

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

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)

12/31/09 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  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 27<sup>th</sup> day of Jan. 20 10

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) )



FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER	as of <u>12/31/09</u>
CAPITAL INSTITUTIONAL SERVICES, INC.	

STATEMENT OF FINANCIAL CONDITION

	ASSETS (continued)		
	Allowable	Nonallowable	Total
E. Stocks and warrants	72,924		410
F. Options			420
G. Arbitrage			422
H. Other securities	24,171,148		424
I. Spot Commodities			430
J. Total inventory - includes encumbered securities of ... \$			\$ 26,507,449 850
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	2,960,613	680 2,960,613 920
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	4,942,873	720
E. Collateral accepted under SFAS 140	536		
F. SPE Assets	537		4,952,916 930
16. TOTAL ASSETS	\$ 29,704,129 540	\$ 8,053,070 740	\$ 37,757,199 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

CAPITAL INSTITUTIONAL SERVICES, INC.

as of 12/31/09

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	369,216 1570
20. Payable to customers:			
A. Securities accounts - including free credits of . . . . . \$	1120		2,001,430 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 . . . . . \$		1360	1 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable . . . . .	1160		233,251 1630
B. Accounts payable . . . . .	1170		2,729,264 1640
C. Income taxes payable . . . . .	1180		121,590 1650
D. Deferred income taxes . . . . .		1370	1660
E. Accrued expenses and other liabilities . . . . .	1190		12,603,091 1670
F. Other . . . . .	1200	1380	1680
G. Obligation to return securities . . . . .		1386	1686
H. SPE Liabilities . . . . .		1387	1687

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

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER CAPITAL INSTITUTIONAL SERVICES, INC.	as of <u>12/31/09</u>
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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		\$ <u>1690</u>
B. Secured .....		1211 \$	1390	<u>1700</u>
25. Liabilities subordinated to claims of general creditors:				
A. Cash borrowings: .....			1400	<u>1710</u>
1. from outsiders       \$	<u>0970</u>			
2. Includes equity subordination(15c3-1(d)) of .....	\$ <u>0980</u>			
B. Securities borrowings, at market value: .....			1410	<u>1720</u>
from outsiders       \$	<u>0990</u>			
C. Pursuant to secured demand note collateral agreements: .....			1420	<u>1730</u>
1. from outsiders       \$	<u>1000</u>			
2. Includes equity subordination(15c3-1(d)) of .....	\$ <u>1010</u>			
D. Exchange memberships contributed for use of company, at market value .....			1430	<u>1740</u>
E. Accounts and other borrowings not qualified for net capital purposes .....		1220	1440	<u>1750</u>
26. TOTAL LIABILITIES .....	\$	1230 \$	1450 \$	\$ <u>18,057,843</u> <u>1760</u>
<u>Ownership Equity</u>				
27. Sole proprietorship .....				\$ <u>1770</u>
28. Partnership - limited partners .....	\$ <u>1020</u>			<u>1780</u>
29. Corporation: .....				
A. Preferred stock .....				<u>1791</u>
B. Common stock .....			2,084	<u>1792</u>
C. Additional paid- in capital .....			27,355	<u>1793</u>
D. Retained Earnings .....			19,669,917	<u>1794</u>
E. Total .....			19,699,356	<u>1795</u>
F. Less capital stock in treasury .....			(1796)	<u>1796</u>
30. TOTAL OWNERSHIP EQUITY .....				\$ <u>19,699,356</u> <u>1800</u>
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....				\$ <u>37,757,199</u> <u>1810</u>

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER CAPITAL INSTITUTIONAL SERVICES, INC.	as of <u>12/31/09</u>
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COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	19,699,356	3480
2. Deduct: Ownership equity not allowable for Net Capital			3490
3. Total ownership equity qualified for Net Capital		19,699,356	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	\$	19,699,356	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	8,053,070	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		8,053,070	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	11,646,286	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		1,131	3680
2. U.S. and Canadian government obligations		14,974	3690
3. State and municipal government obligations			3700
4. Corporate obligations			3710
5. Stocks and warrants		82,924	3720
6. Options			3730
7. Arbitrage			3732
8. Other securities		473,812	3734
D. Undue concentration			3650
E. Other (List)		2,909	3736
10. Net Capital	\$	11,070,536	3750

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  
CAPITAL INSTITUTIONAL SERVICES, INC.

as of 12/31/09

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)	\$	3756
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)	\$	10,820,536 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	\$	10,770,536 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.