



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

4/2/03

OMB APPROVAL  
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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

SEC FILE NUMBER  
B-50006

BEST AVAILABLE COPY

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FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

12/31/02

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 01/31/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: South Atlantic Enterprises, Inc

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

3301 Woman's Club Drive, Suite 105

(No. and Street)

Raleigh

(City)

North Carolina

(State)

27612

(Zip Code)

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

Robert L. Abbott, Jr.

(919) 785-3050

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Rosenthal & Kaplin, P.C.

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

7100 Peachtree Dunwoody Road, Suite 200

(Address)

(City)

Atlanta

Georgia

(State)

30328

(Zip Code)

CHECK ONE:

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

PROCESSED  
APR 04 2003

**FOR OFFICIAL USE ONLY**

THOMSON  
FINANCIAL

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)

SEC 1410 (08-02)

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 control number.

PK

OATH OR AFFIRMATION

I, Robert L. Abbott, 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 South Atlantic Enterprises, Inc., as of December 31, 2002, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Robert L. Abbott, Jr.  
Signature  
President  
Title

Today is 03-27-2003

Melissa S. Rivenbark  
Notary Public

My commission expires June 11, 2006.

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 15c3-3 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).

**SOUTH ATLANTIC ENTERPRISES, INC.**

**FINANCIAL STATEMENTS**

with the

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED DECEMBER 31, 2002 and 2001**

**SUPPLEMENTARY INFORMATION**

**SOUTH ATLANTIC ENTERPRISES, INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 of**  
**THE SECURITIES and EXCHANGE COMMISSION**

|   | For the years ended<br>December 31, |           |
|---|-------------------------------------|-----------|
|   | 2002                                | 2001      |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>   | \$458,953                           | \$400,259 |
| <b>DEDUCTIONS and / or CHANGES</b>  |                                     |           |
| Non-allowable assets  | (12,400)                            | (12,400)  |
| <b>TENTATIVE NET CAPITAL</b>  | \$446,553                           | \$387,859 |
| Haircut on securities   | (14,733)                            | 0         |
| <b>NET CAPITAL</b>  | \$431,820                           | \$387,859 |
| <b>AGGREGATE INDEBTNESS</b>   |                                     |           |
| Accrued expenses and other current liabilities  | \$45,978                            | \$86,001  |
| <b>PERCENTAGE OF AGGREGATE INDEBTNESS TO NET CAPITAL</b>  | 10.65%                              | 22.17%    |
| <b>MINIMUM NET CAPITAL REQUIRED</b>   | 5,000                               | 5,000     |
| <b>EXCESS OF NET CAPITAL OVER MINIMUM REQUIRED</b>  | \$426,820                           | \$382,859 |
| <b>RECONCILIATION with COMPANY'S COMPUTATION in PART II of FORM X-17A-5 as of DECEMBER 31, 2002 and 2001:</b> |                                     |           |
| <b>Net capital as reported in Company's Part II:</b>  |                                     |           |
| Unaudited Focus Report  | \$417,533                           | \$473,874 |
| Employer SEP contribution   | (22,500)                            | (25,500)  |
| Audit adjustment for accrued and other expenses   | 36,787                              | (60,515)  |
| <b>NET CAPITAL PER ABOVE</b>  | \$431,820                           | \$387,859 |

The accompanying notes are an integral part of these statements

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