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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 (A)  
PART III

SEC FILE NUMBER  
8-40635

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 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Caplet Securities Corporation

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

2500 Citywest Blvd. Suite 700  
(No. and Street)

HOUSTON, TEXAS  
(City) (State)

77042  
(Zip Code)

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

Daniel L. Ritz, Jr 281-493-3849  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

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

2734 Sunshine Blvd., Suite 400 Pearland, TX 77584  
(Address) (City) (State) (Zip Code)

SEC  
Mail Processing  
Section

CHECK ONE:

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

MAY 22 2009

Washington, DC  
122

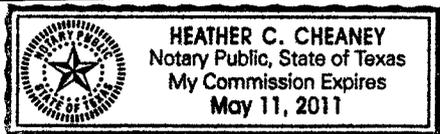
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, Daniel L. Ritz, JR, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CapNet Securities Corporation, 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]  
Signature  
CEO  
Title

Heather C. Cheaney  
Notary Public

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).

Clay Thomas, P.C.  
Certified Public Accountant

2038 Lexington  
Houston, Texas 77098  
(713) 482-3920 (office)  
(713) 482-3923 (fax)

**Independent Auditor's Report on Internal Accounting Control  
Required by SEC Rule 17a-5**

To the Board of Directors  
CapNet Securities Corporation  
Houston, Texas

In planning and performing my audit of the financial statements of CapNet Securities Corporation for the year ended December 31, 2008, I considered its internal control structure, 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 structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregated indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provision of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions related to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examination, counts, verifications and comparisons;
2. Recording of differences required by Rule 17a-13, and;
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of CapNet Securities Corporation is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's aforementioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which

**Clay Thomas, P.C.**  
Certified Public Accountant

the design or operation of the specific internal control structure elements does not reduce to a relatively low level of risk that errors or irregularities in 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. However, I noted no matters involving the internal control structure that I consider to be material weaknesses as defined above.

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 and 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 CapNet Securities Corporation's practices and procedures were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

 P.C.

Clay Thomas, P.C.

March 30, 2009

**CapNet Securities Corporation**  
**Statement of Operations**  
**For the Year Ended December 31, 2008**

<b>Revenue</b>	114,891.16
<b>Commissions</b>	75,450.00
<b>Professional Services</b>	48,964.58
<b>Other Income</b>	<u>239,305.74</u>
<b>Total Revenue</b>	
<b>Operating Expenses</b>	87,594.20
<b>General and Administrative</b>	114,292.15
<b>Payroll and Related Expenses</b>	35,575.43
<b>Commissions</b>	20,447.37
<b>Depreciation</b>	896.86
<b>Contract Labor</b>	2,762.33
<b>Clearing Charges</b>	21,487.00
<b>Professional Fees</b>	<u>283,055.34</u>
<b>Total Expenses</b>	
<b>Loss From Operations</b>	(43,749.60)
<b>Other Income (Expense)</b>	
<b>Interest Income</b>	1,211.85
<b>Unrealized Loss on Investments</b>	(69,461.18)
<b>Interest Expense</b>	<u>2,251.57</u>
<b>Total Other Income (Expense)</b>	<u>(70,500.90)</u>
<b>Net Loss</b>	<u><u>(114,250.50)</u></u>

*The information in the Notes to the Financial Statements is an integral part of these statements.*

**CapNet Securities Corporation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Loss	(114,251)
Adjustments to reconcile Net Loss to net cash provided by operating activities:	
Accounts Receivable	(19,296)
Accumulated Depreciation	28,406
Complete Payroll Payment	2,285
Due from CapNet Risk Mgmt	(25,500)
Due from Captech Development	28,900
Due from Chrysalis Integrated	3,300
Due from Chrysalis Mfg	60,192
Due from Clean Fuel Intl	4,300
Due from ComCon Manufacturing	6,860
Due from Dynalyst	9,245
Due from ICM	5,380
Due from IIM	(81,429)
Due from Virtra Merger Corp	1,290
Employee Advances	(300)
RBC Dain Investment Portfolio	(2,585)
RBC Dain Investment Portfolio:RBC Dain Investments	81,791
RBC Dain Investment Portfolio:RBC Dain Money Market	2
Southwest Securities Portfolio:SWS Money Market	600
Accounts Payable	(33,533)
Commissions Payable	(21,497)
Net cash provided by Operating Activities	<u>(65,841)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Telephone System	(43)
Net cash provided by Investing Activities	<u>(43)</u>
 <b>FINANCING ACTIVITIES</b>	
Additional paid in capital	58,450
Retained Earnings	(14,501)
Net cash provided by Financing Activities	<u>43,949</u>
 Net cash increase for period	(21,935)
Cash at beginning of period	<u>76,083</u>
Cash at end of period	<u><u>54,149</u></u>

*The information in the Notes to the Financial Statements is an integral part of these statements.*

**CapNet Securities Corporation**  
**Balance Sheet**  
**As of December 31, 2008**

Assets

Current Assets

	54,149
Cash	19,296
Accounts Receivable	2,585
Investments, Trading	76,030
Total Current Assets	

Fixed Assets

	129,001
Furniture and Equipment	5,777
Leasehold Improvements	(87,944)
Accumulated Depreciation	46,835
Net Fixed Assets	

Other Assets

	2,479
Deposits	143,817
Due from Related Parties	146,296
Total Other Assets	

Total Assets

269,161

Liabilities and Stockholders' Equity

Current Liabilities

	29,272
Accounts Payable	29,272
Total Current Liabilities	

Stockholders' Equity

	1,198
Common Stock (\$.01 Par, 1,000,000 authorized, 119,750 issued and outstanding)	802,122
Additional Paid in Capital	(563,431)
Retained Deficit	239,889
Total Stockholders' Equity	

Total Liabilities and Stockholders' Equity

269,161

**CapNet Securities Corporation**  
**Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2008**

	Common Stock			Retained Earnings	Total
	Shares	Amount	APIC		
Balance at December 31, 2007	119,750	\$ 1,198	\$ 743,672	\$ (449,179)	\$ 295,691
Capital Contributions			58,450		\$ 58,450
Net Loss, 2008				(114,251)	\$ (114,251)
Balance at December 31, 2008	119750	\$ 1,198	\$ 802,122	\$ (563,431)	\$ 239,889

*The information in the Notes to the Financial Statements is an integral part of these statements.*

**CapNet Securities Corporation**  
**Computation of Net Capital Pursuant to Rule 15C3-1**  
**As of December 31, 2008**

Total Equity From Statement of Financial Condition	239,889
Less: Non-Allowable Assets: Statement of Financial Condition	<u>215,013</u>
Net Capital	<u><u>24,876</u></u>
Computation of Basic Net Capital Requirement	
Minimum of Net Capital Required (6 2/3% of aggregate indebtedness)	<u>1,658</u>
Minimum Dollar Net Capital Required	<u>5,000</u>
Net Capital Required (Greater of Above Two Figures)	<u>5,000</u>
Excess Net Capital	<u>19,876</u>
Excess Net Capital at 1,000%	<u>21,949</u>
Computation Ratio of Aggregate Indebtedness to Net Capital	
Total Liabilities (Per Statement of Financial Condition)	<u>29,272</u>
Percentage Aggregate Indebtedness to Net Capital	<u>118%</u>

**CapNet Securities Corporation**  
**Schedule 1 - Computation of Net Capital Under Rule 15C3-1**  
**of the Securities and Exchange Commission**  
**As of December 31, 2008**

Reconciliation With Company's Computation (Including Part II of Form X-17a-5)	
Net Capital, as Reported in Company's Part II (Unaudited) Focus Report	31,633
Net Audit Adjustments	(6,757)
Other Items	<u>          </u>
Net Capital Per Above	<u><u>24,876</u></u>