



DISCIPLINARY DECISION
Cboe BZX Exchange, Inc.
Star No. 20210692878-01/File No. URE-37-05
Capital Institutional Services, Inc.

Pursuant to Exchange Rule 8.3, attached to and incorporated as part of this Decision is a Letter of Consent.

Applicable Rule

BZX Rule 2.5 – Restrictions

Sanction

A censure and a monetary fine in the amount of \$5,000.

Effective Date

November 15, 2022

/s/ Greg Hoogasian

Greg Hoogasian, CRO, EVP

Cboe BZX Exchange, Inc.
LETTER OF CONSENT
Star No. 2021069287801/File No. URE-37-05

In the Matter of:

Capital Institutional Services, Inc.
1700 Pacific Ave., Suite 1100
Dallas, TX 75201

Subject

Pursuant to the provisions of Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) Rule 8.3 – Expedited Proceeding, Capital Institutional Services, Inc. (“CAPIS” or the “Firm”) submits this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies that violations of Exchange Rules have been committed, and the stipulation of facts and findings described herein do not constitute such an admission.

BACKGROUND

1. During all relevant periods herein, CAPIS was acting as a registered Broker-Dealer and was an Exchange Member. The Firm’s registrations remain in effect. The Firm is subject to the Securities Exchange Act of 1934 (“Exchange Act”) Rule 15c3-1.
2. This matter originated from an examination conducted by FINRA’s Department of Market Regulation (Trading & Execution).

VIOLATIVE CONDUCT

Applicable Rules

3. During all relevant periods herein, the following rules were in full force and effect: BZX Rule 2.5 – Restrictions.
4. During all relevant periods herein, Interpretation and Policy .01(e) to BZX Rule 2.5 required each Member subject to Exchange Act Rule 15c3-1 to designate and register with BZX in Web CRD a Financial/Operations Principal (“FinOp”). The qualification requirement for the FinOp registration was the Financial and Operations Principal Examination (“Series 27”).

Failure to Qualify and Register

5. From in or about March 2020 through in or about March 2022, the Firm failed to qualify and register one associated person as a FinOp with BZX in Web CRD. Specifically, the associated person assumed the role of the Firm’s FinOp with BZX in Web CRD and had responsibilities that required him to be qualified and registered as a FinOp with the Exchange. The associated person did not have the Series 27 qualification between March 2020 and March 2022. The associated person successfully completed the Series 27 Examination in March 2022, and his status on the Exchange has been updated and approved.
6. The acts, practices, and conduct described in Paragraph 5 constitute a violation of Exchange Rule 2.5 between March 2020 and March 2022 by the Firm, in that the Firm failed to qualify and register one associated person as a FinOp with BZX in Web CRD.

SANCTIONS

7. The Firm does not have any prior relevant disciplinary history specifically related to qualification and registration of its associated persons.
8. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanctions:
 - a. A censure; and
 - b. A monetary fine in the amount of \$5,000.

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations, and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 8.3, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a Hearing Panel. The Firm further waives the right to appeal any such decision to the Board of Directors, the U.S. Securities and Exchange Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the Chief Regulatory Officer (“CRO”) in connection with the CRO’s participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent. The Firm further waives any claim that a person violated the ex parte prohibitions of Exchange Rule 8.16, in connection with such person’s participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including its acceptance or rejection.

The Firm agrees to pay the monetary sanction(s) upon notice that this Letter of Consent has been accepted and that such payment(s) are due and payable. The Firm specifically and voluntarily

waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO, pursuant to Exchange Rule 8.3. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by BZX or any other regulator against the Firm. The Letter of Consent will be published on a website maintained by the Exchange in accordance with Exchange Rule 8.18.

The Firm understands that it may not deny the charges or make any statement that is inconsistent with the Letter of Consent. The Firm may attach a Corrective Action Statement to this Letter of Consent that is a statement of demonstrable corrective steps taken to prevent future misconduct. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of the Exchange or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.

Date: November 15, 2022

Capital Institutional Services, Inc.

By: 

Jason D. Christian

Name: _____

Title: CCO & General Counsel