

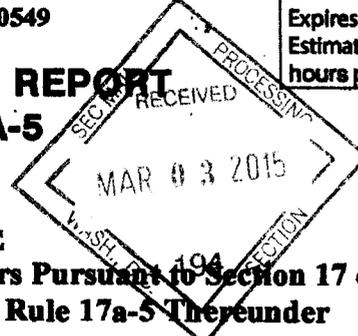


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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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

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



SEC FILE NUMBER 8-46961

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 1/1/2014 AND ENDING 12/31/2014 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Stonington Corporation

OFFICIAL USE ONLY FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 342 West 22nd Street

New York NY 10011 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT William D. Forster 646 541 1134 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Richardson, Edward Jr.

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

15565 Northland Drive, Suite 508 Southfield MI 48075 (Address) (City) (State) (Zip Code)

CHECK ONE:

- [X] 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)

DB 3/14/15

AD 3/13

OATH OR AFFIRMATION

I, William Forster, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Stonington Corporation, as of December 31, 20 14, 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:

JIM VINCENT  
Notary Public - State of New York  
NO. 01V16281324  
Qualified in Queens County  
My Commission Expires 5/13/17

W.M. Forster  
Signature

President  
Title

Notary Public - State of New York  
Qualified in Queens County  
My Commission Expires \_\_\_\_\_

[Signature]  
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).

**STONINGTON CORPORATION**

**Financial Statements and Supplemental  
Schedule Required by the  
Securities and Exchange Commission**

**For the Year Ended December 31, 2014  
(With Independent Auditor's Report Thereon)**

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

**Independent Auditor's Report**

**Board of Directors  
Stonington Corporation  
342 West 22nd Street  
New York , NY 10011**

**Report on the Financial Statements**

I have audited the accompanying statement of financial condition of Stonington Corporation as of December 31, 2014 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Stonington Corporation management. My responsibility is to express an opinion on these financial statements based on my audit.

**Auditor's Responsibility**

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 provide a reasonable basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stonington Corporation as of December 31, 2014, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

**Other Matters**

The Net Capital Computation has been subjected to audit procedures performed with audit of Stonington Corporation financial statements. The Net Capital Computation is the responsibility of Stonington Corporation 's management. My audit procedures included determining whether the Net Capital Computation reconciles to the financial statements or the underlying accounting and other records as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Net Capital Computation. In forming my opinion on the Net Capital Computation, I evaluated whether the Net Capital Computation, including its form and content is presented in conformity 17 C.F.R. § 240 17a-5. In my opinion, the Net Capital Computation is fairly

stated, in all material respects, in relation to the financial statements as a whole.

*Edward Richardson Jr. CPA*

Edward Richardson Jr., CPA

Southfield, MI. 48075

February 16, 2015



**Stonington Corporation**  
**BALANCE SHEET**  
**As of December 31, 2014**

**LIABILITIES and STOCKHOLDER'S EQUITY**

**CURRENT LIABILITIES**

|                    |           |
|--------------------|-----------|
| Income Tax Payable | \$ 175.00 |
|--------------------|-----------|

|                           |        |
|---------------------------|--------|
| Total Current Liabilities | 175.00 |
|---------------------------|--------|

**LONG TERM LIABILITIES**

|                   |   |
|-------------------|---|
| Total Liabilities | - |
|-------------------|---|

**STOCKHOLDER'S EQUITY**

|                             |       |
|-----------------------------|-------|
| Capital Stock, no par value | 20.00 |
|-----------------------------|-------|

200 shares authorized, 20 shares  
issued and outstanding

|                |            |
|----------------|------------|
| Paid in Excess | 447,957.00 |
|----------------|------------|

|                   |              |
|-------------------|--------------|
| Retained Earnings | (430,991.52) |
|-------------------|--------------|

|                            |           |
|----------------------------|-----------|
| Total Stockholder's Equity | 16,985.48 |
|----------------------------|-----------|

|   |              |
|---|--------------|
| TOTAL LIABILITIES AND<br>STOCKHOLDER'S EQUITY | \$ 17,160.48 |
|---|--------------|

The footnotes are an integral part of the financial statements

**Stonington Corporation**  
**STATEMENT OF INCOME**

**12 Months Ended**  
**December 31, 2014.**

**Revenues**

|                       |                  |
|-----------------------|------------------|
| Commissions Earned    | \$ 12,082.04     |
| Investment Income     | 9.58             |
| <b>Total Revenues</b> | <u>12,091.62</u> |

**Operating Expenses**

|                                 |                 |
|---------------------------------|-----------------|
| Employee Compensation           | (893.00)        |
| Regulatory Fees                 | 2,424.66        |
| Other Expenses                  | 8,289.00        |
| <b>Total Operating Expenses</b> | <u>9,820.66</u> |

**Operating Income (Loss)** 2,270.96

**Net Income (Loss)** \$ 2,270.96

The footnotes are an integral part of the financial statements

**Stonington Corporation**  
**STATEMENT OF CASH FLOWS**  
**For the 12 Months Ended December 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                   |
|--|-------------------|
| Net Income (Loss)  | \$ 2,270.96       |
| Adjustments to reconcile Net Income<br>(Loss) to net Cash provided by<br>(used in) operating activities: |                   |
| Losses (Gains) on sales of<br>Fixed Assets   | -                 |
| Decrease (increase) in<br>Operating Assets:  |                   |
| Accounts Receivables   | (1,620.48)        |
| Other  | (300.00)          |
| Increase (Decrease) in<br>Operating Liabilities:   |                   |
| Accounts Payables  | (2,000.00)        |
| Accrued Liabilities  | (3,007.15)        |
| Total Adjustments  | (6,927.63)        |
| <b>Net Cash Provided By (Used in)<br/>Operating Activities</b>   | <b>(4,656.67)</b> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |          |
|--|----------|
| Proceeds from Sales of Fixed Assets                            | -        |
| <b>Net Cash Provided By (Used In)<br/>Investing Activities</b> | <b>-</b> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |          |
|--|----------|
| Proceeds from Sale of Stock                                    | -        |
| Treasury Stock   | -        |
| <b>Net Cash Provided By (Used In)<br/>Financing Activities</b> | <b>-</b> |

|   |                     |
|---|---------------------|
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b> | <b>(4,656.67)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>         | <b>15,980.00</b>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>               | <b>\$ 11,323.33</b> |

The footnotes are an integral part of the financial statements

**STONINGTON CORPORATION**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|                              | Preferred Stock |        | Common Stock |        | Paid-in Capital |            | Retained Earnings | Total Stockholder's Equity |
|------------------------------|-----------------|--------|--------------|--------|-----------------|------------|-------------------|----------------------------|
|                              | Shares          | Amount | Shares       | Amount | Shares          | Amount     | Amount            | Amount                     |
| Balance at January 1, 2014   | -               | -      | 20           | \$ 20  | 20              | \$ 447,957 | \$ (433,262)      | 14,715                     |
| Net Income                   | -               | -      | -            | -      | -               | -          | 2,271             | 2,271                      |
| Capital Transactions         | -               | -      | -            | -      | -               | -          | -                 | -                          |
| Prior Period Adjustments     | -               | -      | -            | -      | -               | -          | -                 | -                          |
| Balance at December 31, 2014 | -               | \$ -   | 20           | \$ 20  | 20              | \$ 447,957 | \$ (430,991)      | \$ 16,986                  |

See Accountant's Audit Report

**Footnotes**

**STONINGTON CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**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

Stonington Corporation (the Company) was incorporated in the State of New York effective June 8, 1995. The Company has adopted a calendar year.

Description of Business

The Company, located in New York, NY 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)(i), which provides an exemption because of “Special Account for the benefit of Customers.”

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 Company 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

Advisory, consulting and private placement fees are recognized on a contractual basis with the fee stipulated in the contract. Advisory and consulting fees are recognized ratably over the prior period. Private placement fees are recognized when the proceeds of the private placement are received.

Finder’s fees are recognized based on an agreement between the Company and the investment manager of the fund. The Company is entitled to receive as compensation a portion of the management fee and any incentive allocation earned by the investment manager with respect to persons that the Company introduces to and subsequently invest in the fund.

See accountant’s audit report

**STONINGTON CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**Depreciation**

Depreciation is calculated using the straight-line method.

**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, 2014, the Company did not have any components of Comprehensive Income to report.

**Concentrations:**

The Company concentration is in services, which is primary advisor on private placements and merger and acquisition transactions.

**Income Taxes**

The Company has elected to be taxed under the provisions of Subchapter "S" of the internal Revenue Code and the appropriate sections of the New York State Franchise Act. Under those the Company does not pay federal or state income taxes.

**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.

**STONINGTON CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

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 in audited Part IIA of the FOCUS report required under Rule 15c3-1.

**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)(i) because does not handle customer funds or securities.

**NOTE D – RELATED PARTY TRANSACTIONS**

An affiliated entity owned by the stockholder of the Company provides office space, consulting, personnel, and other services for the day-to-day operation of the Company under a master services agreement. The Company was charged and paid \$4,000 in fees during the year ended December 31, 2014 related to this agreement.

**NOTE E – SIPC RECONCILIATION**

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenue.

**NOTE F – COMMITMENTS AND CONTINGENCIES**

Stonington Corporation does not have and never had any commitments, guarantees, or contingencies (arbitrations, lawsuits, claims, etc.) that may result in a loss or future obligation or that may be asserted against the firm at a future date.

**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 16, 2015, 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**  
**Pursuant to rule 17a-5 of the**  
**Securities and Exchange Act of 1934**  
**As of and for the Year Ended December 31, 2014**

**Stonington Corporation**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2014**

**Computation of Net Capital**

|                                  |             |                   |
|----------------------------------|-------------|-------------------|
| Total Stockholder's equity:      |             | \$ 16,985.00      |
| Allowable equity adjustment      |             | 0.00              |
| Nonallowable assets:             |             |                   |
| Property and Equipment           | 0.00        |                   |
| Accounts Receivable – other      | 4,987.00    |                   |
| Other Assets                     | 850.00      |                   |
| Haircuts on Securities Positions | <u>0.00</u> | <u>(5,837.00)</u> |
| Net allowable capital            |             | \$ 11,148.00      |

**Computation of Basic Net Capital Requirement**

|  |                    |
|--|--------------------|
| Minimum net capital required as a percentage of aggregate indebtedness | \$ <u>1,167.25</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>6,148.00</u> |

**Computation of Aggregate Indebtedness**

|   |                  |
|---|------------------|
| Total Aggregate Indebtedness                        | \$ <u>175.00</u> |
| Percentage of aggregate indebtedness to net capital | <u>1.57%</u>     |

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

|  |                |
|--|----------------|
| Computation of Net Capital reported on FOCUS IIA as of December 31, 2014 | \$ 11,148.00   |
| Adjustments:   |                |
| Change in Equity (Adjustments)   | 0.00           |
| Change in Non Allowable Assets   | (0.00)         |
| Change in Allowable Credits  | <u>0.00</u>    |
| NCC per Audit  | \$ 11,148.00   |
| Difference   | <u>\$ 0.00</u> |

See accountant's audit report

**Stonington Corporation**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2014**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 (k)(2)(i) because of the "Special Account for the Exclusive Benefit of customers" maintained.

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

|   |             |
|---|-------------|
| Balance of such claims at January 1, 2014   | \$ -        |
| Additions                                   | -           |
| Reductions                                  | -           |
| Balance of such claims at December 31, 2014 | <u>\$ -</u> |

See accountant's audit report

**REPORT ON BROKER DEALER EXEMPTION**

**For the year ended December 31, 2014**

**See accountant's audit report**

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

February 16, 2015

Board of Directors  
Stonington Corporation  
342 West 22<sup>nd</sup> Street  
Suite 1700  
New York, NY 10011

I have reviewed management's statements, included in the accompanying Representation Letter of Exemptions in which (1) Stonington Corporation identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Stonington Corporation claimed an exemption from 17 C.F.R. § 15c3-3(k)(1), and (2) Stonington Corporation stated that Stonington Corporation met the identified exemption provisions throughout the most recent fiscal year without exception. Stonington Corporation's management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Stonington Corporation compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I'm not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Edward Richardson, Jr., CPA

**STONINGTON CORPORATION**  
**342 West Twenty Second Street**  
**New York, NY 10011**  
**(646) 541-1134**  
**Fax (866) 838-9422**

February 16, 2015

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

RE: Exemption Statement Rule 15c3-3 (k) (2) (ii) for FYE December 31, 2014

Dear Mr. Richardson Jr.,

Please be advised that Stonington Corporation has complied with Exemption Rule 15c3-3 (k) (2) (ii), for the period of January 1, 2014 through December 31, 2014. Stonington Corporation, Inc. did not hold customer securities or funds at any time during this period and does business on a limited basis (publicly registered non-trades REITS, and oil & gas partnerships). Stonington Corporations past business has been of similar nature and has complied to this exemption since its inception, (date)..

William D. Forster, the president of Stonington Corporation has made available to Edward Richardson all records and information including all communications from regulatory agencies received through the date of this review December 31, 2014.

William D. Forster has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were not any known events or other factors that might have affected Stonington Corporation's compliance with this exemption.

If you would like additional information or have any questions, feel free to call me directly at 646 541 1134.

Very truly yours,

Stonington Corporation.



William D. Forster  
President