

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
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17 REGISTRATIONS BRANCH



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

SEC FILE NUMBER  
850127

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 1/01/2015 AND ENDING 12/31/2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

SOUTHEAST INVESTMENTS, N.C., INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
820 TYVOLA ROAD, SUITE 104

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

CHARLOTTE

NORTH CAROLINA

28217

(City)

(State)

(Zip Code)

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

FRANK BLACK

704-527-7873

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

SCHARF PERA & CO., PLLC

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

4600 PARK ROAD, SUITE 112

CHARLOTTE

NORTH CAROLINA

28209

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- 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)

OATH OR AFFIRMATION

I, FRANK BLACK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SOUTHEAST INVESTMENTS, N.C., INC, as of DECEMBER 31, 20 15, 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:

NONE

RONALD DAVID PLEXICO JR  
NOTARY PUBLIC  
SOUTH CAROLINA  
MY COMMISSION EXPIRES  
AUGUST 28, 2021

Frank H. Black  
Signature

CEO

Title

Ronald David Plexico Jr  
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).

**SOUTHEAST INVESTMENTS, N.C., INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2015**



**Scharf Pera**  
& Co., PLLC Certified Public Accountants

4600 Park Road, Suite 112  
Charlotte, NC 28209  
704 372-1167  
704 377-3259 fax  
scharfpera.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders  
Southeast Investments N.C., Inc.

We have audited the accompanying financial statements of Southeast Investments N.C., Inc., which comprise the statement of financial condition as of December 31, 2015, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Southeast Investments N.C., Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (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, 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 condition of Southeast Investments N.C., Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of Southeast Investments N.C., Inc.'s financial statements. The supplemental information is the responsibility of Southeast Investments N.C., Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Scharf Pera & Co., PLLC*

Scharf Pera & Co., PLLC  
Charlotte, North Carolina  
February 23, 2016

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2015**

**ASSETS**

Cash	\$	219,086
Deposits with clearing organization		100,000
Receivables from clearing organization		88,555
Commissions receivable		223,499
Securities owned:		
Marketable, at market value		153,004
		<hr/>
	\$	784,144
		<hr/> <hr/>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Liabilities:		
Commissions payable	\$	266,922
Other accrued expenses		14,439
		<hr/>
		281,361
		<hr/>
Commitments and contingent liabilities		-
		<hr/>
Stockholders' Equity:		
Common stock, \$1 par value; 1,000 shares issued and outstanding		1,000
Additional paid-in capital		1,108,981
Accumulated deficit		(607,198)
		<hr/>
		502,783
		<hr/>
	\$	784,144
		<hr/> <hr/>

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

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Revenues:**

Commissions	\$ 7,771,700
Interest and dividends	36,381
Other income	249,811
Net trading losses	<u>(25,546)</u>
	<u>8,032,346</u>

**Expenses:**

Commissions	5,619,525
Management fees	440,700
Clearance fees	286,237
Professional fees	444,206
Rent	184,000
Advertising	30,224
Other operating expenses	<u>1,195,930</u>
	<u>8,200,822</u>

**Net loss before income taxes** (168,476)

Income tax expense (benefit) -

**Net loss** \$ (168,476)

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

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance - January 1, 2015	1,000	\$ 1,000	\$ 968,981	\$ (438,722)	\$ 531,259
Capital contributions	-	-	140,000	-	140,000
Net loss	-	-	-	(168,476)	(168,476)
Balance - December 31, 2015	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,108,981</u>	<u>\$ (607,198)</u>	<u>\$ 502,783</u>

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

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss		\$ (168,476)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Increase) decrease in operating assets:		
Deposits with clearing organization	\$ -	
Receivable from clearing organization	26,601	
Commissions receivable	(123,398)	
Securities owned	24,609	
Income tax receivable	21,200	
Increase in operating liabilities:		
Commissions payable and other accrued expenses	<u>50,108</u>	
		<u>(880)</u>
Net cash used in operating activities		<u>(169,356)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

-

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Capital contributions	<u>140,000</u>	
Net cash provided by financing activities		<u>140,000</u>

**DECREASE IN CASH** (29,356)

**CASH AT BEGINNING OF YEAR** 248,442

**CASH AT END OF YEAR** \$ 219,086

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



**SOUTHEAST INVESTMENTS, N.C., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1 - Organization and Nature of Business:**

Southeast Investments, N.C., Inc. (the "Company") is a North Carolina Corporation. The Company is an introducing broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). Headquartered in Charlotte, North Carolina, the Company executes general securities transactions for customers located throughout the United States. Trades are cleared by National Financial Services.

**Note 2 - Significant Accounting Policies:**

**Cash and cash equivalents:**

The Company considers all highly liquid investments having an original maturity of three months or less to be cash equivalents. Amounts invested may exceed federally insured limits at any given time.

**Security transactions:**

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade-date basis. Marketable securities are valued at market value.

**Revenue recognition:**

The revenues of the Company are derived primarily from commissions earned on securities transactions and are recorded when earned. Securities transactions are recorded on the trade-date basis.

**Income taxes:**

Income taxes are determined in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 740, "Income Taxes," which requires an asset and liability approach for financial accounting and reporting of income taxes. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Amounts provided for deferred taxes relate primarily to the effects of net operating and capital loss carry forwards. Any tax related penalties and interest are recorded in the period in which they are incurred.

## **Note 2 - Significant Accounting Policies (continued):**

### **Income taxes (continued):**

FASB ASC 740-10 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the balance sheet. It also provides guidance on derecognition, measurement and classification of amounts related to uncertain tax positions, accounting for and disclosure of interest and penalties, accounting in interim period disclosures and transition relating to the adoption of new accounting standards. Under FASB ASC 740-10, the recognition for uncertain tax positions should be based on a more-likely-than-not threshold that the tax position will be sustained upon audit. The tax position is measured as the largest amount of benefit that has a greater than fifty percent probability of being realized upon settlement. Management has determined that adoption of this topic has had no effect on the Company's balance sheet. The Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2012.

### **Property and equipment:**

Property and equipment is stated at cost. The service lives for all property and equipment have been estimated at three to five years and the straight-line method is used for depreciation purposes. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. Because the property and equipment were fully depreciated in 2010 there was no depreciation expense for the year ended December 31, 2015.

### **Computation of customer reserve:**

The Company is exempt from customer reserve requirements and providing information relating to possession or control of securities pursuant to rule 15c3-3 under the Securities Exchange Act of 1934. The Company meets the exempting provisions of Paragraph (k)(2)(ii).

### **Advertising:**

The Company's policy is to expense advertising costs as the costs are incurred.

### **Use of accounting estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

### **Fair value measurement:**

FASB ASC Topic 820, "Fair Value Measurement," defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

**Note 2 - Significant Accounting Policies (continued):**

**Fair value measurement (continued):**

Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

The Company's securities owned are all valued using Level 1 inputs. Additionally, the Company's financial instruments include cash, accounts receivable, accounts payable, accrued expenses and other liabilities. The carrying amounts of these financial instruments approximate fair value due to their short maturities.

**Note 3 – Marketable Securities:**

The Company's marketable securities consist of corporate stocks that are valued using Level 1 inputs. As of December 31, 2015 the fair market value was \$153,004.

**Note 4 - Net Capital Requirements:**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 15 to 1 or a minimum net capital of \$50,000 unless the company exceeds 10 trades during the year for its own account. At December 31, 2015, the company had net capital of \$456,260 which was \$406,260 in excess of its required net capital of \$50,000. The Company's aggregate indebtedness to net capital ratio was .62 to 1.

**Note 5 - Related Party Transactions:**

Three affiliated companies, related through common ownership or family members of a shareholder, provide various management services to the Company. For the year ended December 31, 2015, the Company incurred management fees of \$440,700 for those services.

The Company leases office space from related parties. The lease terms are month to month and the Company paid rent of \$184,000 to these parties for the year ended December 31, 2015.

No amounts were payable to or receivable from related parties as of December 31, 2015.

**Note 6 - Income Taxes:**

The provision for income taxes at December 31, 2015 consists of \$0 of federal current taxes and \$0 of state taxes, with \$0 of federal and state deferred taxes. The full amount of the net deferred tax assets of \$159,000 federal and \$21,000 state has been fully offset by a valuation reserve.

The provision for income taxes of zero percent consists of the federal statutory rate of 34 percent, state tax rate of five percent, net of federal benefit, and a reduction of 39 percent as a result of a valuation reserve on net operating loss carry forwards. Federal net operating losses are approximately \$450,000 as of December 31, 2015. State net operating losses are approximately \$400,000 as of December 31, 2015. These are due to begin expiring in 2034.

**Note 7 - Cash Flow Information:**

Supplemental cash flow information for the year ended December 31, 2015 is as follows:

Interest expense	\$ <u>11</u>
Income taxes	\$ <u>-</u>
Income taxes refunded	\$ <u>21,200</u>

**Note 8 - Legal Matters:**

The Company is subject to various claims and legal proceedings in the ordinary course of business activities. Management believes that any liability that results from the resolution from these matters will not have a substantial effect on the financial condition or result of operations of the Company.

**Note 9 - Subsequent Events:**

The Company evaluated all events and transactions through February 23, 2016, the date these financial statements were issued. During this period, there were no material recognizable or non-recognizable subsequent events.

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**SUPPLEMENTARY INFORMATION**  
**PURSUANT TO RULE 17A-5 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AS OF DECEMBER 31, 2015**

The accompanying schedules are prepared in accordance with the requirements and general format of FOCUS Form X-17a-5.

**SCHEDULE I**  
**SOUTHEAST INVESTMENTS, N.C., INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**AS OF DECEMBER 31, 2015**

Net capital:	
Total stockholders' equity	\$ 502,783
Deductions and/or charges:	
Nonallowable assets:	
Commissions on receivable over 30 days old, net of related commissions payable	(19,191)
Net capital before haircuts on securities positions (tentative net capital)	483,592
Haircuts on securities	(27,332)
Net capital	<u>\$ 456,260</u>

Aggregate indebtedness:	
Items included in statement of financial condition:	
Accounts payable and accrued expenses	<u>\$ 281,361</u>

Computation of basic net capital requirement:	
Minimum net capital required, greater of:	
Minimum net capital required as computed at 6.67 percent of aggregate indebtedness	\$ 18,757
Minimum dollar net capital requirement	50,000
Total net capital requirement	<u>\$ 50,000</u>
Excess net capital	<u>\$ 406,260</u>
Excess net capital at 120% of minimum dollar requirement	<u>\$ 396,260</u>
Ratio: Aggregate indebtedness to net capital	<u>\$ 0.62</u>

**The net capital reported of \$456,260 agrees in all material respects with the company's computation and amount reported in Part (II) of Form X-17a-5(unaudited) FOCUS report as of December 31, 2015.**

**SOUTHEAST INVESTMENTS, N.C., INC.**  
**STATEMENT REGARDING SCHEDULES II, III, AND IV**  
**AS OF DECEMBER 31, 2015**

Schedules II, III, and IV are not applicable. The Company has claimed an exemption from SEC Rule 15c3-3 based on the fact that all customer transactions are cleared through another broker-dealer on a fully disclosed basis.



**Scharf Pera**  
& Co., PLLC Certified Public Accountants

4600 Park Road, Suite 112  
Charlotte, NC 28209  
704 372-1167  
704 377-3259 fax  
scharfpera.com

**INDEPENDENT ACCOUNTANTS' AGREED-UPON PROCEDURES REPORT ON  
SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

To the Stockholders  
Southeast Investments, N.C., Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2015, which were agreed to by Southeast Investments, N.C., Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Southeast Investments, N.C., Inc.'s compliance with the applicable instructions of Form SIPC-7. Southeast Investments, N.C., Inc.'s management is responsible for Southeast Investments, N.C., Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records in the financial accounting software and cancelled checks, noting no differences;
- 2) Compared the amounts reported on the audited financial statements for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules, including a detail of amounts paid as commissions, floor brokerage and clearance fees to other SIPC members in connection with securities transactions, legal and advertising fees, and a schedule of interest expenses, noting no differences; and
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Scharf Pera & Co., PLLC*

Scharf Pera & Co., PLLC  
Charlotte, North Carolina  
February 23, 2016

Scharf Pera & Co., PLLC



SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300
General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/2015
(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

16\*16\*\*\*\*\*1908\*\*\*\*\*MIXED AADC 220
050127 FINRA DEC
SOUTHEAST INVESTMENTS N C INC
820 TYVOLA RD STE 104
CHARLOTTE NC 28217-3528

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.
FRANK BLANK

2. A. General Assessment (item 2e from page 2)

\$ 2771.88

B. Less payment made with SIPC-6 filed (exclude interest)

( 2732.00 )

2/25/15
Date Paid

C. Less prior overpayment applied

( )

D. Assessment balance due or (overpayment)

39.88

E. Interest computed on late payment (see instruction E) for \_\_\_ days at 20% per annum

39.88

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 39.88

G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above)

\$ 39.88

H. Overpayment carried forward

\$( )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Southeast Investments, N.C. Inc.
(Name of Corporation, Partnership or other organization)

Frank Blank
(Authorized Signature)

Dated the 23rd day of February, 2015.

CEO
(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed
Calculations Documentation Forward Copy
Exceptions:
Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**



Amounts for the fiscal period  
beginning 1/1/2015  
and ending 12/31/2015

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 8,032,349

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

\_\_\_\_\_

(2) Net loss from principal transactions in securities in trading accounts.

\_\_\_\_\_

(3) Net loss from principal transactions in commodities in trading accounts.

\_\_\_\_\_

(4) Interest and dividend expense deducted in determining item 2a.

\_\_\_\_\_

(5) Net loss from management of or participation in the underwriting or distribution of securities.

\_\_\_\_\_

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

\_\_\_\_\_

(7) Net loss from securities in investment accounts.

25,546

Total additions

25,546

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

6,184,574

(2) Revenues from commodity transactions.

\_\_\_\_\_

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

286,237

(4) Reimbursements for postage in connection with proxy solicitation.

\_\_\_\_\_

(5) Net gain from securities in investment accounts.

\_\_\_\_\_

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

\_\_\_\_\_

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

465,193

(8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

\_\_\_\_\_

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 13,141.

Enter the greater of line (i) or (ii)

13,141

Total deductions

6,949,145

2d. SIPC Net Operating Revenues

\$ 1,087,500

2e. General Assessment @ .0025

\$ 2721.88

(to page 1, line 2.A.)



**Scharf Pera**  
& Co., PLLC Certified Public Accountants

4600 Park Road, Suite 112  
Charlotte, NC 28209  
704 372-1167  
704 377-3259 fax  
scharfpera.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders  
of Southeast Investments N.C., Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Southeast Investments N.C., Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Southeast Investments N.C., Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: 15c3-3(k)(2)(ii) (the "exemption provisions") and (2) Southeast Investments N.C., Inc. stated that Southeast Investments N.C., Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Southeast Investments N.C., Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Southeast Investments N.C., Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Scharf Pera & Co., PLLC*

Charlotte, North Carolina

February 23, 2016

# Southeast Investments, N.C. Inc.

820 Tyvola Road, Suite 104  
Charlotte, NC 28217  
704-527-7873 or 800-828-1295  
Fax 704-527-2166

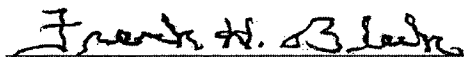
Member FINRA, SIPC

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February 23, 2016

## EXEMPTION REPORT

1. Southeast Investments, N.C.Inc. is exempt from SEC Rule 15c3-3.
2. Southeast Investments, N.C.Inc is exempt based on the provisions of SEC Rule 15c3-3 (k)(2)(ii) as all customer transactions are cleared through another broker/dealer on a fully disclosed basis.
3. Southeast Investments has met the requirements of the exemption for this rule through the year ending December 31, 2015.

  
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Frank H. Black, CEO  
Southeast Investments, N.C.Inc.