

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)

10/01/09 24

AND ENDING (MM/DD/YY)

10/30/09 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

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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 20th day of Nov. 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) 10/30/09 99

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Consolidated 198

Unconsolidated 199

	<u>ASSETS</u>		
	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 43,084		\$ 43,084
2. Cash segregated in compliance with federal and other regulations	2,760,632		2,760,632
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	1,029,221		1,029,221
D. Clearing Organizations:			
1. Includable in "Formula for Reserve Requirements"	280		
2. Other	69,132		69,132
E. Other	3,453	288,909	292,362
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)	(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		
B. U.S. and Canadian government obligations	2,042,725		
C. State and municipal government obligations	390		
D. Corporate obligations	400		

PART II

BROKER OR DEALER

as of 10/30/09

CAPITAL INSTITUTIONAL SERVICES, INC.

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	Allowable	Nonallowable	Total
E. Stocks and warrants	410		
F. Options	420		
G. Arbitrage	422		
H. Other securities	22,849,872 424		
I. Spot Commodities	430		
J. Total inventory - includes encumbered securities of . . . \$	120		\$ 25,116,947 850
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	3,054,936 680	3,054,936 920
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	5,429,200 720	
E. Collateral accepted under SFAS 140	536		
F. SPE Assets	537		5,439,243 930
16. TOTAL ASSETS	\$ 29,032,512 540	\$ 8,773,045 740	\$ 37,805,557 940

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	241,929 1570
20. Payable to customers:			
A. Securities accounts - including free credits of \$ 950	1120		2,737,179 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	1 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		725,476 1630
B. Accounts payable	1170		3,187,637 1640
C. Income taxes payable	1180		132,553 1650
D. Deferred income taxes		1370	1660
E. Accrued expenses and other liabilities ..	1190		11,444,879 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

CAPITAL INSTITUTIONAL SERVICES, INC.

as of 10/30/09

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

	<u>Liabilities</u>	A.I. Liabilities *	Non-A.I. Liabilities *	<u>Total</u>
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:			1400	1710
1. from outsiders	\$ 0970			
2. Includes equity subordination(15c3-1(d)) of	\$ 0980			
B. Securities borrowings, at market value:			1410	1720
from outsiders	\$ 0990			
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
26. TOTAL LIABILITIES	\$	1230	1450	\$ 18,469,654 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			20,092,417	1794
E. Total			20,122,153	1795
F. Less capital stock in treasury			(786,250)	1796
30. TOTAL OWNERSHIP EQUITY				\$ 19,335,903 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY				\$ 37,805,557 1810

OMIT PENNIES

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

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	19,335,903	3480
2. Deduct: Ownership equity not allowable for Net Capital	(3490
3. Total ownership equity qualified for Net Capital		19,335,903	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	\$	19,335,903	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	8,773,045	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	3580
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	(8,773,045	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	10,562,858	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		589	3680
2. U.S. and Canadian government obligations		20,153	3690
3. State and municipal government obligations			3700
4. Corporate obligations			3710
5. Stocks and warrants		51,794	3720
6. Options			3730
7. Arbitrage			3732
8. Other securities		450,091	3734
D. Undue concentration			3650
E. Other (List)		330	3736
Total haircuts	(522,957	3740
10. Net Capital	\$	10,039,901	3750

OMIT PENNIES

PART II

BROKER OR DEALER

CAPITAL INSTITUTIONAL SERVICES, INC.

as of 10/30/09

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A		
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

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)	\$	250,000 3880
24. Net capital requirement (greater of line 22 or 23)	\$	250,000 3760
25. Excess net capital (line 10 less 24)	\$	9,789,901 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	\$	9,739,901 3920

OTHER RATIOS

Part C		
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.