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

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

SEC  
Mail Processing  
Section

MAR 4 - 2013

Washington DC  
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SEC FILE NUMBER  
8- 12823

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CLINGER & CO, INC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

6505 Clawson St

(No. and Street)

Houston

TX

77055-7103

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Norman Clinger

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Edward Richardson Jr., CPA

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

15565 Northland Dr. Suite 508 West Southfield, MI. 48075

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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.

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OATH OR AFFIRMATION

I, Norman Clinger, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Clinger & Co, Inc, as of December 31, 20 12, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

Signature

President

Title

Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

*Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514*

**Independent Auditor's Report**

February 21, 2013

Board of Directors  
Clinger & Co., Inc.  
6505 Clawson  
Houston , TX 77055-7103

I have audited the accompanying balance sheet of Clinger & Co., Inc. , as of December 31, 2012, and the related statements of income, retained earnings, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Clinger & Co., Inc. as of December 31, 2012, and the results of its operations, retained earnings, changes in stockholders equity, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules of computation of net capital, computation of basic net capital requirement, computation of aggregate indebtedness, exemptive provisions under rule 15c3-3, statement of changes in liabilities subordinated to the claims of general creditors, and the reconciliation of the computation of net capital under rule 15c3-1, are presented for additional analysis and are not a required part of the basic financial statements, but are supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects to the basic financial statements taken as a whole.

Further, there were no material differences in the net amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding Unaudited Part IIA of the Focus report required under Rule 15c3-1.

Edward Richardson Jr., CPA

**Clinger & Co., Inc.**  
**BALANCE SHEET**  
**As of December 31, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash In Bank	\$	6,244.66
Investments		28,153.44
Accounts Receivable		<u>10.73</u>

<b>Total Current Assets</b>		<u><b>34,408.83</b></u>
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**PROPERTY AND EQUIPMENT**

<b>TOTAL ASSETS</b>	<b>\$</b>	<u><b>34,408.83</b></u>
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The footnotes are an integral part of the financial statements.

**Clinger & Co., Inc.**  
**BALANCE SHEET**  
**As of December 31, 2012**

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**CURRENT LIABILITIES**

Accounts Payable \$ 401.12

**Total Current Liabilities** 401.12

**LONG-TERM LIABILITIES**

**Total Liabilities** 401.12

**STOCKHOLDERS' EQUITY**

Capital Stock, par value, \$1 per share,  
100,000 share authorized, 1,000 shares  
issued and outstanding 1,000.00

Paid in Excess 28,916.00

Retained Earnings 4,091.71

**Total Stockholders' Equity** 34,007.71

**TOTAL LIABILITIES AND  
STOCKHOLDERS' EQUITY** \$ 34,408.83

The footnotes are an integral part of the financial statements.

**Clinger & Co., Inc.**  
**STATEMENT OF INCOME**

**12 Months Ended  
December 31, 2012**

<b>Revenues</b>	
Commissions Earned	\$ <u>85,931.87</u>
<b>Total Revenues</b>	<u>85,931.87</u>
<b>Operating Expenses</b>	
Employee compensation and ben	17,094.62
Communications and data proces	4,215.33
Other expenses	64,258.95
<b>Total Operating Expenses</b>	<u>85,568.90</u>
<b>Operating Income (Loss)</b>	<u>362.97</u>
<b>Net Income (Loss)</b>	<u>\$ 362.97</u>

The footnotes are an integral part of the financial statements.

**Clinger & Co., Inc.**  
**STATEMENT OF RETAINED EARNINGS**

	<b>12 Months Ended December 31, 2012</b>
Beginning of Period	\$ 8,778.00
Plus: Net Income	\$ 362.97
Plus: Prior Period Adjustment	\$ (5,049.26)
Less: Dividends Paid	<u>0.00</u>
 <b>RETAINED EARNINGS END OF PERIOD</b>	 <b><u>\$ 4,091.71</u></b>

The footnotes are an integral part of the financial statements.

**Clinger & Co., Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the 12 months Ended December 31, 2012**

	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ 362.97
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Prior Period Adjustment	(299.70)
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Accounts Receivable	38.27
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(123.88)
Accrued Liabilities	0.00
Total Adjustments	<u>(385.31)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>(22.34)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds From Sale of Fixed Assets	<u>0.00</u>
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>0.00</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds From Sale of Stock	0.00
Treasury Stock	<u>0.00</u>
<b>Net Cash Provided By (Used in) Financing Activities</b>	<b><u>0.00</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(22.34)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b><u>6,267.00</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 6,244.66</u></b>

The footnotes are an integral part of the financial statements.



**CLINGER & CO., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

**Organization**

Clinger & Co, Inc. (the “Company”), a Texas limited partnership, was formed in January 1966. It is a member of the Financial Industry Regulatory Authority (FINRA). As a limited broker-dealer, the Company operated under the exemptive provisions of the Securities and Exchange Commission’s (SEC) Rule 15c3-3(k)(2)(i) which provide that it will not maintain any margin accounts, will promptly transmit all customer funds and deliver securities received, and does not hold funds or securities for, or owe money or securities to, customers. The Company’s revenues are primarily from commissions earned from various mutual funds. The Company’s accounts receivable are from brokers and dealers in securities, Consequently, the Company’s ability to collect the amounts is affected by economic fluctuations in the securities industry.

**Description of Business**

The Company, located in Houston, Texas, is a broker and dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company’s customers are held by a clearing broker-dealer.

**Basis of Accounting**

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Cash and Cash Equivalents**

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable – Recognition of Bad Debt**

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Revenue Recognition**

Commission revenues are recorded by the Company when the services rendered.

See accountant’s audit report

**CLINGER & CO., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**Income taxes**

Effective January 1, 2002, the Company elected "S" corporation status for federal income tax purposes. Under "S" corporation regulations, net income or loss is reportable for tax purposes by the shareholders. Accordingly, no federal income taxes are included in the accompanying financial statements.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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.

**Fair Value of Financial Instruments**

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

**Comprehensive Income**

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2012, the Company did not have any components of Comprehensive Income to report.

**Concentrations**

The Company has revenue concentrations; the company specializes in sales of securities.

**NOTE B – NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material inadequacies in the amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding Part IIA of the FOCUS report required under Rule 15c3-1.

See accountant's audit report

**CLINGER & CO., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE C – POSSESSION OR CONTROL REQUIREMENTS**

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(2)(ii) by promptly transmitting all customer funds or securities to the clearing broker who carries the customer accounts.

**NOTE E – OTHER COMMITMENTS AND CONTINGENCIES**

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2012, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

**NOTE H – FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date (i.e., an exit price). The guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority To unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

*Level 1* – Quoted, active market prices for identical assets or liabilities. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers of brokers in active markets. Valuation is obtained from readily available pricing sources for market transactions involving identical assets or liabilities. The Company did have any Level 1 assets.

*Level 2* – Observable inputs other than Level 1, such as quoted market prices for similar assets or liabilities, quoted for identical or similar assets in inactive markets, and model derived valuations in which all significant inputs are observable in active markets. The Company did not have any Level 2 assets or liabilities.

*Level 3* – Valuation techniques in which one or more significant inputs are observable in the marketable. The company did not have any Level 3 assets or liabilities.

Fair values of assets measured on a recurring basis at December 31, 2012 are as follows:

	<b>Fair value at Reporting Date Using</b>	
	<b>Fair Value</b>	<b>Quoted Price in Active markets for Identical Assets (Level 1)</b>

See accountant's audit report

<b>December 31, 2012</b>		
<b>Mutual Funds</b>	<b>\$ 296.33</b>	<b>\$ 296.33</b>
<b>Marketable Securities</b>	<b>184,289.87</b>	<b>184,289.87</b>
<b>Total</b>	<b>\$ 184,586.20</b>	<b>\$ 184,586.20</b>

Fair values for short-term investments and long-term investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The income reported from these investments was dividend income \$7,003.73.

The carrying amounts reflected in the balance sheet for cash, money market funds, and marketable securities approximate the respective fair values due to the short maturities of those instruments. Available-for-sale marketable securities are recorded at fair value in the balance sheet. A comparison of the carrying value of those financial instruments is as follows:

	<b>Fair value at Reporting Date Using</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
<b>December 31, 2012</b>		
<b>Mutual Funds</b>	<b>\$ 296.33</b>	<b>\$ 296.33</b>
<b>Marketable Securities</b>	<b>184,289.87</b>	<b>184,289.87</b>
<b>Total</b>	<b>\$ 184,586.20</b>	<b>\$ 184,586.20</b>

#### **NOTE G - SUBSEQUENT EVENT**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 25, 2013, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Supplementary Information**

**Supplementary**  
**Pursuant to rule 17a-5 of the**  
**Securities and Exchange Act of 1934**  
**As of and for the Year Ended December 31, 2012**

**See accountant's audit report**  
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**Clinger & Co, Inc.**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2012**

**Computation of Net Capital**

Total Stockholder's equity:		\$ 34,007.71
Nonallowable assets:		
Property and equipment	0.00	
Accounts receivable – other	<u>0.00</u>	<u>(0.00)</u>
Other Charges		
Haircuts	0.00	
Undue Concentration	<u>7,038.00</u>	<u>(7,038.00)</u>
Net allowable capital		\$ 26,969.71

**Computation of Basic Net Capital Requirement**

Minimum net capital required as a percentage of aggregate indebtedness	<u>\$ 26.80</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000.00</u>
Net capital requirement	<u>\$ 5,000.00</u>
Excess net capital	<u>\$ 16,367.26</u>

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	<u>\$ 401.12</u>
Percentage of aggregate indebtedness to net capital	<u>1.88%</u>

**Reconciliation of the Computation of Net Capital Under Rule 15c3-1**

Computation of Net Capital reported on FOCUS IIA as of December 31, 2012	\$ 34,009.00
Adjustments:	
Change in Equity (Adjustments)	(7,039.29)
Change in Non-Allowable Assets	(0.00)
Change in Haircuts	0.00
Change in Undue Concentration	<u>0.00</u>
NCC per Audit	<u>26,969.71</u>
Reconciled Difference	<u>\$ (0.00)</u>

**Clinger & Co, Inc. .**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2012**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The name is exempt under 15c3-3(k)(2)(i).

**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**

Balance of such claims at January 1, 2012	\$ -
Additions	-
Reductions	-
Balance of such claims at December 31, 2012	<u>\$ -</u>



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
**FOCUS REPORT**  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
**PART IIA** 12

FORM  
X-17A-5

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(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER

CLINGER & CO., INC. 13  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

6505 CLAWSON ST. 20  
(No. and Street)

HOUSTON 21 TX 22 77055-7103 23  
(City) (State) (Zip Code)

SEC. FILE NO.

8-12823 14

FIRM ID NO.

1471 15

FOR PERIOD BEGINNING (MM/DD/YY)

07/04/12 *12/01/12* 24

AND ENDING (MM/DD/YY)

09/30/12 *12/31/12* 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

Norman Clinger 30 (713) 682-6875 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

<span style="border: 1px solid black; padding: 0 5px;">32</span>	<span style="border: 1px solid black; padding: 0 5px;">33</span>
<span style="border: 1px solid black; padding: 0 5px;">34</span>	<span style="border: 1px solid black; padding: 0 5px;">35</span>
<span style="border: 1px solid black; padding: 0 5px;">36</span>	<span style="border: 1px solid black; padding: 0 5px;">37</span>
<span style="border: 1px solid black; padding: 0 5px;">38</span>	<span style="border: 1px solid black; padding: 0 5px;">39</span>

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 28 day of JAN 2013

Manual Signatures of:

- 1) N Clinger  
Principal Executive Officer or Managing Partner
- 2) \_\_\_\_\_  
Principal Financial Officer or Partner
- 3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINRA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

12

BROKER OR DEALER CLINGER & CO., INC.	N	3						
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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/12 09/30/12 99  
 SEC FILE NO. 8-12823 98  
 Consolidated 198  
 Unconsolidated X 199

ASSETS

	<u>Allowable</u>	<u>Non-Allowable</u>		<u>Total</u>
1. Cash	\$ 6,245 11,685 <span style="border: 1px solid black; padding: 2px;">200</span>		\$ 6,245	11,685 <span style="border: 1px solid black; padding: 2px;">750</span>
2. Receivables from brokers or dealers:				
A. Clearance account	<span style="border: 1px solid black; padding: 2px;">295</span>			
B. Other	<span style="border: 1px solid black; padding: 2px;">300</span>	<span style="border: 1px solid black; padding: 2px;">550</span>		<span style="border: 1px solid black; padding: 2px;">810</span>
3. Receivables from non-customers	1,875 <span style="border: 1px solid black; padding: 2px;">355</span>	<span style="border: 1px solid black; padding: 2px;">600</span>	<u>61</u>	1,875 <span style="border: 1px solid black; padding: 2px;">830</span>
4. Securities and spot commodities owned, at market value:				
A. Exempted securities	<span style="border: 1px solid black; padding: 2px;">418</span>			
B. Debt securities	<span style="border: 1px solid black; padding: 2px;">419</span>			
C. Options	<span style="border: 1px solid black; padding: 2px;">420</span>			
D. Other securities	<u>37,252</u> <span style="border: 1px solid black; padding: 2px;">424</span>			
E. Spot commodities	<span style="border: 1px solid black; padding: 2px;">430</span>		<u>3,512</u>	37,252 <span style="border: 1px solid black; padding: 2px;">850</span>
5. Securities and/or other investments not readily marketable:				
A. At cost	\$ <span style="border: 1px solid black; padding: 2px;">130</span>			
B. At estimated fair value	<span style="border: 1px solid black; padding: 2px;">440</span>	<span style="border: 1px solid black; padding: 2px;">610</span>		<span style="border: 1px solid black; padding: 2px;">860</span>
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities	\$ <span style="border: 1px solid black; padding: 2px;">150</span>			
B. Other securities	\$ <span style="border: 1px solid black; padding: 2px;">160</span>			
7. Secured demand notes:	<span style="border: 1px solid black; padding: 2px;">470</span>	<span style="border: 1px solid black; padding: 2px;">640</span>		<span style="border: 1px solid black; padding: 2px;">890</span>
Market value of collateral:				
A. Exempted securities	\$ <span style="border: 1px solid black; padding: 2px;">170</span>			
B. Other securities	\$ <span style="border: 1px solid black; padding: 2px;">180</span>			
8. Memberships in exchanges:				
A. Owned, at market	\$ <span style="border: 1px solid black; padding: 2px;">190</span>			
B. Owned, at cost		<span style="border: 1px solid black; padding: 2px;">650</span>		
C. Contributed for use of the company, at market value		<span style="border: 1px solid black; padding: 2px;">660</span>		<span style="border: 1px solid black; padding: 2px;">900</span>
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	<span style="border: 1px solid black; padding: 2px;">480</span>	<span style="border: 1px solid black; padding: 2px;">670</span>		<span style="border: 1px solid black; padding: 2px;">910</span>
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization.	<span style="border: 1px solid black; padding: 2px;">490</span>	<span style="border: 1px solid black; padding: 2px;">680</span>		<span style="border: 1px solid black; padding: 2px;">920</span>
11. Other assets	<span style="border: 1px solid black; padding: 2px;">535</span>	<span style="border: 1px solid black; padding: 2px;">735</span>		<span style="border: 1px solid black; padding: 2px;">930</span>
12. Total Assets	\$ <u>50,812</u> <span style="border: 1px solid black; padding: 2px;">540</span>	\$ <span style="border: 1px solid black; padding: 2px;">740</span>	\$ <u>4,148</u>	50,812 <span style="border: 1px solid black; padding: 2px;">940</span>

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**  
CLINGER & CO., INC.

as of 11/14/12  
09/30/12

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	821 1205	1385	401 821 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders	\$ 970		
2. Includes equity subordination (15c3-1(d)) of	\$ 980		
B. Securities borrowings, at market value from outsiders	\$ 990	1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders	\$ 1000		
2. includes equity subordination (15c3-1(d)) of	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 821 1230	\$ 1450	\$ 401 821 1760

Ownership Equity

21. Sole proprietorship			\$ 1770
22. Partnership (limited partners)	\$ 1020		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		1000	1792
C. Additional paid-in capital		20,075	1793
D. Retained earnings		28,916	1794
E. Total		49,991	1795
F. Less capital stock in treasury			(1796)
24. TOTAL OWNERSHIP EQUITY		\$ 49,991	\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 50,812	\$ 1810

OMIT PENNIES

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

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BROKER OR DEALER  
CLINGER & CO., INC.

as of 12/31/12  
09/30/12

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	<u>41,047</u>	49,991	<u>3480</u>
2. Deduct ownership equity not allowable for Net Capital				( <u>3490</u> )
3. Total ownership equity qualified for Net Capital		<u>71,047</u>	49,991	<u>3500</u>
4. Add:				
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital				<u>3520</u>
B. Other (deductions) or allowable credits (List)				<u>3525</u>
5. Total capital and allowable subordinated liabilities	\$	<u>71,047</u>	49,991	<u>3530</u>
6. Deductions and/or charges:				
A. Total non-allowable assets from				
Statement of Financial Condition (Notes B and C)	\$			<u>3540</u>
B. Secured demand note deficiency				<u>3590</u>
C. Commodity futures contracts and spot commodities-proprietary capital charges				<u>3600</u>
D. Other deductions and/or charges				<u>3610</u>
7. Other additions and/or allowable credits (List)				( <u>3620</u> )
8. Net Capital before haircuts on securities positions	\$	<u>71,047</u>	49,991	<u>3640</u>
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):				
A. Contractual securities commitments	\$			<u>3660</u>
B. Subordinated securities borrowings				<u>3670</u>
C. Trading and investment securities:				
1. Exempted securities				<u>3735</u>
2. Debt securities				<u>3733</u>
3. Options				<u>3730</u>
4. Other securities		<u>7,038</u>	<u>7,450</u>	<u>3734</u>
D. Undue concentration				<u>3650</u>
E. Other (List)				( <u>7,450</u> )
10. Net Capital	\$	<u>34,007</u>	42,541	<u>3750</u>

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

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<b>BROKER OR DEALER</b> CLINGER & CO., INC.	as of <u>12/31/12</u> <u>09/30/12</u>
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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	26	58	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	5,000	3760
14. Excess net capital (line 10 less 13)	\$	29,809	37,541	3770
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	3,296	36,541	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition	\$	761	821	3790
17. Add:				
A. Drafts for immediate credit	\$			3800
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$			3810
C. Other unrecorded amounts (List)	\$			3820
19. Total aggregate indebtedness	\$	761	821	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%		1.93	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%		0.00	3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$			3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$			3880
24. Net capital requirement (greater of line 22 or 23)	\$			3760
25. Excess net capital (line 10 less 24)	\$			3910
26. Net capital in excess of the greater of:				
5% of combined aggregate debit items or 120% of minimum net capital requirement	\$			3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

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**BROKER OR DEALER**  
CLINGER & CO., INC.

For the period (MMDDYY) from 07/01/12 3932 to 09/30/12 3933  
Number of months included in this statement 3 3931

**REVENUE STATEMENT OF INCOME (LOSS)**

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		3935
b. Commissions on listed option transactions			3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profits (losses) from underwriting and selling groups			3955
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue			3995
9. Total revenue	\$	<u>21,064</u>	4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers			4120
11. Other employee compensation and benefits			4115
12. Commissions paid to other brokers-dealers			4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	
14. Regulatory fees and expenses			4195
15. Other expenses			4100
16. Total expenses	\$	<u>21,826</u>	4200

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)			4210
18. Provision for Federal income taxes (for parent only)			4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	<u>6,914</u>	4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items			4211
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER  
CLINGER & CO., INC.

For the period (MMDDYY) from 07/01/12 to 09/30/12

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period			\$ <u>99991</u>	43,077	<u>4240</u>
A. Net income (loss)		(8998)		899	<u>4250</u> (8998)
B. Additions (includes non-conforming capital of	\$	<u>4262</u>	)		<u>4260</u>
C. Deductions (includes non-conforming capital of	\$	<u>4272</u>	)		<u>4270</u>
2. Balance, end of period (from item 1800)			\$ <u>91027</u>	49,991	<u>4290</u>

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period			\$		<u>4300</u>
A. Increases					<u>4310</u>
B. Decreases					<u>4320</u>
4. Balance, end of period (from item 3520)			\$		<u>4330</u>

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

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<b>BROKER OR DEALER</b> CLINGER & CO., INC.	as of <u>09/30/12</u> <sup>12/31/12</sup>
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**Exemptive Provision Under Rule 15c3-3**

25 If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... X 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
 Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
4335 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be  
 withdrawn within the next six months and accruals, (as defined below),  
 which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
<u>4600</u>		<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>		<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>		<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>		<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>		<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>
<u>4650</u>		<u>4651</u>	<u>4652</u>	<u>4653</u>	<u>4654</u>	<u>4655</u>
<u>4660</u>		<u>4661</u>	<u>4662</u>	<u>4663</u>	<u>4664</u>	<u>4665</u>
<u>4670</u>		<u>4671</u>	<u>4672</u>	<u>4673</u>	<u>4674</u>	<u>4675</u>
<u>4680</u>		<u>4681</u>	<u>4682</u>	<u>4683</u>	<u>4684</u>	<u>4685</u>
<u>4690</u>		<u>4691</u>	<u>4692</u>	<u>4693</u>	<u>4694</u>	<u>4695</u>
TOTAL			\$ <u>4699</u>			

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Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities



**REPORT ON INTERNAL CONTROL**

**For the year ended December 31, 2012**

**See accountant's audit report**

Edward Richardson, Jr., CPA  
15565 Northland Suite 508 West  
Southfield, MI. 48075

February 25, 2013

Board of Directors  
Clinger & Co, Inc.  
6505 Clawson St  
Houston, TX 77055-7103

In planning and performing my audit of the financial statements and supplemental schedules of Clinger & Co, Inc. for the year ended December 31, 2012, I considered its internal control, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the company, including tests of such practices and procedures that I considered relevant to the objective stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control, and the practices and procedures referred to the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute assurance, that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection or any evaluation of them

See accountant's audit report

to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted the following condition that I consider to be a material weakness as defined above.

Only one person is responsible for all accounting and reporting functions. Accordingly, there is no segregation of duties. Due to the size of the Company, management does not feel it is cost-effective to change this condition.

I understand that practices and procedures that accomplish the objectives referred to in the preceding paragraphs of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities and Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and my study, I believe that the Company's practices and procedures were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC and the regulatory agencies that rely on rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be, and should not be, used by anyone other than these specified parties.

Edward Richardson, Jr., CPA