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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 Processing Section FEB 29 2012 Washington, DC

SEC FILE NUMBER 8-68388

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 01/01/2011 AND ENDING 12/31/2011 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Concorde Investment Services LLC

OFFICIAL USE ONLY FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 1120 East Long Lake Road, Suite 100 (No. and Street) Troy Michigan 48085 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Kimberly Ryan (248) 824-6710 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\* William I. Minoletti & Co., P.C. (Name - if individual, state last, first, middle name) 30435 Groesbeck Highway Roseville Michigan 48066 (Address) (City) (State) (Zip Code)

- CHECK ONE: [X] 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)

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OATH OR AFFIRMATION

I, Kimberly Ryan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Concorde Investment Services, LLC, as of December 31, 2011, 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:

None

Kimberly Ryan  
Signature  
CEO/ FINOP  
Title

[Signature]  
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.
- (o) Independent Auditor's Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT ON INTERNAL ACCOUNTING CONTROL**  
**PURSUANT TO RULE 17a-5 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2011**

**WILLIAM I. MINOLETTI & Co., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
30435 GROESBECK HIGHWAY  
ROSEVILLE, MICHIGAN 48066

WILLIAM I. MINOLETTI, CPA  
LOUIS J. CARNAGHI, CPA

(586) 779-8010  
FAX (586) 771-8970  
E-MAIL: MINOLETTI@AMERITECH.NET

To the Member  
Concorde Investment Services, LLC  
Troy, Michigan

In planning and performing our audit of the financial statements of Concorde Investment Services, LLC for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. 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 the Company is responsible for establishing and maintaining internal control 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 controls and 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 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 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 conformity 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 internal control and the practices and procedures referred to above, error or fraud 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 their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies and communicated them in writing to management on February 27, 2012.

We 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 our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority (FINRA) and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulations of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*William J. Minicelli & Co. P.C.*

February 27, 2012

**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF**  
**MEMBERSHIP IN THE SIPC**  
**PURSUANT TO RULE 17a-5 (e) (4) OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2011**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**WILLIAM I. MINOLETTI & Co., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
UPTON PROFESSIONAL BUILDING  
30435 GROESBECK HIGHWAY  
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WILLIAM I. MINOLETTI, CPA  
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E-MAIL: MINOLETTI@AMERITECH.NET

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To Concorde Investment Services, LLC  
Troy, MI

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Concorde Investment Services, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Concorde Investment Services, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Concorde Investment Services, LLC's management is responsible for Concorde Investment Services, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011 with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and

5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*William J. Minollet & Co. P.C.*

February 27, 2012



**CONCORDE INVESTMENT SERVICES, LLC**  
**SUPPLEMENTAL REPORT OF THE STATUS OF MEMBERSHIP IN THE SIPC**  
**December 31, 2011**

To the Securities and Exchange Commission:

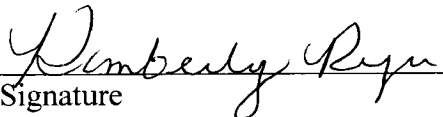
This supplemental report of the status of membership in the SIPC is furnished in conjunction with our report as of December 31, 2011, and covers the SIPC general assessment reconciliation for the year ended December 31, 2011, pursuant to Rule 17a-5(e)(4).

The following checks were made payable to the Securities Investor Protection Corporation and was mailed to SIPC on the date indicated.

<u>Date</u>	<u>Description</u>	<u>General Assessment Amount</u>
2/27/12	Assessment paid with SIPC-7 2011 general assessment form	<u>\$ 251.56</u>
	Total general assessment per SIPC-7 for the year ended December 31, 2011	<u>\$ 251.56</u>

Sincerely,

Concorde Investment Services, LLC

  
\_\_\_\_\_  
Signature

CFO/ FINOP  
\_\_\_\_\_  
Title

**CONCORDE INVESTMENT SERVICES, LLC**  
**FINANCIAL STATEMENTS**  
**and**  
**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**with**  
**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**WILLIAM I. MINOLETTI & Co., P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**UPTON PROFESSIONAL BUILDING**  
**30435 GROESBECK HWY.**  
**ROSEVILLE, MICHIGAN 48066**

**CONCORDE INVESTMENT SERVICES, LLC**

**FINANCIAL STATEMENTS**

**and**

**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5**

**OF THE SECURITIES AND EXCHANGE COMMISSION**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**with**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONCORDE INVESTMENT SERVICES, LLC**

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**WILLIAM I. MINOLETTI & Co., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

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INDEPENDENT AUDITOR'S REPORT

To The Member  
Concorde Investment Services, LLC

We have audited the accompanying balance sheets of Concorde Investment Services, LLC as of December 31, 2011 and 2010 and the related statements of member's equity, operations and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concorde Investment Services, LLC as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained on pages 9 to 11, is required by Rule 17a-5 under the Securities Exchange Act of 1934 and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*William I. Minolletti & Co. P.C.*

February 27, 2012

**CONCORDE INVESTMENT SERVICES, LLC**  
**BALANCE SHEETS**  
**December 31, 2011 And 2010**

**ASSETS**

	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$222,640	\$ 75,168
Accounts receivable:		
Brokers, dealers and clearing organization	185,904	-
Deposit - clearing organizations	75,000	-
Sales representatives	17,542	615
Other	4,500	-
Prepaid expenses	8,075	5,606
	<b>\$513,661</b>	<b>\$ 81,389</b>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable:		
Commissions dues sales representatives	163,218	8,016
Other	6,279	8,750
Amount due Parent Company (Note 3)	86,176	43,065
Deferred fees (Note 5)	34,085	-
Accrued expenses	21,000	-
Total liabilities	310,758	59,831
Member's equity	202,903	21,558
	<b>\$513,661</b>	<b>\$ 81,389</b>

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF MEMBER'S EQUITY**  
**For The Years Ended December 31, 2011 And 2010**

	<u>Amount</u>
Balance, December 31, 2009	\$ 42,329
Contributions from members	75,000
Net loss for the year ended December 31, 2010	<u>(95,771)</u>
Balance, December 31, 2010	\$ 21,558
Contributions from member	102,065
Net income for the year ended December 31, 2011	<u>79,280</u>
Balance, December 31, 2011	<u>202,903</u>

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF OPERATIONS**  
**For The Years Ended December 31, 2011 And 2010**

	<b>2011</b>	<b>2010</b>
Income:		
Commissions and fees	\$3,485,946	\$ 37,490
Interest income	364	10
Total income	3,486,310	37,500
Commissions and clearing charges:		
Commissions paid	2,956,934	33,759
Clearing charges	27,578	-
Total commissions and clearing charges	2,984,512	33,759
Gross profit from operations	501,798	3,741
Selling, general and administrative expenses	422,518	99,512
Income (loss) before provision for taxes	79,280	(95,771)
Provision for taxes:		
Federal income tax (Note 2)	-	-
Total provision for taxes	-	-
Net income (loss)	\$ 79,280	\$ (95,771)

See accompanying notes.



**CONCORDE INVESTMENT SERVICES, LLC**  
**STATEMENT OF CASH FLOWS**  
**For The Years Ended December 31, 2011 And 2010**

	<b>2011</b>	<b>2010</b>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Fees and commissions received	\$ 3,300,042	\$ 37,490
Interest received	364	10
Commissions paid	(2,801,732)	(25,743)
Clearing charges	(27,578)	-
General and administrative expenses paid	(350,689)	(53,918)
Clearing deposits paid	(75,000)	-
Net cash provided (used) by operating activities	45,407	(42,161)
Cash flows from financing activities:		
Contributions from Parent Company	102,065	75,000
Net cash provided by financing activities	102,065	75,000
Net increase in cash and cash equivalents	147,472	32,839
Cash and cash equivalents at beginning of year	75,168	42,329
Cash and cash equivalents at end of year	\$ 222,640	\$ 75,168
Reconciliation of net income to net cash provided by operating activities:		
Net income (loss)	\$ 79,280	\$ (95,771)
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable:		
Brokers, dealers and clearing organization	(185,904)	-
Deposits – clearing organization	(75,000)	-
Sales representatives	(16,927)	(615)
Other	(4,500)	-
Prepaid expenses	(2,469)	(5,606)
Increase (decrease) in:		
Accounts payable:		
Commissions due sales representatives	155,202	8,016
Other	(2,471)	8,750
Amount due to Parent Company	43,111	43,065
Deferred fees	34,085	-
Accrued expenses	21,000	-
Total adjustments	(33,873)	53,610
Net cash provided (used) by operating activities	\$ 45,407	\$ (42,161)

See accompanying notes.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**Note 1 – ORGANIZATION**

Concorde Investment Services, LLC, (the “Company”) is a securities broker-dealer and was organized as a limited liability company by its members. The Company received its articles of organization from the State of Michigan in July, 2009 and registered with the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC) in August, 2010.

Subsequent to December 31, 2010, the members of the Company transferred their interest to Concorde Holdings, Inc. in exchange for stock in Holdings, thereby making the Company a wholly owned subsidiary of Concorde Holdings, Inc. (See Note 3 for transactions with Parent Company)

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revenue Recognition

Securities transactions and the related commission revenues and expenses are recorded on a trade date basis.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments With Off-Balance Sheet Risk

In the normal course of business, the Company’s activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance sheet risk in the event the other party to the transaction is unable to fulfill its contractual obligation.

Federal Income Taxes

For the year ended December 31, 2010, the members elected to be treated by the Internal Revenue Service substantially as if it were a partnership.

For the year ended December 31, 2011, the Company is filing a consolidated income tax return with its Parent Company and subsidiaries. The provision for Federal income tax is based on total consolidated taxable income, which includes the Parent Company’s net operating loss and results in no tax to the Consolidated Group.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**  
**(Continued)**

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Federal Income Taxes (Continued)

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 27, 2012, which is the same date the financial statements were available to be issued.

**Note 3 – TRANSACTIONS WITH PARENT COMPANY**

As stated in Note 1, Organization, the Company became a wholly-owned subsidiary of Concorde Holdings, Inc. effective January 1, 2011. As a result of this, the payable to them in the amount of \$43,065 at December 31, 2010 was converted to equity in January 2011.

The Parent Company provides furniture and fixtures, personnel, general administrative and consulting services to the Company in connection with the Company's business. Reimbursement of these expenses is based on an itemized schedule of amounts paid.

For the years ended December 31, 2011 and 2010, the charges for the services provided by Concorde Holdings, Inc. amounted to \$339,176 and \$43,065 respectfully, and are included in General and Administrative expenses in the attached Statement of Operations.

**Note 4 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$50,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2011, the Company's net capital was \$157,660 and its required net capital was \$50,000. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was 1.97 to 1.

**CONCORDE INVESTMENT SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**  
**(Continued)**

**Note 5 – DEFERRED FEES**

Deferred fees in the amount of \$34,085 represent reimbursements received in advance from sales representatives for expenses to be paid by the Company on their behalf.

**Note 6 – LEASE COMMITMENTS**

The Company leases its facilities under an operating lease from a related entity. Future minimum lease payments outstanding at December 31, 2011 are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2012	42,000
2013	42,000
2014	42,000
2015	24,500

The operating lease includes common area maintenance, property taxes and utilities.

For the years ended December 31, 2011 and 2010, the total lease expense pursuant to the above operating lease amounted to \$33,250 and \$8,750 respectively, and is included in General and Administrative Expense in the attached Statement of Operations.

**Note 7 – RECLASSIFICATION**

Certain account balances from 2010 have been reclassified to conform to the presentation adopted for 2011.

## **SUPPORTING SCHEDULES**

**CONCORDE INVESTMENT SERVICES, LLC**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2011**

Total ownership equity	\$ 202,903
Deduct ownership equity not allowable for net capital	<u>-</u>
Total ownership equity qualified for net capital	202,903
Add:	
a. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-
b. Other deductions or allowable credits	<u>-</u>
Total capital and allowable subordinated liabilities	202,903
Deduction and/or charges:	
a. Total non-allowable assets from Statement of Financial Condition	45,243
b. Other deductions and/or charges	-
Other additions and/or allowable credits	<u>-</u>
Net capital before haircuts on securities positions	157,660
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f])	<u>-</u>
Net capital	157,660
Net capital requirement	<u>50,000</u>
Excess net capital	<u><u>\$ 107,660</u></u>

**CONCORDE INVESTMENT SERVICES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
December 31, 2011**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total liabilities from balance sheet	<u>\$ 310,758</u>
Total aggregate indebtedness	<u>\$ 310,758</u>
Percentage of aggregate indebtedness to net capital	<u>197%</u>

**STATEMENT PURSUANT TO PARAGRAPH (D) (4) OF RULE 17a-5**

There are no differences between this computation of net capital and the corresponding computation prepared by Concorde Investment Services, LLC and included in the Company's amended unaudited Part IIA, FOCUS Report filing as of the same date.

**CONCORDE INVESTMENT SERVICES, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALER UNDER RULE 15c3-3  
December 31, 2011**

Concorde Investment Services, LLC is exempt from the Computation for Determination of Reserve Requirements for Broker-Dealers under Rule 15c3-3 of the Securities and Exchange Commission because of exemption provided under Rule 15c3-3(k)(2)(ii), as a broker-dealer, “who, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer...”.