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

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SEC. RECEIVED DESSING MAY 02 2011 WASH. DC. 211 SECTION

ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER 8-50006

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 1/01/10 AND ENDING 12/31/10 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.)

6201 Fairview Road, Suite 200

(No. and Street)

Charlotte (City)

N.C. (State)

28210 (Zip Code)

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*

Barham Guy & McKnight, P.A.

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

211 E. Six Forks Road, Suite 112 Raleigh N.C. 27609

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*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)

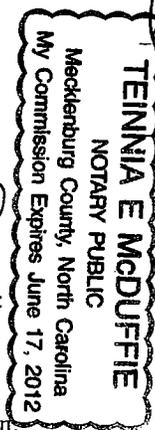
M.G. 5/11

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 April 26, 2011, 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



Teinnia E McDuffie
Notary Public

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).

SAE Coal, LLC
STATEMENT OF FINANCIAL CONDITION
For the year ended December 31, 2010

	<u>2010</u>
<u>ASSETS</u>	
Current Assets:	
Cash- Business Checking	\$ 49
Cash- SAE, Inc. Money Market	132,490
Total Current Assets	<u>132,539</u>
Total Assets	<u>\$ 132,539</u>
 <u>LIABILITIES AND MEMBER'S EQUITY</u>	
Current Liabilities:	
Accounts Payable	\$ -
	<u>-</u>
Total Current Liabilities	-
Member's Equity:	
Retained Earnings	\$ 132,539
Net unrealized gains on marketable securities	<u>-</u>
Total Member's Equity	132,539
Total Liabilities and Member's Equity	<u>\$ 132,539</u>

See Accountants' Report and Notes to Consolidated
Financial Statements.

SOUTH ATLANTIC ENTERPRISES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE COMMISSION
For the year ended December 31, 2010

	<u>2010</u>
TOTAL STOCKHOLDER'S EQUITY	\$ 778,086
DEDUCTIONS AND/OR CHANGES	
Non-allowable assets	-
TENTATIVE NET CAPITAL	778,086
Haircut on securities	(66,238)
NET CAPITAL	\$ 711,848
AGGREGATE INDEBTNESS	
Accrued expenses and other current liabilities	6,070
PERCENTAGE OF AGGREGATE INDEBTNESS TO NET CAPITAL	0.85%
MINIMUM NET CAPITAL REQUIRED	5,000
EXCESS OF NET CAPITAL OVER MINIMUM REQUIRED	706,848
RECONCILIATION WITH COMPANY'S COMPUTATION IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2010	
Net capital as reported in Company's Part II:	
Unaudited Focus Report	840,535
Adjustment for SAE Coal, LLC revenue	(132,539)
Adjustment for SAE Coal, LLC haircut adj	2,651
Audit adjustment and rounding (no material difference)	1,201
NET CAPITAL PER ABOVE	\$ 711,848

SOUTH ATLANTIC ENTERPRISES, INC.
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
For the year ended December 31, 2010

2010

REVENUES

Management & investment advisory income \$ -

EXPENSES

Contract Labor	\$ 525
Taxes and licenses	1,348
Office expense	2,763
Telephone	1,038
Rent/occupancy	9,631
Legal and accounting	5,272
Travel	3,833
Meals and Entertainment	454
Miscellaneous expense	318
Insurance	-
Dues and publications	2,168
Interest	9
Total Expenses	\$ <u>27,359</u>

OPERATING INCOME/(LOSS) \$ **(27,359)**

Other income (expense)

Dividends and interest	2,996
Gain/(loss) on sale of securities	-
Total Other Income	\$ <u>2,996</u>

NET INCOME/(LOSS) \$ **(24,363)**

Beginning Retained Earnings

Shareholder distributions	<u>(80,940)</u>
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Ending Retained Earnings \$ **509,966**

SOUTH ATLANTIC ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2010</u>
Net income/(loss)	\$ (24,363)
Adjustments to reconcile net Income to net cash provided (used) by operating activities:	
Changes in operating assets and liabilities:	
Increase (decrease) in accrued expense/deposit	<u>390</u>
Net cash provided (used) by operating activities	\$ <u>(23,973)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Net proceeds from sale and maturity of investments and purchase of investments	<u>\$ 297,036</u>
Net cash provided (used) by investing activities	\$ <u>297,036</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Shareholder distributions	\$ (80,940)
Shareholder contributions	<u>132,539</u>
Net cash provided (used) by financing activities	\$ <u>51,599</u>
 NET INCREASE (DECREASE) IN CASH	\$ 324,662
Cash and cash equivalents at beginning of year	<u>\$ 202,883</u>
Cash and cash equivalents at end of year	\$ <u>527,545</u>

SUPPLEMENTAL DISCLOSURES **2010**

Cash paid during the year for:	
Interest expense	9
Income taxes	-0-

DISCLOSURE OF ACCOUNTING POLICY

For purposes of the statement of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See Accountants' Report and Notes to Consolidated Financial Statements.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. CAPP Equipment, LLC PO Box 1493 Ashland, KY 41105 606-326-1072		1 Rents \$	OMB No. 1545-0115 2010 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$	Copy B For Recipient	
PAYER'S federal identification number 26-2320517	RECIPIENT'S identification number 26-3443696	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name SAE Coal, LLC Street address (including apt. no.) 6201 Fairview Road Suite 200 City, state, and ZIP code Charlotte NC 28210		7 Nonemployee compensation \$ 69574.27	8 Substitute payments in lieu of dividends or interest \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$		
		11	12		
Account number (see instructions)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. CAPP RESOURCES, LLC PO BOX 1493 ASHLAND, KY 41105 (606) 326-1072		1 Rents \$	OMB No. 1545-0115 2010 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$	Copy B For Recipient	
PAYER'S federal identification number 26-2320438	RECIPIENT'S identification number 26-3443639	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name SAE Coal, LLC Street address (including apt. no.) 6201 Fairview Road Suite 200 City, state, and ZIP code Charlotte NC 28210		7 Nonemployee compensation \$	8 Substitute payments in lieu of dividends or interest \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$		
		11	12		
Account number (see instructions)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$ 62964.50		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service



Free Business Checking

01 2000054396247 001 130 0 32 50,299

WACHOVIA

00017796 01 AV 0.335 01 5DG 74



SAE COAL LLC
6201 FAIRVIEW ROAD SUITE 200
CHARLOTTE NC 282100000

CB

Free Business Checking

8/12/2010 thru 8/31/2010

Account number: 2000054396247
Account owner(s): SAE COAL LLC

Account Summary

Opening balance 8/12	\$0.00
Deposits and other credits	90,292.27 +
Closing balance 8/31	\$90,292.27

Deposits and Other Credits

Date	Amount	Description
8/12	90,292.27	DEPOSIT
Total	\$90,292.27	

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
8/12	90,292.27				

EFFECTIVE OCTOBER 8, 2010, CUSTOMERS WITH OVERDRAFT PROTECTION LINKED TO A BUSINESS LINE OF CREDIT ACCOUNT WILL BE CHARGED OVERDRAFT PROTECTION ADVANCE FEES TO THE CREDIT ACCOUNT, NOT THE DEPOSIT ACCOUNT. FOR FEE DETAIL, PLEASE SEE CREDIT AGREEMENT.



Free Business Checking

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SAE COAL LLC
6201 FAIRVIEW ROAD SUITE 200
CHARLOTTE NC 282100000

CB

Free Business Checking

10/01/2010 thru 10/29/2010

Account number: 2000054396247
Account owner(s): SAE COAL LLC

Account Summary

Opening balance 10/01	\$52.51
Closing balance 10/29	\$52.51

NEW IRS REQUIREMENT: EFFECTIVE DECEMBER 17, 2010, WE WILL STOP ACCEPTING PAPER FEDERAL TAX DEPOSIT COUPONS. MOST BUSINESSES USING COUPONS MUST ARRANGE TO MAKE THOSE DEPOSITS ELECTRONICALLY. FOR MORE INFORMATION ABOUT THIS CHANGE OR TAX PAYMENT OPTIONS, CONTACT YOUR TAX ADVISOR OR VISIT IRS.GOV.





Free Business Checking

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WACHOVIA



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SAE COAL LLC
6201 FAIRVIEW ROAD SUITE 200
CHARLOTTE NC 282100000

CB

Free Business Checking

10/30/2010 thru 11/30/2010

Account number: 2000054396247
Account owner(s): SAE COAL LLC

Account Summary

Opening balance 10/30	\$52.51
Deposits and other credits	21,123.50 +
Closing balance 11/30	\$21,176.01

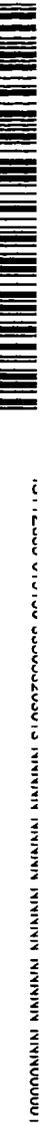
Deposits and Other Credits

Date	Amount	Description
11/03	21,123.50	COUNTER DEPOSIT
Total	\$21,123.50	

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
11/03	21,176.01				

NEW IRS REQUIREMENT: EFFECTIVE DECEMBER 17, 2010, WE WILL STOP ACCEPTING PAPER FEDERAL TAX DEPOSIT COUPONS. MOST BUSINESSES USING COUPONS MUST ARRANGE TO MAKE THOSE DEPOSITS ELECTRONICALLY. FOR MORE INFORMATION ABOUT THIS CHANGE OR TAX PAYMENT OPTIONS, CONTACT YOUR TAX ADVISOR OR VISIT IRS.GOV.





Free Business Checking

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SAE COAL LLC
6201 FAIRVIEW ROAD SUITE 200
CHARLOTTE NC 282100000

CB

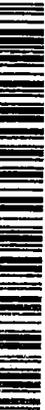
Free Business Checking

1/01/2011 thru 1/31/2011

Account number: 2000054396247
Account owner(s): SAE COAL LLC

Account Summary

Opening balance 1/01	\$49.01
Closing balance 1/31	\$49.01



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