

FOCUS REPORT (FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT) PART II 11

(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

CAPITAL INSTITUTIONAL SERVICES, INC. 13

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

1601 ELM STREET, SUITE 3900 20

(No. and Street)

DALLAS 21 TX 22 75201 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-22273 14

FIRM ID NO.

7551 15

FOR PERIOD BEGINNING (MM/DD/YY)

07/01/09 24

AND ENDING (MM/DD/YY)

09/30/09 25

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

30 31

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

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES 40 NO X 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 22nd day of October 20 09

Manual Signatures of:

1) [Signature] Principal Executive Officer or Managing Partner

2) [Signature] Principal Financial Officer or Partner

3) [Signature] 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) )

STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 09/30/09 99

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Unconsolidated  199

	<u>ASSETS</u>			
	<u>Allowable</u>		<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 50,151	200		\$ 50,151 750
2. Cash segregated in compliance with federal and other regulations	3,035,086	210		3,035,086 760
3. Receivable from brokers or dealers and clearing organizations:				
A. Failed to deliver:				
1. Includable in "Formula for Reserve Requirements"		220		
2. Other		230		770
B. Securities borrowed:				
1. Includable in "Formula for Reserve Requirements"		240		
2. Other		250		780
C. Omnibus accounts:				
1. Includable in "Formula for Reserve Requirements"		260		
2. Other	1,162,706	270		1,162,706 790
D. Clearing Organizations:				
1. Includable in "Formula for Reserve Requirements"		280		
2. Other	1,054,304	290		1,054,304 800
E. Other	4,322	300	\$ 144,399 550	148,721 810
4. Receivables from customers:				
A. Securities accounts:				
1. Cash and fully secured accounts		310		
2. Partly secured accounts		320	560	
3. Unsecured Accounts			570	
B. Commodity accounts		330	580	
C. Allowance for doubtful accounts	( 335)	335	( 590)	820
5. Receivables from non-customers:				
A. Cash and fully secured accounts		340		
B. Partly secured and unsecured accounts		350	600	830
6. Securities purchased under agreements to resell		360	605	840
7. Securities and spot commodities owned, at market value:				
A. Banker's acceptances, certificates of deposit and commercial paper	224,350	370		
B. U.S. and Canadian government obligations	1,056,968	380		
C. State and municipal government obligations		390		
D. Corporate obligations		400		

## PART II

BROKER OR DEALER

as of 09/30/09

CAPITAL INSTITUTIONAL SERVICES, INC.

## STATEMENT OF FINANCIAL CONDITION

	ASSETS (continued)		Total
	Allowable	Nonallowable	
E. Stocks and warrants	\$ 105,971	410	
F. Options		420	
G. Arbitrage		422	
H. Other securities	23,796,820	424	
I. Spot Commodities		430	
J. Total inventory - includes encumbered securities of ...	\$ 120		\$ 25,184,109 850
8. Securities owned not readily marketable:			
A. At Cost	\$ 130	440	\$ 610 860
9. Other investments not readily marketable:			
.....	\$ 140		
B. At estimated fair value		450	620 870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities	\$ 150		
B. Other	\$ 160	460	630 880
11. Secured demand notes - market value of collateral:			
A. Exempted securities	\$ 170		
B. Other	\$ 180	470	640 890
12. Memberships in exchanges:			
A. Owned, at market value	\$ 190		
B. Owned at cost			650
C. Contributed for use of company, at market value			660 900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670 910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization)		490	2,729,981 680 2,729,981 920
15. Other Assets:			
A. Dividends and interest receivable		500	690
B. Free shipments		510	700
C. Loans and advances		520	710
D. Miscellaneous	10,043	530	5,514,981 720
E. Collateral accepted under SFAS 140		536	
F. SPE Assets		537	5,525,024 930
16. TOTAL ASSETS	\$ 30,500,721	540	\$ 8,389,361 740 \$ 38,890,082 940

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities *	Non-A.I. Liabilities *	Total
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
18. Securities sold under repurchase agreements.		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1550
2. Other .....	1105	1310	1560
E. Other .....	1110	1320	342,434 1570
20. Payable to customers:			
A. Securities accounts - including free credits of .....	\$ 950 1120		2,995,323 1580
B. Commodities accounts .....	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts .....	1140	1340	1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value - including arbitrage of .....	\$ 960	1360	121,756 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		285,004 1630
B. Accounts payable .....	1170		3,379,354 1640
C. Income taxes payable .....	1180		124,553 1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities ..	1190		12,430,855 1670
F. Other .....	1200	1380	1680
G. Obligation to return securities .....		1386	1686
H. SPE Liabilities .....		1387	1687

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

## PART II

BROKER OR DEALER

as of 09/30/09

CAPITAL INSTITUTIONAL SERVICES, INC.

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY (continued)

	Liabilities	A.I. Liabilities *	Non-A.I. Liabilities *	Total
24. Notes and mortgages payable:				
A. Unsecured	\$	1210		\$ 1690
B. Secured		1211	1390	1700
25. Liabilities subordinated to claims of general creditors:				
A. Cash borrowings:				
1. from outsiders	\$ 0970		1400	1710
2. Includes equity subordination(15c3-1(d)) of	\$ 0980			
B. Securities borrowings, at market value:				
from outsiders	\$ 0990		1410	1720
C. Pursuant to secured demand note collateral agreements:				
1. from outsiders	\$ 1000		1420	1730
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
26. TOTAL LIABILITIES	\$	1230	1450	\$ 19,679,279 1760
<u>Ownership Equity</u>				
27. Sole proprietorship				\$ 1770
28. Partnership - limited partners	\$ 1020			1780
29. Corporation:				
A. Preferred stock				1791
B. Common stock			211	1792
C. Additional paid- in capital			29,525	1793
D. Retained Earnings			19,967,317	1794
E. Total			19,997,053	1795
F. Less capital stock in treasury			( 786,250)	1796
30. TOTAL OWNERSHIP EQUITY				\$ 19,210,803 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY				\$ 38,890,082 1810

OMIT PENNIES

\* Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

BROKER OR DEALER

CAPITAL INSTITUTIONAL SERVICES, INC.

as of 09/30/09

## COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	19,210,803	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		19,210,803	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	19,210,803	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	8,389,361	3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. number of items			3450
C. Aged short security differences-less reserve of	\$		3460
number of items			3470
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges			3600
F. Other deductions and/or charges			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			3615
H. Total deductions and/or charges	(	8,389,361	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	10,821,442	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper		133	3680
2. U.S. and Canadian government obligations		5,156	3690
3. State and municipal government obligations			3700
4. Corporate obligations			3710
5. Stocks and warrants		71,709	3720
6. Options			3730
7. Arbitrage			3732
8. Other securities		468,575	3734
D. Undue concentration			3650
E. Other (List)		730	3736
10. Net Capital	\$	10,275,139	3750

OMIT PENNIES

## PART II

BROKER OR DEALER

as of 09/30/09

CAPITAL INSTITUTIONAL SERVICES, INC.

## COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

11. Minimal net capital required (6-2/3% of line 19)	\$		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)	\$		3758
13. Net capital requirement (greater of line 11 or 12)	\$		3760
14. Excess net capital (line 10 less 13)	\$		3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$		3780

## COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$		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	
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts(15c3-1(c)(1)(vii))	\$		3838
19. Total aggregate indebtedness	\$		3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%		3850
21. Percentage of aggregate indebtedness to net capital after anticipated capital withdrawals (line 19 divided by line 10 less item 4880 page 12)	%		3853

## COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

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)	\$	250,000	3880
24. Net capital requirement (greater of line 22 or 23)	\$	250,000	3760
25. Excess net capital (line 10 less 24)	\$	10,025,139	3910
26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 18 page 8)	%	0.00	3851
27. Percentage of Net Capital, after anticipated capital withdrawals, to Aggregate Debits item 10 less item 4880 page 12 divided by line 17 page 8)	%	0.00	3854
28. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	9,975,139	3920

## OTHER RATIOS

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	0.00	3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		3852

## 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 2% of aggregate debits if alternate 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 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.