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UN
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20547
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
B-50561

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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CAPITAL ONE Southcoast, Inc.

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

909 Poydras St., Suite 1000
(No. and Street)
New Orleans LA 70112
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP
(Name - if individual, state last, first, middle name)
3900 One Shell Square, New Orleans, LA 70139
(Address) (City) (State) (Zip Code)

PROCESSED
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THOMSON
FINANCIAL

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION
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AND
EXAMINATIONS

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*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, Richard L. Abbrecht, 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 Capital One Southcoast Inc., as of December 31, 20 07, 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:

Richard L. Abbrecht Jr
Signature
President & CEO
Title

Benise
Notary Public Leopold Brown

my commission is for life

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.

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

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Capital One Southcoast, Inc.
Years Ended December 31, 2007 and 2006
(Confidential Pursuant to Rule 17a-5(e)(3))

Report of Independent Registered Public Accounting Firm

The Stockholder and Board of Directors
Capital One Southcoast, Inc.

We have audited the accompanying statements of financial condition of Capital One Southcoast, Inc. (the Company), a wholly owned subsidiary of Capital One Financial Corporation, as of December 31, 2007 and 2006, and the related statements of income, changes in subordinated borrowings, changes in equity, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 Capital One Southcoast, Inc. at December 31, 2007 and 2006, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

February 28, 2008

Capital One Southcoast, Inc.

Statements of Financial Condition

	December 31	
	2007	2006
Assets		
Cash on deposit with affiliated companies	\$ 751,071	\$ 856,918
Securities owned	7,883,108	6,173,376
Receivable from clearing correspondent	86,299	226,287
Other receivables from brokers	835,083	1,268,879
Deposit with clearing correspondent	250,000	250,000
Premises, furniture, and equipment, net	214,910	286,867
Goodwill	3,493,211	3,493,211
Deferred tax asset, net	-	9,198
Other assets	9,529	-
Due from affiliates	408,844	81,511
	<u>\$ 13,932,055</u>	<u>\$ 12,646,247</u>
Liabilities and stockholder's equity		
Liabilities:		
Commissions payable to brokers and dealers	\$ 1,763,886	\$ 1,760,774
Accrued expenses	152,090	233,136
Due to affiliates	1,332,712	549,840
Other liabilities	23,016	9,796
	<u>3,271,704</u>	<u>2,553,546</u>
Stockholder's equity:		
Common stock, no par value – 100,000 shares authorized, one share issued and outstanding	10,000	10,000
Surplus	8,431,477	8,431,477
Retained earnings	2,218,874	1,651,224
Total stockholder's equity	<u>10,660,351</u>	<u>10,092,701</u>
	<u>\$ 13,932,055</u>	<u>\$ 12,646,247</u>

See accompanying notes.

END