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

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

SEC FILE NUMBER table with value 8-31249

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: Thornburg Securities Corporation

OFFICIAL USE ONLY table with FIRM I.D. NO.

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

119 Marcy Street

(No. and Street)

Santa Fe,

NM

87501

(City)

(State)

(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*

KPMG LLP

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

P.O. Box 3939, Albuquerque, NM 87190

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SEC Mail Processing Section

FEB 25 2009

Washington, DC 111

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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)

OATH OR AFFIRMATION

I, Carolyn M. Dobbs, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Thornburg Securities Corporation, as of December 31, 2008, 20_____, 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:

Carolyn M. Dobbs
Signature

Financial / Operations Principal
Title

Marguth Barcein
Notary Public
My commission expires 6/30/11 State of New Mexico
Bernalillo County

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).



KPMG LLP
Suite 700
Two Park Square
6565 Americas Parkway NE
PO Box 3990
Albuquerque, NM 87190

Independent Auditors' Report

The Stockholders
Thornburg Securities Corporation:

We have audited the accompanying balance sheets of Thornburg Securities Corporation (the Company) (an S Corporation) as of December 31, 2008 and 2007, and the related statements of operations, stockholders' equity, and cash flows for the years then ended 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 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 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 Thornburg Securities Corporation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the schedule 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 audits 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.

KPMG LLP

February 20, 2009

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Balance Sheets

December 31, 2008 and 2007

Assets	<u>2008</u>	<u>2007</u>
Cash and cash equivalents (including compensating balances of \$25,000 in 2008 and 2007) (note 3)	\$ 8,071,612	6,498,323
Investment in Thornburg New Mexico Intermediate Municipal Fund (cost of \$1,112,762 in 2008 and \$1,070,896 in 2007)	1,064,189	1,055,811
Receivables:		
Distributor's commissions	51,775	244,280
Related party (note 3)	51,301	2,131,816
Other	12,812	95,910
Prepaid expenses	81,796	104,469
Investment in NASDAQ stock	3,300	3,300
Property and equipment (net of accumulated depreciation of \$78,624 and \$56,928 in 2008 and 2007, respectively)	<u>29,214</u>	<u>54,634</u>
	<u><u>\$ 9,365,999</u></u>	<u><u>10,188,543</u></u>
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,229,406	3,938,803
Stockholders' equity (note 2):		
Class A common stock of \$1 par value. Authorized 10,000 shares; issued and outstanding 2,500 shares in 2008 and 2007	2,500	2,500
Class B common stock of \$1 par value, nonvoting. Authorized 10,000 shares; issued and outstanding 1,500 shares in 2008 and 2007	1,500	1,500
Additional paid-in capital	1,152,153	1,152,153
Retained earnings	<u>4,980,440</u>	<u>5,093,587</u>
Total stockholders' equity	6,136,593	6,249,740
Commitments and contingencies (notes 6 and 9)		
	<u><u>\$ 9,365,999</u></u>	<u><u>10,188,543</u></u>

See accompanying notes to financial statements.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Statements of Operations

Years ended December 31, 2008 and 2007

	2008	2007
Revenues:		
Distributor's commissions	\$ 2,145,013	4,549,089
Interest (note 3)	192,380	197,147
Loss on investments in Thornburg mutual funds, net, including unrealized losses of \$33,489 in 2008 and \$569 in 2007	(33,489)	(569)
Customer service	36,617	38,590
Marketing reimbursement (note 3)	11,072,378	16,697,566
Miscellaneous	4,000	38,617
	13,416,899	21,520,440
Expenses (note 3):		
Commissions	6,892,551	11,618,170
Salaries	2,357,970	2,368,183
Bonus	1,120,623	1,897,074
Travel	689,928	714,970
Profit sharing and 401(k) (notes 5 and 6)	590,433	543,065
Meals and entertainment	456,394	428,508
Payroll taxes	360,428	403,961
Insurance	289,556	382,065
Licenses and fees	195,681	182,296
Telephone	92,051	96,111
Rent	90,984	140,233
Contract employment	72,410	20,572
Legal and accounting	62,106	69,551
Training and education	55,641	83,933
Computer	48,079	49,996
Dues and subscriptions	41,327	30,418
Miscellaneous	34,486	55,993
Supplies	30,845	45,060
Depreciation	27,134	25,367
DTF fund expense	9,062	14,209
Postage	5,796	4,227
Copying	5,041	4,282
Repairs and maintenance	1,296	2,879
Loss on disposal of property and equipment	224	85
	13,530,046	19,181,208
Net (loss) income	\$ (113,147)	2,339,232

See accompanying notes to financial statements.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Statements of Stockholders' Equity

Years ended December 31, 2008 and 2007

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Total stockholders' equity</u>
	<u>Class A</u>	<u>Class B</u>			
Balances at December 31, 2006	\$ 2,500	1,500	1,152,153	2,754,355	3,910,508
Net income	—	—	—	2,339,232	2,339,232
Balances at December 31, 2007	2,500	1,500	1,152,153	5,093,587	6,249,740
Net loss	—	—	—	(113,147)	(113,147)
Balances at December 31, 2008	<u>\$ 2,500</u>	<u>1,500</u>	<u>1,152,153</u>	<u>4,980,440</u>	<u>6,136,593</u>

See accompanying notes to financial statements.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Statements of Cash Flows

Years ended December 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Net (loss) income	\$ (113,147)	2,339,232
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation	27,134	25,367
Loss on investments in Thornburg mutual funds	33,489	569
Loss on disposal of property and equipment	224	85
Change in assets and liabilities:		
Distributor's commissions receivable	192,505	(58,833)
Related-party receivables	2,080,515	(479,422)
Other receivables	83,098	(42,466)
Prepaid expenses	22,673	(41,780)
Accounts payable and accrued expenses	(709,397)	1,468,764
Net cash flows from operating activities	1,617,094	3,211,516
Cash flows from investing activities:		
Proceeds from sales of property and equipment	1,295	1,046
Purchase of property and equipment	(3,233)	(60,255)
Purchases of investments in Thornburg mutual funds	(41,867)	(40,116)
Net cash flows from investing activities	(43,805)	(99,325)
Net increase in cash and cash equivalents	1,573,289	3,112,191
Cash and cash equivalents, beginning of year	6,498,323	3,386,132
Cash and cash equivalents, end of year	\$ 8,071,612	6,498,323

See accompanying notes to financial statements.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Notes to Financial Statements

December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies

(a) Nature of Business

Thornburg Securities Corporation (the Company or Thornburg), a Delaware corporation, is the distributor for the Thornburg Investment Trust (the Trust). The Trust is a Massachusetts business trust.

The Company is a registered broker-dealer under the Securities Exchange Act of 1934, engaged in the business of general securities brokerage and the rendering of other financial services related to its general securities business. Accounts are offered on a fully disclosed basis through contractual agreements with clearing brokers.

The primary source of revenue for the Company (not including marketing reimbursements, see note 3) is distributor commissions. In addition, the Company also serves as an introducing broker for certain transactions not involving Thornburg funds. The Company's revenue from distributor commissions and marketing reimbursement are dependent upon future marketing and sales of the Thornburg family of mutual funds. The decline in the 2008 financial markets adversely affected the Company's revenue. The Company cannot predict whether, when, or the manner in which the condition of the financial markets will change.

(b) Investment Securities

Shares of Thornburg New Mexico Intermediate Municipal Fund (affiliate) are stated at market value, and unrealized gains or losses are recognized in the statements of operations. Interest income is recorded as earned.

(c) Commissions

Commissions are recorded on a trade-date basis as sales of Thornburg mutual funds occur.

(d) Property and Equipment

Property and equipment are stated at cost. Depreciation on all property and equipment is computed using an accelerated method based upon useful lives of three to seven years. Cost of repairs and maintenance are charged to expense as incurred.

(e) Income Taxes

The Company is treated as an S Corporation for income tax purposes whereby the income or loss of the Company is reflected in the individual tax returns of its stockholders. Accordingly, the financial statements do not reflect federal and state income taxes.

(f) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers investments in highly liquid interest-bearing accounts with maturities of less than three months to be cash equivalents. Cash equivalents include \$0 and \$4,436,417 of shares in money market mutual funds at December 31, 2008 and 2007, respectively. Also see note 3.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Notes to Financial Statements

December 31, 2008 and 2007

(g) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported and are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience, the current economic environment, and other factors, which management believes to be reasonable under the circumstances. Such estimates and assumptions are adjusted when facts and circumstances dictate. Illiquid credit markets, volatile equity, foreign currency, and energy markets, and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements of future periods.

(h) Fair Value Measurements

On January 1, 2008, the Company adopted the provisions Financial Accounting Standards Board Statement No. 157 (Statement 157), *Fair Value Measurements*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 defines fair value as 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. Statement 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- 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 inputs are unobservable inputs for the asset or liability.

The Company had only level one assets at December 31, 2008.

(2) Stock Ownership

All of the Company's outstanding Class A common stock and 20% of its outstanding Class B common stock is held by one individual (the Director). In addition, although not owned by the individual, 27% of the Company's outstanding Class B common stock is held in trust for the benefit of that individual's descendants.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Notes to Financial Statements

December 31, 2008 and 2007

(3) Transactions with Related Parties

The Thornburg family of mutual funds were organized and formed by the Company and Thornburg Investment Management, Inc. (TIM). TIM is an affiliate, which is wholly owned by the Company's stockholders. During the normal course of operations, the Company incurs costs related to the marketing and sales of the Thornburg family of mutual funds. As determined by written agreement between the Company and TIM, TIM pays the Company for these marketing and sales efforts. These costs were \$11,072,378 and \$16,697,566 for the years ended December 31, 2008 and 2007, respectively, and are included in various expense categories in the accompanying statements of operations. Additionally, the Company has recorded receivables from TIM in the amounts of \$51,301 and \$2,131,816, as of December 31, 2008 and 2007, respectively. Also see note 4.

Included in cash and cash equivalents at December 31, 2008 and 2007 are \$0 and \$4,436,417, respectively, consisting of shares in the Thornburg Daily Income Money Market fund in 2008 and 2007.

During the years ended December 31, 2008 and 2007, the Company earned \$52,120 and \$88,923, respectively, in interest income from its cash equivalents and investments with Thornburg mutual funds.

(4) Sale of Fee Rights

During 2000, the Company entered into an agreement to sell the rights to receive contingent deferred sales charges, other fees, and prepaid commissions associated with certain Class B shares of the Thornburg family of mutual funds to an unrelated party on an ongoing basis. Pursuant to the agreement, the Company sold the fee rights associated with Class B shares at its cost. The Company retained servicing responsibilities for which it will receive annual servicing fees of \$4,000.

During 2000, the Company entered into an agreement to sell the rights to receive contingent deferred sales charges, other fees, and prepaid commissions associated with certain Class C shares of the Thornburg family of mutual funds to TIM on an ongoing basis. Pursuant to the agreement, the Company sold the fee rights associated with Class C shares at its cost, which approximated \$10,106,306 and \$22,100,000 in 2008 and 2007, respectively, and retained the servicing responsibilities.

(5) Profit-Sharing and 401(k) Plan

The Company sponsors a profit-sharing/401(k) plan for which substantially all employees are eligible. Annual contributions are made in the amounts determined by the Company's director. During 2008 and 2007, the Company made profit-sharing contributions of approximately \$393,700 and \$307,000, respectively, on behalf of its employees. Under the provisions of the plan, participants begin vesting in benefits after two years and are fully vested upon completion of six years of service.

The Company has a 401(k) safe harbor plan for which substantially all employees are eligible. Under the plan, the Company contributes 3% of each employee's annual compensation (as defined in the plan), up to certain dollar limits as specified by federal law. Employees may contribute any amount up to the maximum allowable by law. The Company's contribution is made regardless of whether the employee chooses to contribute additional amounts. Under the plan, employees are 100% vested in all company nonelective contributions as well as all personal deferrals. Company 401(k) contributions were approximately \$148,000 and \$147,000 for 2008 and 2007, respectively.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Notes to Financial Statements

December 31, 2008 and 2007

The plan was initially funded using employees' shares of the Thornburg Value Fund and the Thornburg International Value Fund held in the profit-sharing plan. These shares were transferred to the 401(k) plan and maintain their original vesting schedule as described above.

(6) Net Capital Requirements

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital of the greater of \$100,000 or 6 2/3% of total liabilities and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1 at December 31, 2008 and 2007. The Company had excess net capital of \$5,618,734 and \$3,356,621 and had aggregate indebtedness to net capital ratios of 0.55 to 1 and 1.09 to 1 at December 31, 2008 and 2007, respectively.

(7) Reserve Requirements

The Company acts as an introducing broker, which clears all transactions, with and for customers, on a fully disclosed basis with a clearing broker-dealer. The Company promptly transmits all customer funds and securities to the clearing broker-dealer, which carries all of the accounts of such customers, and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rule 17a-3 and Rule 17a-4. As such, the Company is exempt from the reserve requirements under Rule 15c3-3.

(8) Contingencies

In the normal course of business, the Company is subject to claims, litigation, investigations, and proceedings. Management of the Company believes that such matters will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

(9) Subordinate Liabilities

As of and during the years ended December 31, 2008 and 2007, the Company had no liabilities subordinated to the claims of general creditors.

THORNBURG SECURITIES CORPORATION
(An S Corporation)

Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission

December 31, 2008

Net capital:		
Total stockholders' equity per the accompanying financial statements	\$	6,136,593
Deduct:		
Assets which are not readily convertible into cash		(203,908)
Haircuts on money market funds and investment securities		(74,493)
Excess deductible portion of liability insurance		<u>(24,165)</u>
Net capital		5,834,027
Minimum net capital required		<u>215,293</u>
Excess net capital	\$	<u><u>5,618,734</u></u>
Aggregate indebtedness – accounts payable and accrued expenses	\$	3,229,406
Ratio of aggregate indebtedness to net capital		0.55

The above computation of net capital agrees with the computation of the Company on FOCUS Form X-17A-5, Part IIA, as of December 31, 2008, filed by the Company on January 21, 2009.

See accompanying independent auditors' report.



THORNBURG SECURITIES CORPORATION
(An S Corporation)

Internal Control Report Required by SEC

December 31, 2008



KPMG LLP
Suite 700
Two Park Square
6565 Americas Parkway NE
PO Box 3990
Albuquerque, NM 87190

**Independent Auditors' Report on
Internal Control Required by SEC Rule 17a-5
for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

The Stockholders
Thornburg Securities Corporation:

In planning and performing our audit of the financial statements and supplemental schedule of Thornburg Securities Corporation (the Company) (an S Corporation) as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control 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 controls, 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 SEC's above-mentioned objectives. Two of the objectives of internal control 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 the preparation of financial statements in conformity with U.S. 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 internal control and the practices and procedures referred to above, errors or fraud 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 deficiency in internal control 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 and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the stockholders, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 20, 2009



THORNBURG SECURITIES CORPORATION
(An S Corporation)

Financial Statements and Schedule

December 31, 2008 and 2007

(With Independent Auditors' Report Thereon)

and

Independent Auditors' Report on
Internal Control Required by
SEC Rule 17a-5 for a Broker-Dealer
Claiming an Exemption from SEC Rule 15c3-3