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STERLING CAPITAL CORP  
Form N-Q  
May 25, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-1537  
-----

Sterling Capital Corporation  
-----

(Exact name of registrant as specified in charter)

635 Madison Avenue, New York, New York 10022  
-----

(Address of principal executive offices)

Michael J. Carey, Treasurer  
635 Madison Avenue, New York, New York 10022  
-----

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 980-3360  
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Date of fiscal year end: December 31, 2005  
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Date of reporting period: March 31, 2005  
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Item 1. Schedule of Investments.

STERLING CAPITAL CORPORATION  
SCHEDULE OF INVESTMENTS  
March 31, 2005  
(Unaudited)

|                                      | Number of<br>Shares<br>----- | Market<br>Value<br>----- |
|--------------------------------------|------------------------------|--------------------------|
| Common Stocks - 40.50% of net assets |                              |                          |
| Financial Services - 10.42%          |                              |                          |
| MetLife Inc. ....                    | 10,000                       | \$ 391,000               |
| J.P. Morgan Chase & Co .....         | 10,000                       | 346,000                  |
| KeyCorp .....                        | 10,000                       | 324,500                  |
| The St Paul Travelers Cos. Inc. ...  | 8,668                        | 318,376                  |
| Allstate Corp. ....                  | 5,000                        | 270,300                  |
| Citigroup Inc. ....                  | 5,000                        | 224,700                  |
|                                      |                              | -----                    |
|                                      |                              | \$1,874,876              |

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|                                      |        |             |
|--------------------------------------|--------|-------------|
| Technology - 6.73%                   |        |             |
| Falconstor Software Inc. * .....     | 90,000 | \$ 537,300  |
| Check Point Software Technologies *  | 10,000 | 217,400     |
| Cisco Systems Inc. * .....           | 10,000 | 178,900     |
| Advanced Micro Devices, Inc. * ....  | 10,000 | 161,200     |
| Intel Corp. ....                     | 5,000  | 116,150     |
|                                      |        | -----       |
|                                      |        | \$1,210,950 |
|                                      |        | -----       |
| Real Estate and                      |        |             |
| Real Estate Investment Trusts -5.34% |        |             |
| Camden Property Trust .....          | 10,000 | \$ 470,300  |
| Equity Residential .....             | 10,950 | 352,700     |
| Amlt Residential Properties Trust .  | 5,000  | 136,950     |
|                                      |        | -----       |
|                                      |        | \$ 959,950  |
|                                      |        | -----       |
| Telecommunication and Media - 4.89%  |        |             |
| Nokia Corp ADR .....                 | 15,000 | \$ 231,450  |
| Viacom Inc Cl A .....                | 6,000  | 210,240     |
| Verizon Communications .....         | 5,060  | 179,630     |
| Time Warner Inc. * .....             | 9,000  | 157,950     |
| Tribune Co. ....                     | 2,500  | 99,675      |
|                                      |        | -----       |
|                                      |        | \$ 878,945  |
|                                      |        | -----       |

\* Non-income producing security

|   | Number of<br>Shares | Market<br>Value |
|---|---------------------|-----------------|
|   | -----               | -----           |
| Consumer Goods - 3.95%                      |                     |                 |
| Conagra Inc. ....                           | 10,000              | \$ 270,200      |
| Sara Lee Corp. ....                         | 10,000              | 221,600         |
| Newell Rubbermaid Inc. ....                 | 10,000              | 219,400         |
|   |                     | -----           |
|   |                     | \$ 711,200      |
|   |                     | -----           |
| Energy - 3.81%                              |                     |                 |
| Marathon Oil Corp .....                     | 10,000              | \$ 469,200      |
| ConocoPhillips .....                        | 2,000               | 215,680         |
|   |                     | -----           |
|   |                     | \$ 684,880      |
|   |                     | -----           |
| Industrial and Business Services - 2.11%    |                     |                 |
| Honeywell International Inc. ....           | 5,500               | \$ 204,655      |
| Koninklijke Philips Electronics NV Holdings | 6,338               | 174,422         |
|   |                     | -----           |
|   |                     | \$ 379,077      |
|   |                     | -----           |

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|  |        |             |
|--|--------|-------------|
| Healthcare - 1.75%                           |        |             |
| Pfizer Inc. ....                             | 12,000 | \$ 315,240  |
|  |        | -----       |
| Automotive & Transportation Services - 0.93% |        |             |
| Ryder System Inc. ....                       | 4,000  | \$ 166,800  |
|  |        | -----       |
| Materials - 0.57%                            |        |             |
| Du Pont E I De Nemours & Co. ....            | 2,000  | \$ 102,480  |
|  |        | -----       |
| Total common stocks (cost \$5,497,389) ..... |        | \$7,284,398 |
|  |        | -----       |

\* Non-income producing security

|   | Principal<br>Amount | Market<br>Value |
|---|---------------------|-----------------|
|   | -----               | -----           |
| U.S. Treasury Notes - 8.95%                                 |                     |                 |
| U.S. Treasury Notes 2% due 8/31/2005 .....                  | \$ 500,000          | \$ 497,812      |
| U.S. Treasury Notes 5.625% due 2/15/2006 .....              | 500,000             | 509,844         |
| U.S. Treasury Notes 4.625% due 5/15/2006 .....              | 300,000             | 303,563         |
| U.S. Treasury Notes 3.5% due 11/15/2006 .....               | 300,000             | 299,062         |
|   |                     | -----           |
| Total U.S. Treasury Notes (cost \$1,616,902) ...            |                     | \$ 1,610,281    |
|   |                     | -----           |
| U.S. Treasury Bills - 7.72%                                 |                     |                 |
| U.S. Treasury Bill due 5/26/2005 .....                      | \$ 400,000          | \$ 398,375      |
| U.S. Treasury Bill due 6/23/2005 .....                      | 500,000             | 496,875         |
| U.S. Treasury Bill due 8/25/2005 .....                      | 500,000             | 494,063         |
|   |                     | -----           |
| Total U.S. Treasury Bills (cost \$1,384,083) ...            |                     | \$ 1,389,313    |
|   |                     | -----           |
| Government Agencies - 2.76%                                 |                     |                 |
| Federal Home Loan Bank 3.06% due 4/13/2006 ....             | \$ 500,000          | \$ 496,406      |
|   |                     | -----           |
| Total Government Agencies (cost \$500,000) .....            |                     | \$ 496,406      |
|   |                     | -----           |
| Corporate Bonds and Notes - 5.03%                           |                     |                 |
| General Motors Acceptance Corp 5.25%<br>due 5/16/2005 ..... | \$ 500,000          | \$ 500,924      |
| Ford Motor Credit Co Global note 7.6%<br>due 8/1/2005 ..... | 400,000             | 404,178         |
|   |                     | -----           |
| Total Corporate Bonds and Notes (cost \$912,760)            |                     | \$ 905,102      |
|   |                     | -----           |
| Total Investments - 64.97% .....                            |                     | \$11,685,500    |
|   |                     | =====           |

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(cost \$9,911,134)

Other Assets less Liabilities - 35.03% ..... \$ 6,301,458  
=====

Net Assets - 100% ..... \$17,986,958  
=====

\* Non-income producing security

Item 2. Controls and Procedures.

- a) The Registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures ( as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c)) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 ( the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter that has materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications of Principal Executive Officer and Principal Financial Officer of the Registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) are attached as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant      STERLING CAPITAL CORPORATION  
-----

BY (SIGNATURE AND TITLE)\*    /s/ Wayne S. Reisner  
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Wayne S. Reisner, Principal Executive Officer  
(Principal Executive Officer)

Date: May 24, 2005

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

BY (SIGNATURE AND TITLE)\* /s/ Wayne S. Reisner

-----  
Wayne S. Reisner, Principal Executive Officer  
(Principal Executive Officer)

Date: May 24, 2005

BY (SIGNATURE AND TITLE)\* /s/ Michael J. Carey

-----  
Michael J. Carey, Principal Financial Officer  
(Principal Financial Officer)

Date: May 24, 2005

- o Print the name and title of each signing officer under his or her signature.