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WATERSIDE CAPITAL CORP  
Form NSAR-U  
February 20, 2007

FORM N-SAR  
SEMI-ANNUAL REPORT  
FOR REGISTERED INVESTMENT COMPANIES

Report for six month period ending: 12/31/06(a)

or fiscal year ending: / / (b)

Is this a transition report? (Y/N) N  
---

Is this an amendment to a previous filing? (Y/N) N  
---

Those items or sub-items with a box "[/]" after the item number should be completed only if the answer has changed from the previous filing on this form.

1. A. Registrant Name: Waterside Capital Corporation  
B. File Number: 811-8387  
C. Telephone Number: 757-626-1111
  
2. A. Street: 500 East Main Street, Suite 800  
B. City: Norfolk  
C. State: VA  
D. Zip Code: 23510 Zip Ext:  
E. Foreign Country: Foreign Postal Code:
  
3. Is this the first filing on this form by Registrant? (Y/N) N  
-----
  
4. Is this the last filing on this form by Registrant? (Y/N) N  
-----
  
5. Is Registrant a small business investment company (SBIC)? (Y/N) Y  
[If answer is "Y" (Yes), complete only items 89 through 110.] -----
  
6. Is Registrant a unit investment trust (UIT)? (Y/N) -----  
[If answer is "Y" (Yes) complete only items 111 through 132.] -----
  
7. A. Is Registrant a series or multiple portfolio company? (Y/N) -----  
[If answer is "N" (No), go to item 8.] -----  
  
B. How many separate series or portfolios did Registrant have  
at the end of the period? -----

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SMALL BUSINESS INVESTMENT COMPANIES  
-----

INVESTMENT ADVISER

89. A.  Adviser Name (If any):  
-----

B.  File Number: 801-  
-----

C.  City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Zip Ext.: \_\_\_\_\_

Foreign Country: \_\_\_\_\_ Foreign Postal Code: \_\_\_\_\_

89. A.  Adviser Name (If any):  
-----

B.  File Number: 801-  
-----

C.  City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Zip Ext.: \_\_\_\_\_

Foreign Country: \_\_\_\_\_ Foreign Postal Code: \_\_\_\_\_

B.  File Number: \_\_\_\_\_

C.  City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Zip Ext.: \_\_\_\_\_

Foreign Country: \_\_\_\_\_ Foreign Postal Code: \_\_\_\_\_

90. A.  Transfer Agent Name (If any): Registrar And Transfer Company  
-----

B.  File Number 84 - 0000  
-----

C.  City: Cranford State: NJ Zip Code: 07016 Zip Ext.: 3572  
-----

Foreign Country: \_\_\_\_\_ Foreign Postal Code: \_\_\_\_\_

INDEPENDENT PUBLIC ACCOUNTANT

91. A.  Accountant Name: PKF Witt Marcs, PLC  
-----



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Y/N

94. Family of investment companies information:

A.  Is Registrant part of a family of investment companies? (Y/N) N

-----  
Y/N

B.  If "Y" (Yes) state the number of registered management investment companies in the family:

-----  
(NOTE: count as a separate company each series of a series company and each portfolio of a multiple portfolio company; exclude all series of unit investment trusts from this number.)

C.  Identify the family using 10 letters:

-----  
(NOTE: In filing this form, use this identification consistently for all investment companies in the family including any unit investment trusts. This designation is for purposes of this form only.)

D.  Is Registrant a wholly-owned subsidiary of a business development company ("BDC")? (Y/N) N

-----  
Y/N

E.  If "Y" (Yes), identify the BDC as follows:

BDC name:

File Number: 2- or 33-

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If filing more than one  
Page 39, "X" box: [ ]

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95. Sales, repurchases, and redemptions of Registrant's securities during the period:

Class of Security	Number of Shares or Principal Amount of Debt (\$000's omitted)	Net Consideration Received or Paid (\$000's omitted)
-----	-----	-----

Common Stock:

A.  Sales \$  
-----

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B.	<input type="checkbox"/>	Repurchases		\$	-----
			-----		-----
Preferred Stock:					
C.	<input type="checkbox"/>	Sales		\$	-----
			-----		-----
D.	<input type="checkbox"/>	Repurchases and redemptions		\$	-----
			-----		-----
Debt Securities:					
E.	<input type="checkbox"/>	Sales	\$		-----
			-----		-----
F.	<input type="checkbox"/>	Repurchases and redemptions	\$		-----
			-----		-----

96. Securities of Registrant registered on a National Securities Exchange or listed on NASDAQ:

	Title of each class of securities	CUSIP or NASDAQ No.	Ticker Symbol
	-----	-----	-----
A. <input type="checkbox"/>	Common Stock	941872103	WSCC
	-----	-----	-----
B. <input type="checkbox"/>	-----	-----	-----
C. <input type="checkbox"/>	-----	-----	-----

If filing more than one  
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For period ending 12/31/06  
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FINANCIAL INFORMATION

97. A. How many months do the answers to items 97 and 98 cover? 6 Months  
-----

For Period covered by this form  
(\$000's omitted)  
-----

INCOME

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B. Net interest income	\$ 799
-----	-----
C. Net dividend income	\$ 210
-----	-----
D. Account maintenance fees	\$
-----	-----
E. Net other income	\$ 67
-----	-----
EXPENSES	
F. Gross advisory fees	\$
-----	-----
G. Gross administrator(s) fees	\$
-----	-----
(Negative answers allowed for 97H through 97S)	
H. Salaries and other compensation	\$ 359
-----	-----
I. Shareholder servicing agent fees	\$
-----	-----
J. Custodian fees	\$
-----	-----
K. Postage	\$ 1
-----	-----
L. Printing expenses	\$ 2
-----	-----
M. Directors' fees	\$ 5
-----	-----
N. Registration fees	\$
-----	-----
O. Taxes	\$ 0
-----	-----
P. Interest	\$ 855
-----	-----
Q. Bookkeeping fees paid to anyone performing this service	\$
-----	-----
R. Auditing fees	\$ 34
-----	-----
S. Legal fees	\$ 456
-----	-----

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If filing more than one  
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Expenses (Negative answers allowed on this screen for 97T through 97W and 97Z only)	For period by this form (\$000's omitted)
	-----
T. Marketing/distribution payments including payments pursuant to a Rule 12b-1 plan	\$
-----	-----
U. Amortization or organization expenses	\$
-----	-----
V. Shareholder meeting expenses	\$
-----	-----
W. Other expenses	\$ 263
-----	-----
X. Total expenses	\$ 1,975
-----	-----
Y. Expense reimbursements	\$
-----	-----
Z. Net investment income	\$ (899) *
-----	-----
AA. Realized capital gains	\$
-----	-----
BB. Realized capital losses	\$ (1,079)
-----	-----
CC. 1. Net unrealized appreciation during the period	\$ 270
-----	-----
2. Net unrealized depreciation during the period	\$
-----	-----
DD. Total income dividends for which record date passed during the period	\$
-----	-----
EE. Total capital gains distributions for which record date passed during the period	\$
-----	-----
98. Payments per share outstanding during the entire current period:	
A. Dividends from net investment income	\$
-----	-----
NOTE: Show in fractions of a cent if so declared.	
B. Distributions of capital gains	\$
-----	-----
C. Other distributions	\$
-----	-----
NOTE: Show in fractions of a cent if so declared.	
* Negative answer permitted in this field.	
** Items 98A and 98B should be of the form mn.nnnn (where n = integer).	

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	As of the end of current reporting period (000's omitted) -----
99. Assets, liabilities, shareholders' equity:	
A. Cash	\$ 5,086
B. Repurchase agreements	\$ 547
C. Short-term debt securities other than repurchase agreements	\$
D. Long-term debt securities including convertible debt	\$ 6,791
E. Preferred, convertible preferred and adjustable rate preferred stock	\$ 7,057
F. Common stock	\$ 2,308
G. Options on equities	\$ 5,595
H. Options on all futures	\$
I. Other investments	\$
J. Receivables from portfolio instruments sold	\$ 6,531
K. Receivables from affiliated persons	\$
L. Other receivables	\$ 1,001
M. All other assets	\$ 352
N. Total assets	\$35,268

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If filing more than one  
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As of the end of  
current reporting  
period (000's  
omitted except for  
per share  
amounts and  
number of  
accounts)  
-----



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O. Payables for portfolio instruments purchased	\$
-----	-----
P. Amounts owned to affiliated persons	\$
-----	-----
Q. Senior long-term debt	\$21,400
-----	-----
R. All other liabilities	\$ 728
-----	-----
S. Senior equity	\$
-----	-----
T. Net assets of common shareholders	\$13,140
-----	-----
U. Number of shares outstanding	\$ 1,916
-----	-----
V. Net asset value per share (to nearest cent)	\$ 6.86*
-----	-----
W. Mark-to-market net asset value per share for money market funds only (to 4 decimals)	\$ **
-----	-----
X. Total number of shareholder accounts	\$ 364
-----	-----
Y. Total value of assets in segregated accounts	\$
-----	-----
100. Monthly average net assets during current reporting period (\$000's omitted)	\$13.140
-----	-----
101. Market price per share at end of period	\$ 4.10
-----	-----

\* Net asset value per share must be of the form nnn.nn (where n = integer).  
 \*\* Value must be of the form nnn.nnnn (where n = integer).

If filing more than one  
 Page 44, "X" box: [ ]

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102. A. Is the Registrant filing any of the following attachments with the current filing of Form N-SAR? Y  
 ----- Y/N

NOTE: If answer is "Y" (Yes), mark those items below being filed as an attachment to this form or incorporated by reference. Y/N  
 ----- Y/N

B. Matters submitted to a vote of security holders Y  
 -----  
 C. Policies with respect to security investments Y/N  
 -----  
 D. Legal proceedings Y/N  
 -----

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E. Changes in security for debt	-----	-----
F. Defaults and arrears on senior securities	-----	-----
G. Changes in control of Registrant	-----	-----
H. Terms of new or amended securities	-----	-----
I. Revaluation of assets or restatement of capital share account	-----	-----
J. Changes in Registrant's certifying accountant	-----	-----
K. Changes in accounting principles and practices	-----	-----
L. Mergers	-----	-----
M. Actions required to be reported pursuant to Rule 2a-7	-----	-----
N. Transactions effected pursuant to Rule 10f-3	-----	-----
O. Information required to be filed pursuant to existing exemptive orders	-----	-----

Attachment Information (Cont. on Screen 53)

If filing more than one  
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ITEM 102(B) SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The 2006 Annual Meeting of Shareholders of Waterside Capital Corporation was held on October 16, 2006 to consider two matters of business. The matters before the shareholders and the voting results are as follows:

1. Election of Directors

	FOR	%	WITHHOLD	%
	---	----	-----	---
James E. Andrews	1,349,636	93.1	100,491	6.9
J.W. Whiting Chisman, Jr.	1,349,636	93.1	100,491	6.9
O.L. Everett	1,354,636	93.4	95,491	6.6
Eric L. Fox	1,354,636	93.4	95,491	6.6
Marvin S. Friedberg	1,354,636	93.4	95,491	6.6
Roger L. Frost	1,354,636	93.4	95,491	6.6
Henry U. Harris, III	1,354,636	93.4	95,491	6.6
J. Alan Lindauer	1,349,636	93.1	100,491	6.9

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T. Richard Litton, Jr.	1,349,363	93.1	100,491	6.9
Peter M. Meredith, Jr.	1,354,636	93.4	95,491	6.6
Augustus C. Miller	1,349,636	93.1	100,491	6.9
Juan M. Montero, II	1,349,636	93.1	100,491	6.9

2. Ratification of the appointment of Witt Mares Eggleston Smith, PLC as Independent auditors for 2007.

FOR	%	AGAINST	%	ABSTAIN	%
---	---	-----	---	-----	---
1,414,640	98.0	17,687	12.0	17,800	1.2

If filing more than one  
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Attachment Information (Cont. from Screen 52)

102. P. 1. Exhibits

-----  
Y/N

2. Any information called for by instructions to  
sub-item 102 P2

-----  
Y/N

3. Any information called for by instructions to  
sub-item 102 P3

-----  
Y/N

103. [/] Does the Registrant have any wholly-owned investment  
company subsidiaries whose operating & financial  
data are consolidated with that of Registrant in  
this report? (Y/N)

-----  
N  
-----  
Y/N

[If answer is "N" (No), go to item 105]

104. [/] List the "811" numbers and names of Registrant's  
wholly-owned investment company subsidiaries  
consolidated in this report.

811 Numbers	Subsidiary Name
-----	-----

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Signature Page

The following form of signature shall follow items 79, 85, 88, 104, 110 or 132 as appropriate.

This report is signed on behalf of the registrant (or depositor or trustee).

City of: Norfolk State of: Virginia Date: February 15, 2007  
-----

Name of Registrant, Depositor, or Trustee: Waterside Capital Corporation

/s/ J. Alan Lindauer  
-----

/s/ Gerald T. McDonald  
-----

By (Name and Title): President

Witness (Name and Title): Secretary

SEC's Collection of Information

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Filing of this Form is mandatory. Section 30 of the Investment Company Act of 1940 ("1940 Act") and the rules thereunder, and Sections 13 and 15(d) of the Securities Exchange Act of 1934 require investment companies to file annual and periodic reports with the Commission. The Commission has specified Form N-SAR for reports for investment companies. The Commission staff uses the information in performing inspections of investment companies, selectively reviewing registration documents filed under the 1940 Act and the Securities Act of 1933 and conducting studies and other types of analyses necessary to keep the Commission's regulatory program for investment companies current in relation to changing industry conditions. The information collected on Form N-SAR is publicly available. Any member of the public may direct to the Commission any comments concerning the accuracy of the burden estimate of this Form and any suggestions for reducing the burden of the Form. This collection of information has been reviewed by the Office of Management and Budget in accordance with the clearance requirements of 44 U.S.C. (Section)3507.