

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORTS
FORM X-17A-5
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Nov. 30, 2026
Estimated average burden hours per response: 12
SEC FILE NUMBER

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 01/01/23 AND ENDING 12/31/23
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: FON Corporate Finance 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.)

3033 Wilson Blvd., Suite 230

(No. and Street)

Arlington

(City)

Virginia

(State)

22201

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

John O'Hara

(Name)

(904) 303-7277

(Area Code – Telephone Number)

johara@fonadvisors.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

FGMK LLC

(Name – if individual, state last, first, and middle name)

333 W. Wacker Dr., 6th Floor Chicago

(Address)

(City)

IL

(State)

60606

(Zip Code)

12/17/2009

(Date of Registration with PCAOB)(if applicable)

3968

(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, John O'Hara, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of FON Corporate Finance LLC, as of 12/31, 2023, 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.


Notary Public

Commonwealth of Pennsylvania - Notary Seal
Katty Campos, Notary Public
Montgomery County
My Commission Expires July 14, 2027
Commission Number 1435222

Signature: 

Title: President

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.



FON Corporate Finance LLC

FINANCIAL STATEMENT

Year Ended December 31, 2023

PUBLIC

This report is deemed PUBLIC in accordance with Rule 17a-5(d) under the Securities Act of 1934

FON Corporate Finance LLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Management of
FON Corporate Finance LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of FON Corporate Finance LLC (the “Company”) as of December 31, 2023, and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement 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 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 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 statement is 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 audit 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 audit included performing procedures to assess the risks of material misstatement of the financial statement, 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

FGMK, LLC

We have served as the Company’s auditor since 2022.

Chicago, Illinois
February 20, 2024

FON Corporate Finance LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2023

Assets

Cash and Cash Equivalents	\$	18,429
Other Assets		<u>7,901</u>
Total Assets	\$	<u>26,330</u>

Liabilities and Member's Equity

Liabilities		
Accounts Payable	\$	<u>629</u>
Total Liabilities		629
Member's Equity		<u>25,701</u>
Total Liabilities and Member's Equity	\$	<u>26,330</u>

FON Corporate Finance LLC

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

1. Organization and Nature of Business

FON Corporate Finance LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly-owned subsidiary of FON Holdings, LLC (the "Parent"). The Company was formed on November 18, 2019, as a limited liability company in accordance with the laws of the state of Delaware. The primary business of the Company is to provide services in the areas of mergers and acquisitions and private capital raising. The Company holds no customer funds or securities for investment, nor does it owe funds or securities to its customers.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies and reporting practices of the Company conform to the practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the standards of the SEC and FINRA.

Government and Other Regulation

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations, including the SEC and FINRA. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations. As a registered broker dealer, the Company is subject to the SEC's net capital rules (Rule 15c3-1) which require that the Company maintain a minimum net capital, as defined. The Company does not hold customers' cash or securities; therefore, the Company is exempt from the requirement of SEC Rule 15c3-3 of the Act pertaining to the possession or control of customer assets and reserve requirements.

Use of Estimates

The preparation of this financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of this financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments having original maturities of three months or less at the date of purchase to be cash equivalents. The Company may, during the ordinary course of business, maintain account balances with banks in excess of federally insured limits. At December 31, 2023, cash equivalents held in an interest-bearing savings account at Bank of America totaled \$10,014.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of unconditional amounts due for services rendered and are reported at amortized cost. All receivables are uncollateralized. To provide for receivables that could become uncollectible in the future, the Company may establish an allowance for credit losses to reduce the carrying amount of such receivables to their estimated net realizable value. The allowance for credit losses is based upon Management's assessment of historical and expected net collections, business and economic conditions, and other collection indicators. Accounts receivable as of December 31, 2023 were \$0. Additionally, there were no accounts receivable as of January 1, 2023.

The Company adopted a policy of estimated credit losses on financial assets in accordance with FASB ASC 326-20. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the balance sheet that adjusts the asset's amortized cost

FON Corporate Finance LLC

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

basis. Changes in the allowance for credit losses are reported in Credit Loss expense. No allowance was deemed necessary as of January 1, 2023 or December 31, 2023.

Contract Liabilities

The Company records contract liabilities when the Company receives payment in advance of satisfying its performance obligation.

Retainers and engagement fees are due upon execution of a contract. Contract liabilities are recognized over future periods as revenue in accordance with the applicable engagement agreement, and certain milestones are met. Success fees are due upon completion of a deal. There were \$40,000 of contract liabilities as of January 1, 2023.

Revenue Recognition

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance obligations by transferring promised goods or services to customers. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled in exchange for those promised goods or services.

Significant Judgements – Revenue from contracts with customers includes commission income and fees from investment banking services. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

The following provides detailed information on the recognition of the Company's revenue from contracts with customers:

Investment Banking

The Company provides advisory services on mergers, acquisitions, and restructuring. Revenue for advisory arrangements is generally recognized at the point in time once the performance obligation under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. However, for certain contracts, revenue is recognized over time for advisory arrangements in which the performance obligations are simultaneously provided by the Company and consumed by the customer. In some circumstances, significant judgment is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. Retainers and other fees received from customers prior to recognizing revenue are reflected as contract liabilities. In 2023, revenues recognized from contract liabilities were \$40,000. At January 1, 2023 and December 31, 2023, contract liabilities were \$40,000 and \$0, respectively, are included in contract liabilities on the statement of financial condition.

Retainer, Consulting, and Success Fees – Fees are due in accordance with the terms of the executed agreement and are typically recorded upon execution of a signed agreement. Performance obligations in these arrangements vary depending on the contract, but are typically satisfied at a point in time under the arrangement. These types of fees may also include retainer, research, and/or success fees, which are recognized upon the completion or cancellation of the deal.

Income Taxes

No provisions have been made for income taxes since the Company is a single member limited liability company and is considered a disregarded entity for income tax purposes. The sole member is liable for income taxes based on the Company's taxable income.

3. Related-Party Transactions

The Company and its Parent have entered into an expense sharing agreement whereby office services are allocated between all related entities. Any amounts owed are due on demand and bear no interest. Shared expenses are allocated based on headcount, directly correlated use and/or percent of time spent by personnel. As of December 31, 2023, the amount owed under this arrangement was \$0.

FON Corporate Finance LLC

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

4. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC Rule 15c3-1"). Under this rule, the Company is required to maintain "minimum net capital" equivalent to \$5,000 or 6 2/3% of "aggregate indebtedness," whichever is greater, and a rate of "aggregate indebtedness" to "net capital" less than 15 to 1, as these terms are defined. Rule 15c3-1 also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2023, the Company had net capital of \$17,800, which was \$12,800 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 3.53 to 1.

5. Contingencies

The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. As of December 31, 2023, and through the date of this report there were no such claims.

6. Indemnifications

In the ordinary course of business, the Company may be subject to various claims, litigation, regulatory, and arbitration matters. Although the effects of these matters cannot be determined, the Company's management believes that their ultimate outcome will not have a material effect on the Company's financial position, results of operations, or net cash flows.

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnification under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of future obligations under these indemnifications to be remote.

7. Going Concern

The Company has commitments from FON Holdings LLC to fund operating expenses as needed over the next twelve months to satisfy any net capital requirements. The ongoing operations of the Company are economically dependent on its ability to enter into new contracts with other parties.

The accompanying financial statement has been prepared assuming the Company will continue as a going concern. Management acknowledges the operating results for the period ended December 31, 2023 were in line with expectations, given the Company is still considered a start-up. Due to the current status of revenue production and the need for capital augmentation, management has received assurances from the Parent that they have the wherewithal to, and will, infuse capital should the Company need it to fund operations.

During 2023, the Company had its financial operations professional leave the Company. The Company remains in the process of identifying a replacement. During this time, the Company is unable to provide any investment banking services; however, the Company intends to operate without the ability to earn revenue until a new financial operations professional has been hired.

Because the Company is under common ownership and management control with its related parties, its operating results and financial position may differ from those that would have been obtained had the Company been autonomous.

8. Subsequent Events

The Company's management has evaluated subsequent events through February 20, 2024, the date this financial statement was issued and has concluded there are no significant subsequent events that would require adjustment to or disclosure in this financial statement.