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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART 111**

SEC FILE NUMBER
8- 67627

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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Sage Southeastern Securities, Inc.

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

OFFICIAL USE ONLY
FIRM I.D. NO.

3500 Lenox Road, Suite 1700

(No. and Street)

Atlanta

GA

30326

(City)

(State)

(Zip Code)

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

Woody Crapps

(404) 364-2180

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in the Report*

Rubio CPA, PC

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

2120 Powers Ferry Road, Suite 350

(Address)

Atlanta

(City)

Georgia

(State)

30130

(Zip Code)

SEC
30/30 Processing
Section

CHECK ONE:

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

FEB 06 2009

Washington, DC
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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)

SEC 1410 (06-02)

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.

8-18

OATH OR AFFIRMATION

I, George Register, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sage Southeastern Securities, Inc., as of December 31, 2008, 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:

MARJORIE CONNER
NOTARY PUBLIC
Cobb County, Georgia
My Comm. Expires Dec. 16, 2011

Marjorie Conner
Notary Public

George Register
Signature
Principal
Title

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 240.17z-5(e)(3).

SAGE SOUTHEASTERN SECURITIES, INC.
Financial Statements
For the Year Ended
December 31, 2008
With
Independent Auditor's Report

REPORT OF INDEPENDENT AUDITORS

To the Stockholder of
Sage Southeastern Securities, Inc.:

We have audited the accompanying statement of financial condition of Sage Southeastern Securities, Inc., as of December 31, 2008 and the related statement of operations, changes in stockholder's equity, and cash flows for the period from January 10, 2007, date of inception, to December 31, 2008, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 audit.

We conducted our audit in accordance with auditing standard 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Sage Southeastern Securities, Inc. as of December 31, 2008 and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III and IV 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 of the Securities and Exchange Commission. 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.



RUBIO CPA, PC

February 6, 2009
Atlanta, Georgia

SAGE SOUTHEASTERN SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

ASSETS

| | |
|---------------------------|------------------|
| Cash and cash equivalents | <u>\$ 17,952</u> |
| Total Assets | <u>17,952</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

| | |
|-------------------|---------------|
| Accounts payable | <u>\$ 230</u> |
| Total Liabilities | <u>230</u> |

STOCKHOLDER'S EQUITY (Note B)

| | |
|---|------------------|
| Common stock, \$1 par value, 30,000 shares authorized, 500 shares issued and outstanding | 500 |
| Additional paid-in capital | 135,330 |
| Retained (deficit) | <u>(118,108)</u> |
| Total Stockholder's Equity | <u>17,722</u> |
| Total Liabilities and Stockholder's Equity | <u>\$ 17,952</u> |

The accompanying notes are an integral part of these financial statements.

SAGE SOUTHEASTERN SECURITIES, INC.
STATEMENTS OF OPERATIONS
For The Period From January 10, 2007 to December 31, 2008

| | <u>2008</u> |
|-------------------------------------|---------------------|
| REVENUES | |
| Interest and dividends | \$ 2,106 |
| Gains (loss) from investments | <u>(88,752)</u> |
| | (86,646) |
| | |
| GENERAL AND ADMINISTRATIVE EXPENSES | |
| Occupancy | 7,700 |
| Other operating expenses | <u>23,762</u> |
| | <u>31,462</u> |
| | |
| NET INCOME (LOSS) | <u>\$ (118,108)</u> |

The accompanying notes are an integral part of these financial statements.

SAGE SOUTHEASTERN SECURITIES, INC.
STATEMENT OF CASH FLOWS
For the Period From January 10, 2007 to December 31, 2008

| | 2008 |
|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Net income (loss) | \$ (118,108) |
| Noncash items included in net income: | |
| Loss on securities owned, net | 88,752 |
| Increase in payables and accrued expenses | 230 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (29,126) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Investments in securities owned, net | (88,752) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (88,752) |
| CASH FLOWS PROVIDED BY FINANCING ACTIVITIES: | |
| Capital contributions | 265,000 |
| Capital withdrawal | (129,170) |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 135,830 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 17,952 |
| CASH AND CASH EQUIVALENTS: | |
| Beginning of period | - |
| End of period | \$ 17,952 |

The accompanying notes are an integral part of these financial statements.

SAGE SOUTHEASTERN SECURITIES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
For the Period From January 10, 2007 to December 31, 2008

| | <u>Common Stock</u> | <u>Paid-In Capital</u> | <u>Retained (Deficit)</u> | <u>Total</u> |
|-------------------------------|-------------------------|----------------------------|-------------------------------|------------------|
| Capital contributions | \$ 500 | \$264,500 | \$ - | \$ 265,000 |
| Distributions to stockholder | - | (129,170) | - | (129,170) |
| Net income (loss) | <u>-</u> | <u>-</u> | <u>(118,108)</u> | <u>(118,108)</u> |
| Balance, December 31, 2008 | <u>\$ 500</u> | <u>\$135,330</u> | <u>\$(118,108)</u> | <u>\$ 17,722</u> |

The accompanying notes are an integral part of these financial statements.

SAGE SOUTHEASTERN SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business: The Company is a registered broker dealer organized under the laws of the state of Georgia in January 2007. The Company is registered with the Securities and Exchange Commission, the Financial Industry Regulatory Authority and the securities commissions of appropriate states. Through December 31, 2008, the Company has been inactive.

Cash and Cash Equivalents: The Company considers all cash and money market instruments with a maturity of ninety days or less to be cash and cash equivalents.

Securities Owned-Common Stocks: Investments in common stocks-marketable are valued at market value. The resulting difference between cost and market (or fair value) is included in income.

Income Taxes: The Company has elected S corporation status. Income or losses of the Company flow through to the stockholder and no income taxes are recorded in the accompanying financial statements.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

NOTE B – NET CAPITAL

The Company, as a registered broker dealer is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1. At December 31, 2008, the Company had net capital of \$17,368 which was \$12,368 in excess of its required net capital of \$5,000 and the ratio of aggregate indebtedness to net capital was .01 to 1.0.

NOTE C – OFF BALANCE SHEET RISK

Through December 31, 2008, the Company has executed securities transactions for its own account. These activities may expose the Company to off balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

SAGE SOUTHEASTERN SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE D – CONTINGENCIES

The Company is subject to litigation in the normal course of business. The Company has no litigation in progress at December 31, 2008.

NOTE E – RELATED PARTY TRANSACTIONS

Effective 2007, the Company pays rent to a broker dealer owned by its stockholder for use of office facilities. Rent expense under the month-to-month arrangement for the period ended December 31, 2008 was approximately \$7,700.

SUPPLEMENTAL INFORMATION

SCHEDULE I
SAGE SOUTHEASTERN SECURITIES, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION ACT OF 1934
AS OF DECEMBER 31, 2008

NET CAPITAL:

| | |
|--|-------------------------|
| Total stockholder's equity | <u>\$ 17,722</u> |
| Less non-allowable assets: | |
| Other assets | <u> -</u> |
| | <u> -</u> |
| Net capital before haircuts | 17,722 |
| Less haircuts: | |
| Money market assets | <u> (354)</u> |
| Total haircuts | - |
| Net capital | 17,368 |
| Less required capital | <u> 5,000</u> |
| Excess net capital | <u><u>\$ 12,368</u></u> |
| Aggregate indebtedness | <u>\$ 230</u> |
| Ratio of aggregate indebtedness to net capital | <u>.01 to 1.0</u> |

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED
IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2008.

There is no significant difference between net capital reported above and the Company's
computation in Form X-17A-5.

SAGE SOUTHEASTERN SECURITIES, INC.

SCHEDULE II

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2008**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

SCHEDULE III

**INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2008**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

SAGE SOUTHEASTERN SECURITIES, INC.

SCHEDULE IV

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS AND GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The Company has no liabilities subordinated to claims and general creditors.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL
REQUIRED BY RULE 17a-5**

To the Stockholder
Sage Southeastern Securities, Inc.

In planning and performing our audit of the financial statements of Sage Southeastern Securities, Inc. for the period from January 10, 2007 to December 31, 2008, we considered its internal control structure, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Sage Southeastern Securities, Inc. that we considered relevant to the objective stated in Rule 17a-5(g). We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedure for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company related to the following: (1) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, that we consider to be material weaknesses as defined above.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the division of duties and cross-checks generally included in a system of internal accounting control, and that alternatively, greater reliance must be placed on surveillance by management.

In addition, no facts came to our attention indicating that the exemptive provision of Rule 15c3-3 had not been complied with during the year.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

February 6, 2009
Atlanta, Georgia

A handwritten signature in black ink, appearing to read "Rubio CPA, PC". The signature is written in a cursive, flowing style.

RUBIO CPA, PC

END