



09040563

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

ANNUAL AUDITED REPORT Mail Processing Section
FORM X-17A-5(A)
PART III APR 01 2009

SEC FILE NUMBER
8- 37614

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 01/01/2008 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CAPITAL ASSET ADVISORS, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1029 FRIENDLY ROAD

(No. and Street)

OYSTER BAY, NEW YORK 11771

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

MARC STOLTZ

(516) 222-9111

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION (516)

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GREENE, ARNOLD G., CPA

(Name - if individual, state last, first, middle name)

866 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

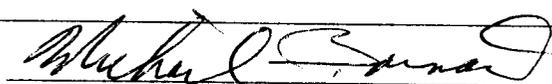
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

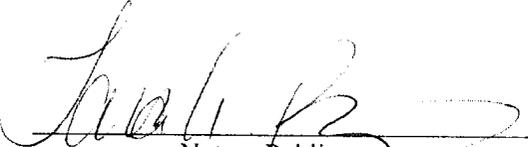
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, MICHAEL BARNARD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CAPITAL ASSET ADVISORS, INC., as of DECEMBER 31, 2008, 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:


Signature

PRESIDENT
Title


Notary Public

TARA A. BZEZINSKI
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BZ6124377
Qualified in Nassau County
Commission Expires March 28, 2009

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. (CASH FLOWS)
- (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).

CAPITAL ASSET ADVISORS, INC.

RECONCILIATION OF NET CAPITAL WITH FOCUS REPORT

DECEMBER 31, 2008

Net Capital per company's unaudited X-17A-5, Part IIA Filing (Focus Report)	\$ 55,149
Less: Audit Adjustments	<u>(17,041)</u>
Net Capital per audited report, December 31, 2008	<u>\$ 38,108</u>

The adjustment above is due to accruals made during the audit.

See notes to financial statements

CAPITAL ASSET ADVISORS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

1. Summary of significant accounting policies:

Income taxes:

The corporation has elected to be taxed as an 'S' Corporation. The net income or loss of the Company is passed through to the shareholder, and tax is then incurred by individual shareholders.

2. The following supplementary information is submitted:

Exemption from Rule 15c-3-3 is claimed under (K) (2) (II):

All customer transactions are cleared through other broker-dealers on a fully disclosed basis.

3. Net capital requirements:

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1. The rule requires that the company maintain minimum net capital, as defined, of 6.67% of aggregate indebtedness, as defined, or \$5,000, whichever is greater.

Net capital as reported on page 7 of the audited Form X-17A-5 indicated net capital of \$38,108, which was \$33,108 in excess of its required net capital of \$5,000.

4. Computation for determination of reserve requirements under rule 15c3-3 of the Securities and Exchange Commission:

The Company claims exemption from the requirements of rule 15c3-3, under Section (k)(2)(II) of the rule.

5. Information relating to possession or control requirements under Rule 15c3-3 of the Securities and Exchange Commission:

The Company claims exemption from the requirements of Rule 15c3-3, under Section (k)(2)(II).

CAPITAL ASSET ADVISORS, INC.

COMPUTATION OF NET CAPITAL

DECEMBER 31, 2008

Common stock	\$	200
Additional paid-in capital		64,300
Retained earnings		<u>20,531</u>
		85,031
Less: non-allowable assets		<u>(46,923)</u>
Less: Haircuts		<u>-0-</u>
Net capital		38,108

Greater of:

Minimum dollar net capital required **\$ 5,000**

or

Minimum net capital required: (6 2/3% of aggregate indebtedness \$44,041) **\$ 2,936** **5,000**

Excess net capital \$ 33,108

AGGREGATE INDEBTEDNESS

Accounts payable and accrued expenses, etc. **\$ 44,041**

Percentage of aggregate indebtedness to net capital **116%**

Excess net capital at 1000% **\$ 33,703**

See notes to financial statements.