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

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

SEC FILE NUMBER
8-30944 30994

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 10/01/06 AND ENDING 09/30/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Capstone Asset Management Planning Company

OFFICIAL USE ONLY
FIRM I.D. NO.

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

5847 San Felipe, Suite 4100
(No. and Street)

Houston TX 77057
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Carla Homer, Treasurer (713) 260-9000
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

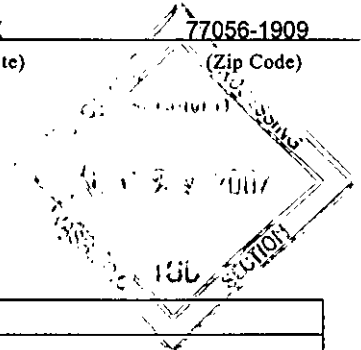
Evans II, John B.
(Name - if individual, state last, first, middle name)

Three Riverway, Suite 120 Houston TX 77056-1909
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED
DEC 31 2007
THOMSON FINANCIAL



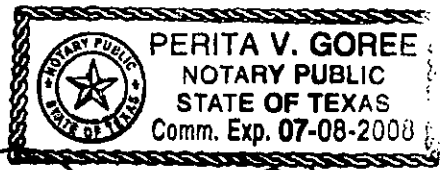
FOR OFFICIAL USE ONLY

*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)

9A
12/28/07

OATH OR AFFIRMATION

I, Carla Homer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Capstone Asset Planning Company, as of September 30, 2007, 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:



Perita V. Goree
Notary Public

Carla Homer
Signature
Treasurer
Title

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).

[Handwritten notes and stamps]

CAPSTONE ASSET PLANNING COMPANY

***ANNUAL AUDITED REPORT
FORM X-17A-5***

SEPTEMBER 30, 2007

CAPSTONE ASSET PLANNING COMPANY

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John B. Evans II CPA
3 Riverway, Ste 120
Houston, Texas 77056

INDEPENDENT AUDITOR'S REPORT

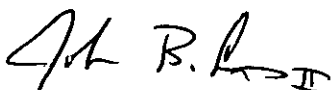
Board of Directors and Stockholder
Capstone Asset Planning Company
Houston, Texas

I have audited the accompanying balance sheet of Capstone Asset Planning Company ("CAPCO") as of September 30, 2007, and the related statements of income and retained earnings, changes in stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. 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 provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capstone Asset Planning Company as of September 30, 2007, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II are presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Houston, Texas
November 28, 2007

CAPSTONE ASSET PLANNING COMPANY

BALANCE SHEET

As of September 30, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$149,181
Commissions receivable	23,322
Other	<u>917</u>

Total assets \$173,420

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

Commissions payable and accrued expenses	\$ 8,350
Due to affiliate	<u>70</u>

Total liabilities 8,420

STOCKHOLDER'S EQUITY

Capital stock - Common, \$5 par value; 5,000 shares authorized, issued and outstanding	25,000
Additional paid-in capital	110,000
Retained earnings	<u>30,000</u>

Total stockholder's equity 165,000

Total liabilities and stockholder's equity \$173,420

See accompanying notes

CAPSTONE ASSET PLANNING COMPANY

STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended September 30, 2007

INCOME

Commissions, primarily under 12b-1 distribution plans \$215,716

EXPENSES

Commissions 1,807

Registration fees and other 25,017

Costs related to 12b-1 distribution plans 185,678

Audit and legal 2,806

Miscellaneous 408

Total expenses 215,716

Income before income taxes -

INCOME TAXES -

NET INCOME -

RETAINED EARNINGS

Beginning of year 30,000

End of year \$ 30,000

See accompanying notes

CAPSTONE ASSET PLANNING COMPANY

STATEMENT OF CHANGES OF STOCKHOLDER'S EQUITY

Year ended September 30, 2007

	<u>Shares</u>	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at September 30, 2006	5,000	\$ 25,000	\$ 110,000	\$ 30,000	\$ 165,000
Additions/Deductions	-	-	-	-	-
Net Income	_____	_____	_____	_____	_____
Balance at September 30, 2007	<u>5,000</u>	<u>\$ 25,000</u>	<u>\$ 110,000</u>	<u>\$ 30,000</u>	<u>\$ 165,000</u>

See accompanying notes

CAPSTONE ASSET PLANNING COMPANY

STATEMENT OF CASH FLOWS

Year ended September 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

<i>Net income</i>	\$ -
<i>Adjustments to reconcile net income to net cash provided by (used for) operating activities</i>	
(Increase) decrease in	
Commissions receivable	1,025
Due from affiliate	(909)
Increase (decrease) in	
Commissions payable and accrued expenses	(337)
	<hr/>
Net cash provided by operating activities	(221)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>149,402</u>
End of year	<u>\$149,181</u>

See accompanying notes

CAPSTONE ASSET PLANNING COMPANY

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(1) SIGNIFICANT ACCOUNTING POLICIES

Organization

Capstone Asset Planning Company ("**CAPCO**"), a wholly-owned subsidiary of Capstone Financial Services, Inc. ("**CFS**"), primarily serves as the Distributor for Capstone-sponsored investment companies.

Accounting Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. Since management's judgement includes making estimates concerning the likelihood of future events, the actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments which potentially subject CAPCO to concentrations of credit risk consist principally of cash. CAPCO maintains its cash balances with financial institutions which maintain high credit ratings. Generally, cash balances exceed the FDIC insurance limits.

CAPCO is engaged in various trading activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, CAPCO may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument.

Revenue Recognition

Commissions relating to 12b-1 plans and sales charge revenues are recorded on an accrual basis.

Income Taxes

CAPCO provides for income taxes in accordance with the provisions of Financial Accounting Standards Board Statement No. 109, "**Accounting for Income Taxes**". This statement requires an asset and liability approach for financial accounting and reporting for income taxes.

CAPCO's taxable income and deductions are included in the consolidated federal return filed by CFS. Pursuant to a tax allocation agreement with CFS, CAPCO calculates its federal income tax liability as if it filed a separate company tax return.

CAPSTONE ASSET PLANNING COMPANY

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(2) COMMISSION REVENUE

CAPCO is the Distributor of the shares of Capstone Series Fund, Inc. ("CSF"), Steward Funds, Inc. ("SFI") and Capstone Church Bond Fund ("CCBF") under distribution agreements with each fund. During the year ended September 30, 2007, CAPCO received approximately \$1,500 from the sale of shares of CCBF. CSF and SFI shares are sold without sales charges. CSF and SFI have distribution plans pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under these plans, the Company received payments during the year ended September 30, 2007 of approximately \$112,800 for distribution and marketing of the Funds' shares. CAPCO has selling agreements with certain unaffiliated investment companies from which CAPCO received approximately \$66,000 during the year ended September 30, 2007.

(3) RELATED PARTY TRANSACTIONS

Certain distribution and marketing expenses of CAPCO were incurred and paid by Capstone Asset Management Company ("CAMCO"), an affiliate of CAPCO. CAMCO, pursuant to the terms of the service agreement between CAPCO and CAMCO, charged CAPCO approximately \$141,000 for such distribution and marketing expenses during the year ended September 30, 2007. At September 30, 2007, \$70 was payable to CAMCO. During the year ended September 30, 2007, CAPCO received commissions and distribution fees from affiliated investment companies as described in Note 2 above.

(4) NET CAPITAL REQUIREMENTS

CAPCO is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$25,000 or 6-2/3% of aggregate indebtedness. Net capital and the related net capital ratio may fluctuate on a daily basis. At September 30, 2007 CAPCO had net capital, as defined, of \$140,761 which was \$115,761 in excess of the required minimum net capital of \$25,000. CAPCO's percentage of aggregate indebtedness to net capital was 6% at September 30, 2007.

(5) SUBORDINATED LIABILITIES

CAPCO had no subordinated liabilities at any time during the year ended September 30, 2007. Therefore, the statement of changes in liabilities subordinated to claims of general creditors has not been presented for the year ended September 30, 2007.

**SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17a-5 OF THE
SECURITIES AND EXCHANGE COMMISSION**

Capstone Asset Planning Company

Supplemental Schedule I

Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission

September 30, 2007

Net Capital:	
Total stockholder's equity	\$ 165,000
Reductions and charges:	
Nonallowable assets:	
Receivables form brokers or dealers	\$ 23,322
Other assets	\$ 917
	<u>24,239</u>
Total nonallowable assets and charges, net	\$ 24,239
Net capital before haircuts on securities positions	\$ 140,761
Haircuts on security positions	\$ -
Net capital	<u>\$ 140,761</u>
Aggregate indebtedness	<u>\$ 8,420</u>
Percent of aggregate indebtedness to net capital	<u>6%</u>
Computation of basic net capital requirement	
Minimum net capital requirement (greater of 6-2/3% of aggregate indebtedness or \$25,000)	<u>\$ 25,000</u>
Excess net capital	<u>\$ 115,761</u>

There were no differences between the net capital shown above and the net capital shown on CAPCO's FOCUS IIA as of September 30,2007.

Capstone Asset Planning Company

Supplemental Schedule II

**Computation for Determination of Reserve Requirements and Information Relating
to
Possession or Control Requirements Under Rule 15c3-3 of the
Securities and Exchange Commission**

September 30, 2007

CAPCO is exempt from the possession, control and reserve requirements under paragraph (k)(1) of Rule 15c3-3.

Independent Auditor's Report on Internal Control

John B. Evans II CPA
3 Riverway, Ste 120
Houston, Texas 77056

Independent Auditors' Report on Internal Control
Required by SEC Rule 17a-5

To the Board of Directors of Capstone Asset Planning Company

In planning and performing my audit of the financial statements and supplemental schedules of Capstone Asset Planning Company ("CAPCO") for the year ended September 30, 2007, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), I have made a study of the practices and procedures followed by CAPCO, including tests of compliance with such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) related to the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. Determining compliance with the exemptive provisions of Rule 15c-3-3.

Because CAPCO does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by CAPCO related to the following:

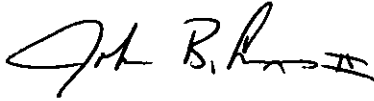
1. Making the quarterly securities examinations, counts, verifications, and comparisons and the recordation of differences required by Rule 17a-13;
2. Complying with the requirements of prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of CAPCO is responsible for establishing and maintaining internal control and the practices and procedures referred to in the second paragraph above. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control and of the practices and procedures referred to in the second paragraph, and to assess whether those practices and procedures can be expected to achieve the Commissions' above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which CAPCO has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the second paragraph above.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relative low level the risk that error or fraud in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that CAPCO's practices and procedures were adequate at September 30, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of CAPCO's Board of Directors and management, the SEC, and the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Houston, Texas
November 28, 2007

END