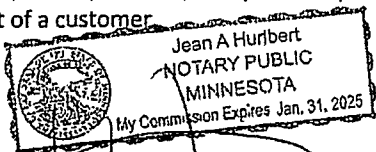


OATH OR AFFIRMATION

I, Gregory A. Stroh, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Capital Management Securities, Inc., as of December 31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer



Notary Public

Signature: [Handwritten Signature]
Title: CEO

This filing** contains (check all applicable boxes):

- (a) Statement of financial condition.
(b) Notes to consolidated statement of financial condition.
(c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j).Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

CAPITAL MANAGEMENT SECURITIES, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023

CAPITAL MANAGEMENT SECURITIES, INC.

CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	
FINANCIAL STATEMENTS	
Statements of Financial Condition	1
Statements of Operations	2
Statements of Changes in Stockholder's Equity	3
Statements of Cash Flows	4
NOTES TO FINANCIAL STATEMENTS	5-8
SUPPLEMENTARY INFORMATION	
Schedule I, Computation of Net Capital Under Rule 15c3-1	9
Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 (exemption)	10
Schedule III, Information relating to the Possession or Control Requirements Under Rule 15c3-3 (exemption)	11
Schedule IV, Reconciliation of FOCUS Report (IIA) as of December 31, 2022 to Audited Financial Statements as of December 31, 2022	12
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	13
MANAGEMENT STATEMENT REGARDING COMPLIANCE WITH CERTAIN PROVISIONS OF SEC RULE 17a-5	14

BOYER & COMPANY

A Professional Association

Certified Public Accountants

14500 Burnhaven Drive-Suite 135
Burnsville, MN 55306
(952) 435-3437

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Capital Management Securities, Inc.
Minneapolis, MN

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Capital Management Securities, Inc. (a Minnesota corporation), as of December 31, 2023, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes and schedules. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Management Securities, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Capital Management Securities, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Capital Management Securities, Inc. in accordance with the U.S. Federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to fraud or error. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to fraud or error, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also included evaluating 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.

Auditors' Report on Supplemental Information

The Schedule I, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 (exemption), Schedule III, Information Relating to Possession or Control Requirements Under Rule 15c3-3 (exemption), and Schedule IV, Reconciliation of FOCUS Report (IIA) as of December 31, 2022 to Audited Financial Statements as of December 31, 2022 have been subjected to audit procedures performed in conjunction with the audit of Capital Management Securities, Inc.'s financial statements. The supplemental information is the responsibility of Capital Management Securities, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. Section 240.17a-5. In our opinion, the supplemental information listed above is fairly stated, in all material respects, in relation to the financial statements as a whole.

Boyer + Company

We have served as Capital Management Securities, Inc.'s auditor since 2005.

Burnsville, MN

February 20, 2024

CAPITAL MANAGEMENT SECURITIES, INC.

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2023

2023

ASSETS

CURRENT ASSETS

Cash	\$ 123,242
Accounts Receivable	16,709
Prepaid Expenses	1,985
Prepaid Commission	3,646
Total Current Assets	<u>145,582</u>

PROPERTY AND EQUIPMENT

Furniture and Equipment	66,536
Leasehold Improvements	11,763
Software	8,465
Operating Lease Right of Use Asset	87,754
Total Property and Equipment	<u>174,518</u>
Less: Accumulated Depreciation and Amortization	<u>(86,764)</u>
Net Property and Equipment	<u>87,754</u>

TOTAL ASSETS

\$ 233,336

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 6,749
Operating Lease - Current	87,754
401(k) Payable	9,082
Payroll Liabilities	6,862
Commissions Payable	-
Total Current Liabilities	<u>110,447</u>

STOCKHOLDER'S EQUITY

Common Stock, \$.01 Per Share, 50,000 Shares Authorized, 9,105 Shares Issued and Outstanding	91
Additional Paid in Capital	(177,155)
Retained Earnings	299,953
Total Stockholder's Equity	<u>122,889</u>

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY

\$ 233,336

See notes to financial statements.

CAPITAL MANAGEMENT SECURITIES, INC.

STATEMENTS OF OPERATIONS
DECEMBER 31, 2023

2023

REVENUE	
Commissions	\$ 480,997
Office Rent	2,519
Management Fee	<u>258</u>
Total Revenue	<u>483,774</u>
OPERATING EXPENSES	
Commissions	400,176
Salaries and Wages	22,459
Payroll Taxes	2,173
Employee Benefits	5,069
Dues and Subscriptions	5,218
Equipment Supplies and Rental	12
Insurance	10,966
Miscellaneous	2,178
Office Supplies and Printing	938
Postage	667
Professional Services	12,347
Regulatory Expense	1,097
Rent	1,179
Repairs and Maintenance	3,541
Sales and Use Tax	522
Telephone	517
Travel and Entertainment	<u>2,721</u>
Total Operating Expenses	<u>471,780</u>
Income Before Income Taxes	11,994
Income Tax Expense	<u>(4,212)</u>
NET INCOME	<u>\$ 16,206</u>

See notes to financial statements.

CAPITAL MANAGEMENT SECURITIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Common Stock</u>		<u>Paid In</u>	<u>Retained</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Earnings</u>	<u>Total</u>
BALANCE, December 31, 2021	\$ 9,105	\$ 92	\$ (156,699)	\$ 312,039	\$ 155,432
Net Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,292)</u>	<u>(28,292)</u>
BALANCE, December 31, 2022	<u>9,105</u>	<u>92</u>	<u>(156,699)</u>	<u>283,747</u>	<u>127,140</u>
Repurchase of Stock	(1,421)	-	(20,456)	-	(20,456)
Net Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,206</u>	<u>16,206</u>
BALANCE, December 31, 2023	<u>\$ 7,684</u>	<u>\$ 92</u>	<u>\$ (177,155)</u>	<u>\$ 299,953</u>	<u>\$ 122,798</u>

See notes to financial statements.

CAPITAL MANAGEMENT SECURITIES, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023

	<u>2023</u>
Cash Flows from Operating Activities:	
Net Income	\$ 16,206
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	-
(Increase) Decrease in Assets:	
Accounts Receivable	(1,321)
Prepaid Expenses	3,497
Prepaid Commissions	(2,738)
Increase (Decrease) in Liabilities:	
Accounts Payable	17,460
Commissions Payable	-
401(k) Payable	(574)
Accrued Payroll Taxes	8,517
Accrued Income Taxes	-
Deferred Income Taxes	(4,300)
Net Cash Provided by Operating Activities	<u>36,747</u>
Cash Flows from Financing Activities	
Repurchase of Stock	<u>(20,456)</u>
Net Cash Used by Financing Activities	<u>(20,456)</u>
Net Increase in Cash	16,291
Cash, Beginning of Year	<u>106,951</u>
Cash, End of Year	<u>\$ 123,242</u>
Supplemental Disclosures of Cash Flow Information:	
Cash Paid During the Year for:	
Income Taxes	<u>\$ -</u>

See notes to financial statements.

CAPITAL MANAGEMENT SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Organization – The Company was organized in April 1975 as a Corporation under the laws of Minnesota.
- B. Nature of Operations – Capital Management Securities, Inc. (the Company) is a licensed broker-dealer under the jurisdiction of the Financial Industry Regulatory Authority (FINRA). The Company buys and sells listed and unlisted securities; municipal, corporate and government bonds; mutual fund shares; and provides other financial services. The Company, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer and promptly transmits all customer funds and securities to the clearing broker-dealer which carries all the accounts of such customers.
- C. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- D. Cash Equivalents – The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.
- E. Clearing Agreement – The Company uses a clearing agent in their business transactions. The agent requires the maintenance of a clearing account deposit. The amount of restricted cash in the clearing deposit account at December 31, 2023 was \$15,581.78.
- F. Accounts Receivable and Allowance for Doubtful Accounts – An allowance for doubtful accounts has not been established as of December 31, 2023. Based upon management's analysis of outstanding accounts receivable as of December 31, 2023 and the Company's past collection experience, an allowance is not considered necessary by management.
- G. Property and Equipment – Property and equipment is carried at cost. Depreciation of property and equipment is computed by the straight-line method based on useful lives of three to ten years.

Depreciation and amortization expense was \$0 for the year ended December 31, 2023.

Maintenance and repairs of property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

The Company reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. The amount of the loss is determined by comparing the fair market values of the asset to the carrying amount of the asset.

- H. Recognition of Revenue – The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the securities have been transferred to/from the customer.
- I. Income Taxes – Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and

CAPITAL MANAGEMENT SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023

liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities, which consist of book depreciation versus tax depreciation differences, and differences associated with cash basis reporting versus accrual basis reporting are individually classified as current and noncurrent based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The management is of the view that there are no significant tax positions that may be challenged.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods. The Company believes it is no longer subject to income tax examinations for the years prior to 2020.

- J. Concentrations of Risk – The Company maintains its cash in accounts with federally insured banks. At times, the balances in these accounts may be in excess of the federally insured limit of \$250,000. The Company believes that there is no significant risk with respect to these deposits.

The Company is engaged in various brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The Company feels the risk at this time is minimal and they review the credit standing of their counterparties on a regular basis.

- K. Date of Management – Management has evaluated subsequent events through February 20, 2024 which the financial statements were available to be issued.

- L. Advertising – The Company expenses advertising costs as they are incurred. Advertising and promotion expense for the year ended December 31, 2023 was \$0.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

The Company has a lease agreement for office space expiring December 31, 2024. Monthly base rent ranges from \$0 to \$7,313 over the term of the lease. Terms of the lease also require the Company to pay its share of taxes and operating expenses. Facility rent expense for the years ended December 31, 2023 was \$1,179.30.

The Company has also entered into various operating leases for equipment that expire through 2024. Equipment rent expense for the years ended December 31, 2023 was \$0.

Minimum future lease payments as of December 31, 2023 under non-cancelable operating leases are:

<u>Years Ending December 31,</u>	<u>Office Facility</u>	<u>Equipment</u>	<u>Total</u>
2024	\$87,755	\$3,637	\$91,392

CAPITAL MANAGEMENT SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company shares its facilities and expenses with two sister companies. Expenses are allocated between the three entities. During 2023 approximately \$719,739.58 or 95% of common expenses were allocated to the Company's sister companies, respectively. The majority of the expenses are paid by the Company, and the sister companies reimburse the Company for its share of the expenses monthly. Amounts due from related parties totaled \$0 as of December 31, 2023.

NOTE 4 – INCOME TAXES

The Company files a consolidated income tax return as part of a controlled group with common ownership. Deferred income taxes and income tax expense are computed using the Company's proportionate share.

The Company's net deferred tax asset (liability) at December 31, 2023 consisted of:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
December 31, 2023	\$(2,107)	\$(2,104)	\$(4,208)

The components for the provision for income taxes for the year ended December 31, 2023 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Year Ended December 31, 2022:			
Deferred Income Tax	\$(2,107)	\$(2,104)	\$(4,208)
Current Income Tax	\$(0)	\$(0)	\$(0)
Income Tax Expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The amount of federal income tax expense attributable to continuing operations differs from the amount of expense that would result from applying domestic federal statutory rates to pretax income from continuing operations primarily due to permanent differences of nondeductible expenses and the effect of state minimum fees.

CAPITAL MANAGEMENT SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023

NOTE 6 – NET CAPITAL REQUIREMENTS

The company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to the net capital, both as defined, shall not exceed 15 to 1 (and the rule of the “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2023 the company had net capital of \$116,281 which was \$91,281 excess of its required net capital of \$25,000. The Company's net capital ratio was 0 to 1.

SUPPLEMENTARY INFORMATION

CAPITAL MANAGEMENT SECURITIES, INC.

SCHEDULE I, COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

DECEMBER 31, 2023

	<u>2023</u>
STOCKHOLDER'S EQUITY at End of Year	\$ 122,889
ADDITIONS	<u>-</u>
TOTAL CAPITAL AND ALLOWABLE SUBORDINATED LIABILITIES	<u>122,889</u>
DEDUCTIONS:	
Unallowable Assets:	
Property and Equipment - Net	-
Prepaid Expenses	1,985
Commission Advance	4,623
Nonliquid Receivables	<u>-</u>
Total	<u>6,608</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	116,281
HAIRCUTS ON SECURITIES	<u>-</u>
NET CAPITAL at End of Year	<u>\$ 116,281</u>
REQUIRED CAPITAL	
Basic Capital Requirement:	
Liabilities	(352)
Required Percent	6.67%
Basic Capital Requirement	<u>(23)</u>
Minimum Capital Required	<u>25,000</u>
EXCESS CAPITAL	<u>\$ 91,281</u>
COMPUTATION OF AGGREGATE INDEBTEDNESS	
Indebtedness	\$ (352)
Net Capital	<u>116,281</u>
Percent of Debt to Net Capital	<u>-0.3%</u>

See independent auditors' report

CAPITAL MANAGEMENT SECURITIES, INC.
SCHEDULE II, COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER RULE 15c3-3 (EXEMPTION)

DECEMBER 31, 2023

The Company is exempt from Rule 15c3-3 under Subparagraph k(2)(ii) and does not possess, control or otherwise hold client or customer funds or securities.

See independent auditors' report.

CAPITAL MANAGEMENT SECURITIES, INC.

SCHEDULE III, INFORMATION FOR POSSESSION OR
CONTROL REQUIREMENTS UNDER RULE 15c3-3 (EXEMPTION)

DECEMBER 31, 2023

The Company is exempt from Rule 15c3-3 under Subparagraph k(2)(ii) and does not possess, control or otherwise hold client or customer funds or securities.

See independent auditors' report.

CAPITAL MANAGEMENT SECURITIES, INC.

SCHEDULE IV, RECONCILIATION OF FOCUS REPORT (IIA) AS OF DECEMBER 31, 2023
TO AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

	Balance Per Focus Report on <u>December 31, 2023</u>	Adjustments		Balance Per Audited Financial Statements At <u>December 31, 2023</u>
		<u>Debit</u>	<u>Credit</u>	
Total Assets	\$ 226,735	\$ 6,601		233,336
Less: Total Liabilities	<u>106,347</u>		4,100	<u>110,447</u>
Net Worth	120,388		2,502	122,889
Less: Non-Allowable Assets	<u>6,419</u>			<u>6,608</u>
Tentative Net Capital	113,969			116,281
Less: Securities Haircuts	<u>-</u>			<u>-</u>
Net Capital	<u>\$ 113,969</u>			<u>\$ 116,281</u>

See independent auditors' report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Capital Management Securities, Inc.
Minneapolis, MN

We have reviewed management's statements included in the accompanying Rules 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which (1) Capital Management Securities, Inc. (the Company) claimed an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3 and (2) the Company filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 because the Company limits its business activities exclusively to Mutual Fund Retail sales, Variable Life Insurance and Annuities Retail sales effecting securities transactions through Hilltop Securities and via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Ruler 15c3-3) throughout the most recent fiscal year without exception.

Capital Management Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Capital Management Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 and related SEC Staff Frequently Asked Questions.

Boyer + Company

Burnsville, MN

February 20, 2024

Management Statement Regarding Compliance with
Certain Provisions of SEC Rule 17a-5

February 12, 2024

Pursuant to certain provisions of SEC Rule 17a-5 as amended on July 30, 2013 and effective June 1, 2014, Capital Management Securities, Inc. (the "Company") is exempt from provisions of SEC Rule 15c3-3 under provisions of paragraph (k)(2)(ii).

The Company has met the exemption provisions of paragraph 15c3-3 (k)(2)(ii) throughout the period January 1, 2023 through December 31, 2023, without exception.

The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company is effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company.

Capital Management Securities, Inc.

Gregory A. Stroh
CEO