MORGAN GROUP HOLDING CO
Form 10-K
February 26, 2019
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2018

Or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from____________ to____________

Commission file number: 333-73996

MORGAN GROUP HOLDING CO.
(Exact name of Registrant as specified in its charter)

Delaware State of other jurisdiction incorporation or organization	13-4196940 (I.R.S. Employer Identification No.)
401 Theodore Fremd Avenue, Rye, NY (Address of principal executive offices)	10580 (Zip Code)

Registrant's telephone number, including area code (914) 921-1877

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [X] Yes [ ] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes [ ] No [X]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-KSB. [_]

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [X]	Smaller reporting company [X]
	Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes [X] No [ ]

As of June 30, 2018, the aggregate market value of the Registrant’s voting and nonvoting common equity held by non-affiliates of the Registrant was approximately $297,000, which value, solely for the purposes of this calculation, excludes shares held by the Registrant’s officers, directors, and their affiliates. Such exclusion should not be deemed a determination or an admission by the issuer that all such individuals are, in fact, affiliates of the issuer.

The number of outstanding shares of the Registrant's Common Stock was 4,859,055 as of February 26, 2019

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PART I

Item 1. Business.

Morgan Group Holding Co. (the "Company" or "Holding") was incorporated in November 2001 to serve, among other business purposes, as a holding company for LICT Corporation's ("LICT") controlling interest in The Morgan Group, Inc. ("Morgan"). On January 24, 2002, LICT spun off all but 235,294 of its shares in the Company to its stockholders.

On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division. On March 31, 2008, the bankruptcy proceeding was concluded, and the bankruptcy court dismissed the proceeding. There was no appeal from the bankruptcy court's dismissal of the proceeding, and that proceeding is now entirely ended. Morgan received no value for its equity ownership from the bankruptcy proceeding.

Effective November 1, 2012, Jonathan P. Evans was appointed as the Company's Chief Executive Officer, replacing Mario J. Gabelli, who remains Chairman of the Board of Directors. On March 1, 2017, Mr. Evans resigned from the Company and was replaced by Robert E. Dolan, the Company's Chief Financial Officer, as Acting Chief Executive Officer serving on an interim basis (see p. 17, below). Mr. Dolan also continues to serve as the Company's Chief Financial Officer.

At December 31, 2018, the Company had $129,635 in cash and cash equivalents, and a net operating loss carryover of approximately $641,000. In order to obtain the liquidity needed to support the Company's annual administrative costs (approximately $50,000-$70,000 per year), the Company sold 1,500,000 of its common shares to LICT Corporation for $180,000, or $0.12 per share, on March 19, 2018. These funds will be used to pay future administrative costs, until an acquisition candidate can be found, and appropriate financing obtained.

We are continuing to evaluate all options available to the Company at this time. The Company is looking to implement a growth strategy by acquiring businesses based in the United States of an appropriate type and size. The execution of such a strategy may require the Company to obtain significantly more financial resources than it currently possesses. Those resources could take the form of a debt and/or equity offering, or potentially a hybrid instrument. There is no assurance that the Company can obtain adequate financial resources to successfully implement this strategy.

At present, we have no full-time employees.

Item1A. Risk Factors

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the risk factors specified in Item 503(c) of Regulation S-K.

Item 1B. Unresolved Staff Comments.

None

Item 2. Properties.

The Company does not own any property.

Item 3. Legal Proceedings.

The Company is not a party to any legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

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PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.

The shares of our common stock trade on the over-the-counter market in the OTC Pink®, under the symbol: MGHL. The following table sets forth the high and low market prices of the common stock for the periods indicated, as reported by published sources. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	High	Low
2018 Fiscal Year		
First Quarter	$0.168	$0.07
Second Quarter	$0.138	$0.085
Third Quarter	$0.128	$0.1101
Fourth Quarter	$0.1063	$0.08
2017 Fiscal Year		
First Quarter	$0.22	$0.16
Second Quarter	$0.55	$0.23
Third Quarter	$0.27	$0.11
Fourth Quarter	$0.14	$0.075

As of February 26, 2019, there were approximately 600 holders of record of the Company’s common stock.

The Company has never declared a cash dividend on its common stock and its Board of Directors does not anticipate that it will pay cash dividends in the foreseeable future.

During the fiscal years ended December 31, 2018 and 2017, the Company did not repurchase any of its shares from its shareholders.

On March 19, 2018, the Company sold 1,500,000 shares of its common stock to LICT for a total consideration of $180,000, or $0.12 per share (the “Private Placement”). The securities issued to LICT were offered and sold in a Private Placement exempt from the registration requirements of the Securities Act of 1933, as amended, and under Section 4(a)(2) of the Securities Act and Rule 506 thereunder.

The proceeds from the Private Placement are intended to be used to fund the Company’s administrative costs to maintain its public company reporting obligations for the next three years. During this time, the Company will continue to pursue a business combination. The Company currently has no plans, arrangements, commitments, agreements or understandings with any prospective target business concerning a business combination and may be unable to complete a business combination.

Mario J. Gabelli, one of the Company’s directors, is also Chief Executive Officer and Chairman of the Board of Directors of LICT and Robert E. Dolan, the Company’s other director, is Executive Vice President, Chief Financial Officer and Director of LICT. Following the Private Placement, Mr. Gabelli and LICT beneficially own, in the aggregate, approximately 49.1 % of the Company’s outstanding common stock.

Item 6. Selected Financial Data.

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the selected financial data specified in Item 303 of Regulation S-K.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.
Forward-Looking Statements and Uncertainty of Financial Projections

This report may contain "forward - looking statements". Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

Overview

As of December 31, 2018, the Company's only assets consisted of $129,635 in cash and cash equivalents, and net operating loss carry forwards of approximately $641,000. Under the Tax Cuts and Jobs Act of 2017 ("TCJA"), Federal net operating loss carry forward will not expire. Under TCJA, any Federal net operating losses generated after December 31, 2017 will not expire. Any carryovers from net operating losses generated before December 31, 2017, still expire in accordance with the 20-year carryforward rules.

As noted above, the Company received $180,000 on March 19, 2018, by selling 1,500,000 of its common shares at $0.12 per share in a private placement to LICT.

The Company currently has no operating businesses and will seek acquisitions as part of its strategic alternatives. Its only costs are the expenses required to make the regulatory filings needed to maintain its public status and to find and evaluate potential acquisitions. These costs are estimated at $50,000 to $70,000 per year.

We are evaluating all options available to the Company at this time.

Results of Operations

For the year ended December 31, 2018, the Company incurred administrative expenses of $57,808 versus $55,118 in 2017. Administrative expenses increased in 2018 from 2017 predominantly due to increased legal fees in 2018.

During the year ended December 31, 2018, the Company earned $2,068 from its investment in a United States Treasury money market fund as compared to $216 during the year ended December 31, 2017, due to higher average investment balances and high interest rates.

Liquidity and Capital Resources

At December 31, 2018, we had $129,635 in cash and cash equivalents as compared to $17,273 in cash and cash equivalents at December 31, 2017.

On March 19, 2018 the Company sold in a private placement to LICT 1,500,000 shares of its common stock for $180,000, or $0.12 per share. These funds are intended to be used to pay future administrative costs, to allow the Company to search for an acquisition candidate and appropriate financing.

The Company has implemented a growth strategy to acquire US-based businesses of an appropriate type and size. The execution of such a strategy will require the Company to obtain significantly more financial resources than it currently possesses. Those resources could take the form of a debt and/or equity offering, or potentially a hybrid instrument. There is no assurance that the Company can obtain such financial resources to successfully implement this strategy.

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Item 7A. Quantitative and Qualitative Analysis of Market Risk

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the Quantitative and Qualitative Analysis of Market Risk specified in Item 305 of Regulation S-K.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Morgan Group Holding Co.
Rye, New York

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Morgan Group Holding Co. (the "Company") at December 31, 2018 and 2017, and the related statements of operations, shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. 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 the Company 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 audits 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits 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 audits 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 audits provide a reasonable basis for our opinion.

/s/ Daszkal Bolton LLP

We have served as the Company's auditor since 2007.

Boca Raton, Florida

February 26, 2019

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Morgan Group Holding Co.
Balance Sheets

	December 31,	
	2018	**2017**
ASSETS		
Current assets:		
Cash and cash equivalents	$129,635	$17,273
Prepaid expenses	7,454	329
Total current assets	137,089	17,602
Total assets	$137,089	$17,602
LIABILITIES		
Current liabilities:		
Accounts payable	$222	$4,995
Total current liabilities	222	4,995
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred Stock, $0.01 par value, 1,000,000 shares authorized, none issued and outstanding	--	--
Common Stock, $0.01 par value, 10,000,000 shares authorized, 4,859,055 and 3,359,055 issued and outstanding at December 31, 2018 and 2017, respectively	48,591	33,591
Additional paid-in-capital	5,937,368	5,772,368
Accumulated deficit	(5,849,092)	(5,793,352)
Total shareholders' equity	136,867	12,602
Total liabilities and shareholders' equity	$137,089	$17,602

See accompanying notes to financial statements

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Morgan Group Holding Co.
Statements of Operations

	Year Ended December 31,	
	2018	**2017**
Revenues	$--	$--
Administrative expenses	(57,808)	(55,118)
Other income:		
Interest income	2,068	216
Net loss before income taxes	(55,740)	(54,902)
Income taxes	--	--
Net loss	($55,740)	($54,902)
Loss per share, basic and diluted	($0.01)	($0.02)
Average shares outstanding, basic and diluted	4,538,507	3,359,055

See accompanying notes to financial statements

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Morgan Group Holding Co.
Statements of Cash Flows

	Year Ended December 31,	
	2018	**2017**
Cash flows from operating activities		
Interest received	$2,068	$216
Cash paid to suppliers	(69,706)	(47,404)
Net cash used in operating activities	(67,638)	(47,188)
Cash flows from investing activities	--	--
Cash flows from financing activities		
Issuance of common stock	180,000	--
Net cash provided by financing activities	180,000	--
Net increase (decrease) in cash and cash equivalents	112,362	(47,188)
Cash and cash equivalents, beginning of the year	17,273	64,661
Cash and cash equivalents, end of the year	$129,635	$17,473
Reconciliation of net loss to net cash used in operating activities:		
Net loss	($55,740)	($54,902)
(Decrease) increase in accounts payable	(4,773)	4,145
(Increase) decrease in prepaid expenses	(7,125)	3,569
Net cash used in operating activities	($67,638)	($47,188)

See accompanying notes to financial statements

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Morgan Group Holding Co.
Statements of Shareholders' Equity

	Preferred Stock		Common Stock		Additional		
	Shares	Par Value	Shares	Par Value	Paid in Capital	Accumulated Deficit	Total
Balance, December 31, 2016	--	$--	3,359,055	$33,591	$5,772,368	($5,738,450)	$67,509
Net loss for year-ended December 31, 2017	--	--	--	--	--	(54,902)	(54,902)
Balance, December 31, 2017	--	--	3,359,055	33,591	5,772,368	(5,793,352)	12,607
Issuance of common stock	--	--	1,500,000	15,000	165,000	--	180,000
Net loss for year ended December 31, 2018	--	--	--	--	--	(55,740)	(55,740)
Balance, December 31, 2018	--	$--	4,859,055	$48,591	$5,937,368	($5,849,092)	$136,867

See accompanying notes to financial statements

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Morgan Group Holding Co.
Notes to Financial Statements

Note 1. Basis of Presentation and Significant Accounting Principles

Basis of Presentation

Morgan Group Holding Co. ("Company") was incorporated in November 2001 as a wholly-owned subsidiary of LICT Corporation ("LICT") to serve, among other business purposes, as a holding company for LICT's controlling interest in The Morgan Group, Inc. ("Morgan"). On January 24, 2002, LICT spun off 2,820,051 shares of the Company's common stock through a pro rata distribution ("Spin-Off") to its stockholders and retained 235,294 shares.

On October 3, 2002, Morgan ceased its operations when its liability insurance expired, and it was unable to secure replacement insurance. On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division for the purpose of conducting an orderly liquidation of Morgan's assets. On March 31, 2008, and the bankruptcy court dismissed the proceeding and it was entirely concluded at that time. The Company received no value for its equity ownership from the bankruptcy proceeding.

Significant Accounting Principles

Cash and Cash Equivalents

All highly liquid investments with maturity of three months or less when purchased are considered to be cash equivalents. The carrying value of a cash equivalent approximates its fair value based on its nature.

At December 31, 2018 and 2017 all cash and cash equivalents were invested in a United States Treasury money market fund, for which an affiliate of the Company serves as the investment manager.

Stock Based Compensation

During 2012, the Company issued stock options and warrants to two of the Company's officers, see Note 6. The Company uses a fair value-based method of accounting for stock-based compensation provided to our employees. The estimated fair value of option awards on the grant date is determined using the Black Scholes option-pricing model. This sophisticated model utilizes a number of assumptions in arriving at its results, including the estimated life of the option, the risk-free interest rate at the date of grant and the volatility of the underlying common stock. There may be other factors that are not considered in the Black Scholes model, but which may have an effect on the value of the options as well. The effects of changing any of the assumptions or factors employed by the Black Scholes model may result in a significantly different valuation for the options. No options or warrants were granted during the years ended December 31, 2018 and 2017. The Company currently has no full-time employees.

Earnings per share

Basic earnings per share is based on the weighted-average number of common shares outstanding during each period. Diluted earnings per share is based on basic shares plus the incremental shares that would be issued upon the assumed exercise of in-the-money stock options and unvested restricted stock using the treasury stock method, if dilutive.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Note 2. Fair Value of Financial Instruments

The Company measures fair value as the selling price that would be received for an asset, or paid to transfer a liability, in the principal market on the measurement date. The hierarchy established by the FASB prioritizes fair value measurements based on the types of inputs used in the valuation technique. The inputs are categorized into the following levels:

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable, either directly or indirectly, for identical or similar assets and liabilities in active or non-active markets; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liability.

Level 3 – Unobservable inputs not corroborated by market data, therefore requiring the entity to use the best available information, including management assumptions.

At December 31, 2018 and 2017, the Company’s cash equivalents include money market securities. These securities are valued utilizing quoted market prices from identical instruments and are categorized in Level 1 of the fair value hierarchy.

At December 31, 2018 and 2017, there were no gross unrealized gains or losses.

Note 3. Investment in Morgan Group, Inc.

Upon Morgan’s bankruptcy filing, the Company deconsolidated its investment, as the Company believes it no longer had controlling or significant influence. At December 31, 2007, the estimated value of Morgan’s assets in liquidation was insufficient to satisfy its estimated obligations. On March 31, 2008, the bankruptcy proceeding was concluded, and the bankruptcy court dismissed the proceeding. The Company received no value for its equity ownership.

Note 4. Income Taxes

Deferred income taxes are determined based upon differences between financial reporting and income tax bases of assets and liabilities and are measured using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse. The Company recognizes any interest and penalties to unrecognized tax benefits as a component of income tax expense.

No federal current or deferred income taxes were recorded for the years ended December 31, 2018 and 2017, as the Company's income tax benefits were fully offset by a corresponding increase to the valuation allowance against its net deferred income tax assets.

The Tax Reform Act of 1986 limits the annual utilization of net operating loss and tax credit carry forwards, following an ownership change of the Company. Note that as a result of the Company's equity financings in recent years, the Company underwent changes in ownership for purposes of the Tax Reform Act. Pursuant to Sections 382 and 383 of the Internal Revenue Code, annual use of any of the Company's net operating loss carry forwards may be limited if cumulative changes in ownership of more than 50% occur during any three-year period.

At December 31, 2018 and 2017, the Company had federal and state net current operating loss carry forwards of $641,000 and $582,000, respectively, available to offset future taxable income. The current net operating loss carry forwards for Federal income tax purposes will expire in varying amounts beginning 2023 through 2036. At December 31, 2018 and 2017, the Company had federal capital loss carry forwards of approximately $2,000 available to offset future taxable gains.

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The components of income tax provision (benefit) are as follows:

	December 31,	
	2018	2017
Current income taxes:		
Federal	$--	$--
State	--	--
Total current income taxes	--	--
Deferred income taxes	(12,030)	63,679
Change in valuation allowance	12,030	(63.679)
Provision (benefit) for income taxes	$--	$--

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	December 31,	
	2018	2017
Current deferred income tax assets	$--	$--
Noncurrent deferred income tax assets:		
Net operating loss carryover difference	167,441	154,892
Stock option compensation	28,602	29,121
	196,043	184,013
Valuation allowance	(196,043)	(184,013)
	$--	$--

Due to uncertainty surrounding realization of the deferred income tax assets in future periods, the Company has recorded a 100% valuation allowance against its net deferred tax assets. If it is determined in the future that it is more likely than not that the deferred income tax assets are realizable, the valuation allowance will be reduced.

The reconciliation of the provision for income taxes for the years ended December 31, 2018 and 2017, and the amount computed by applying the U. S, Federal statutory income tax rate to net loss is as follows:

	December 31,	
	2018	2017
Tax provision (benefit) at statutory rate	($11,705)	($17,777)
State taxes, net of federal effect	(2,862)	(2,450)
Change in Federal income tax rates	--	83,906
Change in state income tax rates	2,537	--
Change of valuation allowance	12,014	(63,679)
Effective income provision (benefit)	$--	$--

Note 5. Commitments and Contingencies

From time to time the Company may be subject to certain asserted and unasserted claims. It is the Company’s belief that the resolution of any such matters will not have a material adverse effect on its financial position.

The Company has not guaranteed any of the obligations of Morgan and believes it currently has no commitment or obligation to fund any creditors.

Note 6. Shareholders Equity and Stock Options and Warrants

On March 19, 2018 the Company sold in a private placement to LICT, 1,500,000 of its shares common stock for $180,000, or $0.12 per share. These funds are intended to be used to pay future administrative costs, until an acquisition candidate can be found, and appropriate financing obtained.

At the Company's Annual Meeting of Stockholders on May 8, 2014, its stockholders voted to amend the Company's Certificate of Incorporation (the "Charter Amendment") to increase the number of authorized shares of common stock, par value $0.01 per share, from 10,000,000 to 100,000,000. The Company has not yet filed the Amended Certificate of Incorporation with its state of incorporation, Delaware, to effectuate the authorization.

On December 21, 2012, the Company issued a warrant to purchase up to 1,000,000 shares of the Company's Common Stock at $1.00 per share to Jonathan P. Evans in exchange for $10,000, which was received in 2013. In addition, on that date, the Company issued a warrant to purchase up to 200,000 shares of the Company's Common Stock at $1.00 per share to Robert E. Dolan, Chief Financial Officer of the Company, in exchange for $2,000. Both warrants were exercisable through December 21, 2017, but expired unexercised.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.
Not Applicable.

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures.

As required by Rule 15d-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report, Management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2018. This evaluation was carried out under the supervision and with the participation of our principal executive officer as well as our principal financial officer, who concluded that our disclosure controls and procedures are effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act are accumulated and communicated to management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Management’s Annual Report on Internal Control of Financial Reporting.

The Company’s management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. Management conducted an assessment of the Company’s internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework.* Based on the assessment, management concluded that, as of December 31, 2018, the Company’s internal control over financial reporting is effective.

This annual report does not include an attestation report of a registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by a registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management’s report in this annual report.

(c) Changes in Internal Control over Financial Reporting

There was no significant change in the Company’s internal control over financial reporting that occurred during the most recently completed fiscal year that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B. Other Information.
None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following information provides the name, business address, present principal occupation, employment history, positions, offices or employments for the past five years and ages as of February 26, 2019 for our executive officers and directors. Members of the board are elected and serve for one-year terms or until their successors are elected and qualify.

Name	Age	Position
Robert E. Dolan	67	Acting Chief Executive Officer, Chief Financial Officer and Director
Mario J. Gabelli	76	Director

Robert E. Dolan has served as Acting Chief Executive Officer, from March 2017. Mr. Dolan also serves as Chief Financial Officer since November 2001. Mr. Dolan has also serves in the following capacities at LICT Corporation: Executive Vice President and Chief Financial Officer from December 2010, Interim Chief Executive Officer and Chief Financial Officer from May 2006 to December 2010, Chief Financial Officer from January 2004 to May 2006, Chief Financial Officer, Controller from September 1999 to January 2004 and Director from August 2013. In addition, Mr. Dolan was, until September 2009, the Assistant Secretary and director of Sunshine PCS Corporation, a public holding company, now known as ICTC Group, Inc. and had served in these capacities since November 2000. Also, from November 2007, Mr. Dolan has been the Interim Chief Executive Officer and Chief Financial Officer of CIBL, Inc.

Mario J. Gabelli has served as a director and Chairman of the Board since 2001.Mr. Gabelli previously served as Chief Executive Officer of the Company from November 2011 to November 2012. Mr. Gabelli has also served as Chairman, Chief Executive Officer, Chief Investment Officer – Value Portfolios and a director of GAMCO Investors, Inc. (“GAMCO”), a publicly traded company in the asset management business, since 1978. In connection with those responsibilities, he serves as director or trustee of registered investment companies managed by GAMCO and its affiliates (“Gabelli Funds”). Mr. Gabelli has served as Executive Chairman of Associated Capital Group, Inc. (“Associated Capital”) since May 2016 and previously served as the Chief Executive Officer of Associated Capital from May 2015 until November 2016. Associated Capital is a public company containing the alternative investment management business, institutional research services business and certain cash and other assets that were spun off from GAMCO in November 2015. Mr. Gabelli has also been a portfolio manager for Teton Advisors, Inc. (“Teton”) from 1998 to February 2017. Since March 1, 2017, GAMCO serves as a subadvisor to Teton, and Mr. Gabelli serves as a portfolio manager under that sub advisory agreement. Teton is an asset management company which was spun off from GAMCO in March 2009. He has also served as Director of CIBL, Inc. since November 2007, when CIBL was spun off from LICT Corporation. In addition, Mr. Gabelli is the Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc. (“GGCP”), a private company which owns a majority of GAMCO’s Class B Stock and a majority of Associated Capital’s Class B Stock through an intermediate subsidiary, GGCP Holdings LLC. He is also the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli has served as a director of LICT since 1999, and as President and Chief Executive Officer of LICT since December 2010. He has also served as LICT’s Chairman since December 2004 (and also served as Chairman from September 1999 to December 2002), as its Vice Chairman from December 2002 to December 2004, and as Chief Executive Officer from September 1999 to November 2005. Mr. Gabelli has served as a director of ICTC Group, Inc. (“ICTC”), a telecommunications company serving southeastern North Dakota which was spun off from LICT in May 2010, since July 2013 to the present. Mr. Gabelli serves as Overseer of the Columbia University Graduate School of Business and as a Trustee of Boston College and Trustee of Roger Williams University. In addition, he serves as Director of The Winston Churchill Foundation, The E. L. Wiegand Foundation, The American-Italian Cancer Foundation, and The Foundation for Italian Art & Culture. He is also Chairman of the Gabelli Foundation, Inc., a Nevada private charitable trust. Mr. Gabelli previously served as Co-President and President of Field Point Park Association, Inc.

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Committees of the Board of Directors

We presently do not have an audit committee, compensation committee, nominating committee, an executive committee of our board of directors, stock plan committee or any other committees. Currently, our full board of directors serves as the audit committee and approves, when applicable, the appointment of auditors and the inclusion of financial statements in our periodic reports. Mr. Dolan is deemed to be an “audit committee financial expert.” Mr. Dolan is currently not deemed to be “independent” as defined under NASDAQ listing notes.

We have not made any changes to the process by which shareholders may recommend nominees to the board of directors since our last annual report.

Code of Ethics

We have not yet adopted a corporate code of ethics. Our board of directors is considering whether in light of the nature of our company and its lack of any operations, it is necessary or appropriate to adopt a formal corporate code of ethics. If it is determined that such a code would be necessary or appropriate, the Board will then consider establishing, over the next year, a code of ethics.

Legal Proceedings

None of our directors and executive officers has been involved in legal proceedings that would be material to an evaluation of our management.

Item 11. Executive Compensation.
The Company has not paid any compensation to any person, including its directors and executive officers, since inception. The Company does not have any employment contracts with either of its executive officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.
The following table sets forth information concerning ownership of our common stock as of February 26, 2019 by each person known by us to be the beneficial owner of more than five percent of the common stock, each director, each executive officer, and by all directors and executive officers as a group. We believe that each stockholder has sole voting power and sole dispositive power with respect to the shares beneficially owned by him. Unless otherwise indicated, the address of each person listed below is 401 Theodore Fremd Avenue, Rye, New York 10580.

Name and Address* of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned		Percent of Ownership*
Mario J. Gabelli	2,385,844	(1)	49.1%
Thomas Donald Baulch Jr. 448 West 19th Street, #580 Houston, TX 77008	481,903	(3)	9.9%
Bernard Zimmerman & Company, Inc. 18 High Meadow Road Weston, CT 06883	216,100	(4)	4.4%
Claudia Carucci and Uncle Mills Partners 17 Eagle Island Place Shelton, SC 29941-3017	152,535	(4)	3.1%
Robert E. Dolan	509	(5)	0.0%

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*Unless otherwise indicated, the address of each person listed above is 401 Theodore Fremd Avenue, Rye, New York 10580.

**Based on 4,859,055 shares outstanding at February 26, 2019.

(1)	Includes 310,550 shares owned directly by Mr. Gabelli, 340,000 shares owned by a limited partnership for which Mr. Gabelli serves as a general partner (Mr. Gabelli has less than a 100% interest in the entity and disclaims beneficial ownership of the shares held by this entity which are in excess of his indirect pecuniary interest), and 1,735,294 shares owned by LICT Corporation (As Chief Executive Officer of LICT, Mr. Gabelli is a "control person" of LICT and therefore shares owned by LICT are set forth in the table as also deemed beneficially owned by Mr. Gabelli. disclaims beneficial ownership of the shares owned by the partnership and LICT Corporation, except for his interest therein.)
(2)	Based solely on a Schedule 13G/A filed with the Securities and Exchange Commission by Thomas Donald Baulch Jr. on March 23, 2018, identifying Thomas Donald Baulch Jr. as the beneficial owner of 481,903 shares, having sole voting power and sole dispositive power with respect to 357,476 shares and having shared voting power and shared dispositive power with respect to 124,427 shares which are held of record by the wife of T. Baulch.
(3)	Based solely on a Schedule 13G filed with the Securities and Exchange Commission on September 25, 2017 by Claudia Carucci, and Uncle Mills Partners, identifying Claudia Carucci as the beneficial owner of 152,535 shares.
(4)	Based solely on a schedule 13G filed with the Securities and Exchange Commission on September 25, 2017 by Bernard Zimmerman & Company, Inc. as the beneficial owner of 216,100 shares and having sole voting power and sole dispositive power with respect to such shares
(5)	Represents 400 shares owned directly by Mr. Dolan, 109 shares owned by Mr. Dolan as part of the LICT Corporation 401(k) Plan

Item 13. Certain Relationships and Related Transactions.

On March 19, 2018, the Company sold 1,500,000 shares of its common stock to LICT for a total consideration of $180,000, or $0.12 per share (the "Private Placement"). The securities issued to LICT were offered and sold in a Private Placement exempt from the registration requirements of the Securities Act of 1933, as amended, and under Section 4(a)(2) of the Securities Act and Rule 506 thereunder.

The proceeds from the Private Placement are intended to be used to fund the Company’s future administrative costs to maintain its public company reporting obligations. During this time, the Company will continue to pursue a business combination. The Company currently has no plans, arrangements, commitments, agreements or understandings with any prospective target business concerning a business combination and may be unable to complete a business combination.

Mario J. Gabelli, one of the Company’s director’s, is also Chief Executive Officer and Chairman of the Board of Directors of LICT and Robert E. Dolan, the Company’s other director, is Executive Vice President, Chief Financial Officer and Director of LICT. Following the Private Placement, Mr. Gabelli and LICT beneficially own, in the aggregate, approximately 49.1% of the Company’s outstanding common stock.

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Item 14. Principal Accountant Fees and Services.
Audit Fees

The aggregate fees billed by Daszkal Bolton LLP for professional services rendered for the audit of the Company's financial statements for 2018 and 2017 were $16,000. For 2018 and 2017, Daszkal Bolton LLP billed the Company an aggregate of $4,000 per quarter, for the reviews of the financial statements included in its quarterly Form 10-Q.

Audit-Related Fees

No audit-related fees were billed by Daszkal Bolton LLP for 2018 or 2017.

Tax Fees

No tax fees were billed by Daszkal Bolton LLP for 2018 or 2017.

All Other Fees

No other fees were billed by Daszkal Bolton LLP for 2018 or 2017 for services other than as set forth above.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

Exhibit Number	Description
3.1	Certificate of Incorporation of the Company*
3.2	By-laws of the Company*
31.1	Rule 15d-14(a) Certification of the Chief Executive Officer
31.2	Rule 15d-14(a) Certification of the Principal Accounting Officer
32.1	Section 1350 Certification of the Chief Executive Officer
32.2	Section 1350 Certification of the Principal Accounting Officer
EX-101.INS	XBRL Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase
EX-101.LAB	XBRL Taxonomy Extension

	Label Linkbase
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase

* Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 333-73996).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MORGAN GROUP HOLDING CO.

Dated: February 26, 2019	By:	/s/Robert E. Dolan ROBERT E. DOLAN Acting Chief Executive Officer and Chief Financial Officer (Principal Executive and Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Robert E. Dolan Robert E. Dolan	Acting Chief Executive Officer (Principal Executive and Financial and Accounting Officer and Director)	February 26, 2019
/s Mario J. Gabelli Mario J. Gabelli	Director	February 26, 2019