

QUALEY ALLEN RUSSELL  
Form 4  
January 22, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
QUALEY ALLEN RUSSELL

2. Issuer Name and Ticker or Trading Symbol  
1ST SOURCE CORP [SRCE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

P.O. BOX 1602

01/21/2010

Executive Vice President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

SOUTH BEND, IN 46634

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	01/21/2010		D	2,782 D \$0	78,763	D	
Common Stock					15,415 <sup>(1)</sup>	I	By 401(k)
Common Stock					20,392	I	By Immediate Family

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form**

SEC 1474 (9-02)

displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
QUALEY ALLEN RUSSELL P.O. BOX 1602 SOUTH BEND, IN 46634			Executive Vice President	

## Signatures

/s/ John B. Griffith,  
Attorney-in-Fact  
Date: 01/22/2010

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Between January 1, 2009 and December 31, 2009, Mr. Qualey acquired a net 835 shares of 1st Source Corporation common stock under the 401(k) plan. The information in this report is based on a plan statement dated as of December 31, 2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. 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 number. m 4)

8. SHARED DISPOSITIVE POWER

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,791,029

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAMES OF REPORTING PERSONS.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Franklin Advisers, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

	(a)	
(b)		X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

California

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

7,036,227 (See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

7,304,477 (See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,304,477

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.3%

12. TYPE OF REPORTING PERSON

IA

Item 1.

(a) Name of Issuer

CapitalSource, Inc.

(b) Address of Issuer's Principal Executive Offices

4445 Willard Avenue  
12th Floor  
Chevy Chase, MD 20815

Item 2.

(a) Name of Person Filing

(i): Franklin Resources, Inc.  
(ii): Charles B. Johnson  
(iii): Rupert H. Johnson, Jr.  
(iv): Franklin Advisers, Inc.

(b) Address of Principal Business Office or, if None, Residence

(i), (ii), and (iii), and (iv):  
One Franklin Parkway  
San Mateo, CA 94403-1906

(c) Citizenship

(i): Delaware  
(ii) and (iii): USA  
(iv): California

(d) Title of Class of Securities

Common Stock, par value \$.01

(e) CUSIP Number

14055X102

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with §240.13d-1 (b)(1)(ii)(J).

#### Item 4. Ownership

The securities reported herein (the Securities ) are beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment advisory clients of investment advisers that are direct and indirect subsidiaries (each, an Adviser Subsidiary and, collectively, the Adviser Subsidiaries ) of Franklin Resources, Inc. ( FRI ), including the Adviser Subsidiaries listed in Item 7. Advisory contracts grant to the Adviser Subsidiaries all investment and/or voting power over the securities owned by such advisory clients, unless otherwise noted in this Item 4. Therefore, for purposes of Rule 13d-3 under the Act, the Adviser Subsidiaries may be deemed to be the beneficial owners of the Securities.

Beneficial ownership by investment advisory subsidiaries and other affiliates of FRI is being reported in conformity with the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as FRI, where related entities exercise voting and investment powers over the securities being reported independently from each other. The voting and investment powers held by Franklin Mutual Advisers, LLC ( FMA ), an indirect wholly-owned Adviser Subsidiary, are exercised independently from FRI and from all other Adviser Subsidiaries (FRI, its affiliates and the Adviser Subsidiaries other than FMA are collectively, FRI affiliates ). Furthermore, internal policies and procedures of FMA and FRI establish informational barriers that prevent the flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities owned by their respective advisory clients. Consequently, FMA and the FRI affiliates report the securities over which they hold investment and voting power separately from each other for purposes of Section 13 of the Act.



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Charles B. Johnson and Rupert H. Johnson, Jr. (the Principal Shareholders ) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. FRI and the Principal Shareholders may be deemed to be, for purposes of Rule 13d-3 under the Act, the beneficial owners of securities held by persons and entities advised by FRI subsidiaries. The number of shares that may be deemed to be beneficially owned and the percentage of the class of which such shares are a part are reported in Items 9 and 11 of the cover pages for FRI and each of the Principal Shareholders. FRI, the Principal Shareholders and each of the Adviser

Subsidiaries disclaim any pecuniary interest in any of the Securities. In addition, the filing of this Schedule 13G on behalf of the Principal Shareholders, FRI and FRI affiliates, as applicable, should not be construed as an admission that any of them is, and each disclaims that it is, the beneficial owner, as defined in Rule 13d-3, of any of the Securities.

FRI, the Principal Shareholders, and each of the Adviser Subsidiaries believe that they are not a group within the meaning of Rule 13d-5 under the Act and that they are not otherwise required to attribute to each other the beneficial ownership of the Securities held by any of them or by any persons or entities advised by FRI subsidiaries.

(a) Amount beneficially owned:

7,791,029

(b) Percent of class:

5.6%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Franklin Advisers, Inc.:	7,036,227
Franklin Templeton Investments Corp.:	284,760
Templeton Asset Management Ltd.:	89,200
Franklin Templeton Investment Management Limited:	0
Fiduciary Trust Company International:	16,200
Franklin Templeton Portfolio Advisors, Inc. <sup>[1]</sup> :	6,542
Franklin Templeton Investments (Asia) Limited:	1,110

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Franklin Advisers, Inc.:	7,304,477
Franklin Templeton Investments Corp.:	284,760
Templeton Asset Management Ltd.:	89,200
Franklin Templeton Investment Management Limited:	88,740
Fiduciary Trust Company International:	16,200
Franklin Templeton Portfolio Advisors, Inc.:	6,542
Franklin Templeton Investments (Asia) Limited:	1,110

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Franklin Templeton Portfolio Advisors, Inc. (FTPA) may beneficially own these securities pursuant to various separately managed account investment management arrangements. Under these arrangements, each underlying client may, from time to time, either retain, delegate to FTPA entirely, or delegate to FTPA only with respect to certain matters, the power to vote such securities. To the extent that FTPA has voting power over any such securities, it has sole voting power. Notwithstanding the foregoing, to the extent that an underlying client retains voting power over any shares, FTPA disclaims any power to vote or direct the vote of such securities.

(iv) Shared power to dispose or to direct the disposition of

0

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Adviser Subsidiaries, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or power to direct the receipt of dividends from, as well as the proceeds from the sale of, such securities reported on in this statement.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

See Attached Exhibit C

(See also Item 4)

Item 8. Identification and Classification of Members of the Group

Not Applicable (See also Item 4)

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

This report shall not be construed as an admission by the persons filing the report that they are the beneficial owner of any securities covered by this report.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 13, 2006

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Advisers, Inc.

By: /s/BARBARA J. GREEN

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Explanation of Responses:

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Barbara J. Green  
Vice President, Deputy General Counsel,  
and Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Secretary of Franklin Advisers, Inc.

EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other of the attached statement on Schedule 13G and to all amendments to such statement and that such statement and all amendments to such statement are made on behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on

February 13, 2006.

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Advisers, Inc.

By: /s/BARBARA J. GREEN

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Barbara J. Green  
Vice President, Deputy General Counsel,  
and Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Explanation of Responses:



Secretary of Franklin Advisers, Inc.

EXHIBIT B

POWER OF ATTORNEY

CHARLES B. JOHNSON hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G or 13D, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

Date: 9-11-03

/s/Charles B. Johnson

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Charles B. Johnson

POWER OF ATTORNEY

RUPERT H. JOHNSON hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G or 13D, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

Date: Sept 4, 2003

/s/Rupert H. Johnson, Jr.

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Rupert H. Johnson





## Exhibit C

Franklin Advisers, Inc.	Item 3 classification: 3(e)
Franklin Templeton Investments Corp.	Item 3 Classification: 3(e)
Templeton Asset Management Ltd.	Item 3 classification: 3(e)
Franklin Templeton Investment Management Limited	Item 3 classification: 3(e)
Fiduciary Trust Company International	Item 3 classification: 3(b)
Franklin Templeton Portfolio Advisors, Inc.	Item 3 classification: 3(e)
Franklin Templeton Investments (Asia) Limited	Item 3 classification: 3(e)



