for Portfolio Management services. This minimum may be waived under certain circumstances. The minimum fee for Financial Planning is \$500.00.</p> <p>Additional programs offered may impose minimum investment requirements which are disclosed in those companies' disclosure documents.</p>	
Item 12. B.	<p>Portfolio Management accounts are custodied at either FIIBG or Schwab. Due to the specific directed brokerage requirement of the program, clients may not be guaranteed best execution on all transactions. Allegiance acknowledges its duty to seek best execution of client orders. Notwithstanding this, Allegiance advises that best execution is not necessarily based on receiving the lowest price. Rather Allegiance makes its determination of best execution on the a determination of factors that include the breath of services offered, the general quality of execution and cost, the safety and soundness of executing entity, among other factors. Due to selection of entities through which it may clear or execute transactions on a basis of this determination, clients are hereby advised that they could pay commissions or fees that are higher (or lower) than those that may be obtained from elsewhere for similar services.</p>	
Item 13. A.	<p>Investment Advisor Representatives may act as solicitors making referrals to third-party Investment Advisors with whom Allegiance has a formal written agreement. In these cases, Allegiance will either earn a portion of the advisory fee charged by the third-party Investment Advisor or will earn a fee in addition to the fee charged by the third-party Investment Advisor. The Investment Advisor Representative will earn a portion of the amount paid to Allegiance. In each case, clients pay advisory fees to the third-party Investment Advisors managing the client's assets. See individual product information for fee schedules. Compensation agreements are detailed in the Form ADV of the third-party Investment Advisor.</p>	
Item 13. B.	<p>Allegiance may directly compensate Investment Advisor Representatives of affiliated Investment Advisors for client referrals, provided that those persons are duly qualified and registered, and full disclosure is made to client.</p>	