

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
Hours per response . . . 12.00



14048879

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

SEC FILE NUMBER

8-27045

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 01/01/13 AND ENDING 12/31/13
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

CLG INVESTMENT COMPANY, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

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

35 MASON STREET - 3RD FLOOR

(No. And Street)

GREENWICH,

(City)

CT

(State)

06830

(Zip Code)

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

PATRICK DUFFY

(203) 629-4333

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37th Street, 4th Floor

(Address)

NEW YORK

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

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

SEC
Mail Processing
Section

MAR 04 2014

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Washington, DC

124

*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 basis for the exemption. See section 240.17a-5(e)(2)

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.

SEC 1410 (06-02)

5/15/14

OATH OR AFFIRMATION

I, PATRICK DUFFY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CLG INVESTMENT COMPANY, INC., as of DECEMBER 31, 2013, 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:

LEERONA ARMOGAN
Notary Public, State of New York
No. 01AR6261052
Qualified in Westchester County
My Commission Expires May 13, 20 17

Leerona Armogan
Notary Public

Patrick Duffy
Signature

PRESIDENT
Title

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 or 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 previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

CLG INVESTMENT COMPANY, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2013

PUBLIC

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

OMB APPROVAL	
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Notary Public, State of New York
No. 01AR6281052
Qualified in Westchester County
My Commission Expires May 13, 20 17

Leerona Armoga
Notary Public

Patrick Duffy
Signature
PRESIDENT
Title

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- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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FULVIO & ASSOCIATES, L.L.P.

JOHN FULVIO, CPA
SUSAN E. VAN VELSON, CPA
KENNETH S. WERNER, CPA
ANTHONY CHRYSIKOS, CPA

Certified Public Accountants

New York Office:
5 West 37th Street, 4th Floor
New York, New York 10018
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95B Rowayton Avenue
Rowayton, CT 06853
TEL: 203-857-4400
FAX: 203-857-0280

INDEPENDENT AUDITOR'S REPORT

To the Stockholder of
CLG Investment Company, Inc.:

Report on the Financial Statement

We have audited the accompanying statement of financial condition of CLG Investment Company, Inc. (the "Company") as of December 31, 2013 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether this financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in this financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of this financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of this financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of this financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of CLG Investment Company, Inc. as of December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers" in a cursive script.

New York, New York
February 26, 2014

CLG INVESTMENT COMPANY, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2013

ASSETS

Cash and cash equivalents	\$ 275,903
Securities owned, at fair value	921,540
Due from broker	133,404
Accounts receivable	10,893
Fixed assets (net of accumulated depreciation of \$20,717)	1,529
Other assets	<u>827</u>
 TOTAL ASSETS	 <u>\$ 1,344,096</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:

Accounts payable	\$ 7,922
Accrued expenses	<u>30,152</u>
 TOTAL LIABILITIES	 <u>38,074</u>

STOCKHOLDER'S EQUITY:

Common stock - \$5 par value, 1,000 shares authorized, issued and outstanding	5,000
Additional paid-in capital	1,450,913
Retained earnings (Accumulated deficit)	<u>(149,891)</u>
 TOTAL STOCKHOLDER'S EQUITY	 <u>1,306,022</u>
 TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 <u>\$ 1,344,096</u>

The accompanying notes are an integral part of this financial statement.

CLG INVESTMENT COMPANY, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2013

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

CLG Investment Company, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Securities Investor Protection Corporation ("SIPC") and the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including agency transactions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Securities Transactions

The Company accounts for security transactions on the settlement-date basis. Customers' securities transactions, commission income, commission expense and related clearing expenses are reported on the settlement date basis rather than trade date as required by GAAP. The difference between the trade date and settlement date basis is immaterial to the financial statements, taken as a whole.

Income Taxes

The Company, with the consent of its sole stockholder, has made an S Corporation election under the Internal Revenue Code. In lieu of corporate income taxes, the stockholder is taxed on his proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The state tax treatment of an S Corporation is identical to the federal tax treatment.

The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2010, 2011 and 2012.

CLG INVESTMENT COMPANY, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2013
(continued)

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

The Company maintains cash in bank deposit accounts which at times exceed the federally insured limits. The Company has not experienced any losses in these accounts.

Fair Value Measurement – Definition and Hierarchy

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

At December 31, 2013 the Company held four different short term treasury bills and various money market securities that are categorized as Level 1, based on the description detailed above.

CLG INVESTMENT COMPANY, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2013
(continued)

NOTE 2. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Depreciation is determined using accelerated Federal tax depreciation methods rather than the straight line method required by GAAP. The difference between using accelerated versus straight line depreciation is immaterial to the financial statements taken as a whole. Depreciation expense for the year ended December 31, 2013 was \$593.

Fixed assets at December 31, 2013 consisted of the following:

Equipment	\$ 5,894
Furniture and fixtures	<u>16,352</u>
Total fixed assets, at cost	<u>22,246</u>
Less accumulated depreciation	<u>(20,717)</u>
Net fixed assets	<u>\$ 1,529</u>

NOTE 3. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET CREDIT RISK

The Company's activities involve the introduction of transactions on a fully disclosed basis with Pershing, LLC ("Clearing Broker") on behalf of customers. Through a contractual agreement with the Clearing Broker, the Company is liable in the event the customers are unable to fulfill their contracted obligations with the Clearing Broker.

The customers' activities are transacted on either a cash or margin basis through the facilities of the Clearing Broker. In margin transactions, the Clearing Broker extends credit to customers, subject to various regulatory and margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Clearing Broker executes and clears customers' transactions involving the sale of securities that are not yet purchased ("short sales"). These transactions may expose the Company to significant off-balance-sheet risk in the event the customers fail to satisfy their obligations to the Clearing Broker. The Company may then be required to compensate the Clearing Broker for losses incurred on behalf of the customers.

The Company, through its Clearing Broker, seeks to control the risks associated with its customers' activities by requiring customers to maintain margin collateral in compliance with the Clearing Broker's internal guidelines and Regulators' external guidelines. The Clearing Broker monitors required margin levels daily and, pursuant to such guidelines, requires the customers to deposit additional collateral, or reduce positions, when necessary.

CLG INVESTMENT COMPANY, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2013
(continued)

NOTE 4. COMMITMENTS AND CONTINGENT LIABILITIES

On September 10, 2006 the Company entered into a sublease with Concept Capital. The annual rent expense is inclusive of common charges for the use of telephone and networking equipment, utilities and general maintenance. The lease expired on June 30, 2008 and has been extended on a month-to-month basis. Either party may terminate the lease upon thirty days written notice. The total rent expense for the year ended December 31, 2013 was \$34,585.

The Company had no other lease or equipment rental commitments, underwriting commitments, contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2013 or during the year then ended.

NOTE 5. CONCENTRATION OF CREDIT RISK

The Company maintains its cash in various financial institutions. Accounts at the institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

NOTE 6. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1 which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2013, the Company had net capital of \$1,292,342 which was \$1,042,342 in excess of its required net capital of \$250,000. The Company's net capital ratio was 0.03 to 1.

NOTE 7. GUARANTEES/SOFT DOLLAR TRANSACTIONS

Soft dollar expenses of \$468,539 included in the Statement of Operations represent commissions paid to third parties for research services provided to the Company's customers based on pre-existing soft dollar arrangements. At December 31, 2013 soft dollar payables that have been accumulated but have not been used to pay for third party services amounted to \$11,652 and are included in Accrued Expenses in the Statement of Financial Condition.

NOTE 8. SUBSEQUENT EVENTS

Subsequent events have been evaluated and no events have been identified which require disclosure.