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

SEC FILE NUMBER
8-51721

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:

REID & RUDIGER, L.L.C.

OFFICIAL USE ONLY
FIRM ID. NO.

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

110 Wall Street

(No. and Street)

New York
(City)

New York
(State)

10005
(Zip Code)

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

Edward J. Rudiger, Jr - Managing Member

(212) 785-0500
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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

183 MADISON AVENUE, SUITE 204
(Address)

New York
(City)

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
MAR - 2 2009
BRANCH OF REGISTRATIONS
AND EXAMINATIONS
Washington, DC
100

10016
(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions

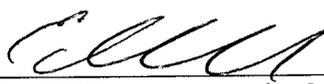
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Edward J. Rudiger, Jr., Managing Member, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Reid & Rudiger, L.L.C. (Company), 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:

ALEXYA B. INFORTUNA
Notary Public, State of New York
No. 011NG176014
Qualified in Richmond County
Commission Expires Oct. 29, 2011


Edward J. Rudiger, Jr., Managing Member

Sworn and subscribed to before me this 10 day of February, 2009.

This report contains (check all applicable boxes):

	Page
	1
(x) (a) Facing page.	2
(x) (b) Balance Sheet.	3
(x) (c) Statement of Operations.	4
(x) (d) Statement of Cash Flows.	5
(x) (e) Statement of Changes in Stockholder's Equity.	6 - 7
() (f) Statement of Changes in Subordinated Liabilities (not applicable).	
(x) Notes to Financial Statements.	8
(x) (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.	
() (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.	
() (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).	
() (j) A Reconciliation, including Appropriate Explanations, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-3 (not required).	
() (k) A Reconciliation Between the Audited and Unaudited Consolidated Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).	
(x) (l) An Affirmation.	
() (m) A Copy of the SIPC Supplemental Report (not required).	
(x) (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).	9 - 10



Certified Public Accountants, PLLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Reid & Rudiger, L.L.C.

We have audited the accompanying balance sheet of Reid & Rudiger, L.L.C., as of December 31, 2008 and the related statements of operations, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the management. 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. 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 Reid & Rudiger, L.L.C., at December 31, 2008, and the results of its operations, changes in member's equity, and cash flows for the year then ended in conformity with U.S. generally accepted accounting principals.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained on page 8 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 Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the examination 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.

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

New York, NY
February 10, 2009

Registered with the Public Company Accounting Oversight Board
Member of the American Institute of Certified Public Accountants

REID & RUDIGER, L.L.C.
BALANCE SHEET
DECEMBER 31, 2008

ASSETS

Cash	\$	31,321
Cash - restricted - See Note 6.		43,753
Receivable from clearing broker		15,012
Clearing deposits		25,000
Marketable securities, at fair value		7,413
Prepaid expenses		28,999
Property and equipment, net of accumulated depreciation of \$		<u>137,939</u>
 Total Assets	 \$	 <u><u>289,437</u></u>

LIABILITIES AND MEMBER'S EQUITY

Bank overdraft	\$	12,028
Accounts payable and accrued expenses		<u>43,460</u>
Total Liabilities		<u>55,488</u>
 Contingencies		 -
 Member's equity		 <u>233,949</u>
 Total Liabilities and Member's Equity	 \$	 <u><u>289,437</u></u>

See Independent Accountants' Report and Accompanying Notes

REID & RUDIGER, L.L.C.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

Revenues:	
Commissions	\$ 3,555,565
Interest income	1,976
Other income	<u>(7,434)</u>
 Total Revenues	 <u>3,550,107</u>
Costs and Expenses:	
Salaries and related taxes	1,839,770
Clearing expenses	584,962
Guaranteed payments to members	219,957
Rent	115,134
Office supplies and expense	72,529
Telephone	50,313
Postage and delivery	40,653
Registration and license	61,774
Quotations and research	45,420
Depreciation and amortization	24,530
Professional fees	25,689
Computer expenses	33,397
Employee benefits	31,190
Travel and entertainment	23,348
Equipment rental	5,815
Dues and subscriptions	4,264
Insurance	5,093
SIPC fee	<u>150</u>
 Total Costs and Expenses	 <u>3,183,989</u>
 Net Income	 \$ <u><u>366,119</u></u>

See Independent Accountants' Report and Accompanying Notes

REID & RUDIGER, L.L.C.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows From Operating Activities:	
Net Income	\$ 366,119
Depreciation	24,530
Adjustment to reconcile net income to net cash provided by operating activities:	
(Increase) in cash - restricted	(1,411)
Decrease in receivable from clearing broker	495,758
Decrease in receivable from marketable securities, at fair value	7,434
Decrease in receivable from prepaid expenses	3,008
Decrease in receivable from other receivables	17,967
Increase in bank overdraft	12,028
(Decrease) in accounts payable and accrued expenses	(29,736)
(Decrease) in commission payable	<u>(691,664)</u>
Net Cash Provided By Operating Activities	<u>204,033</u>
Cash Flows From Investing Activities:	
Net Cash (Used) by Investing Activities	<u>-</u>
Cash Flows From Financing Activities:	
Member's distribution	<u>(600,500)</u>
Net Cash (Used) by Financing Activities	<u>(600,500)</u>
Net (Decrease) In Cash	(396,467)
Cash at beginning of the year	<u>427,788</u>
Cash at end of the year	<u>\$ 31,321</u>

See Independent Accountants' Report and Accompanying Notes

REID & RUDIGER, L.L.C.
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Total Member's</u>
Balance, January 1, 2008	\$ 468,330
Member's distribution	(600,500)
Net Income	<u>366,119</u>
Balance, December 31, 2008	<u><u>\$ 233,949</u></u>

See Independent Accountants' Report and Accompanying Notes

REID & RUDIGER, L.L.C.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. ORGANIZATION AND NATURE OF BUSINESS

Reid & Rudiger L.L.C., ("Company") a Delaware Limited Liability Company formed March 18, 1998, commenced operations November 1, 1999 and is doing business as a retail brokerage firm. The Company is wholly-owned by Panache Holding, L.L.C and is a member of the Financial Industry Regulatory Authority (FINRA).

The Company clears all of its transactions through a securities clearing broker. The Company acts as a broker-dealer and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph k(2)(i) since it uses another securities firm for clearing transactions.

Pursuant to an agreement between the Company and Pershing LLC (PER), securities transactions of the Company are cleared through (PER), and its customers are introduced and cleared on a fully disclosed basis. The Company is exempt from provisions of Rule 15c3-3 and is not responsible for compliance with Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System, as all customers' accounts, as defined by such rules, are carried by (PER).

2. SIGNIFICANT ACCOUNTING POLICIES

Revenues

Profits and losses from commissions realized on agency transactions are recorded on a settlement date, which is not materially different than recording transactions on a trade date.

Receivable from Clearing Broker

Receivable from clearing broker consists of money due from the Company's clearing broker (PER) for income earned on securities transactions. Management has determined that no allowance for doubtful accounts is necessary at December 31, 2008. The amount due from the clearing broker (PER) is \$15,012.

Clearing Deposit

The Company maintains a separate account with a cash balance of \$25,000.

Income Taxes

The Company is a limited liability Company taxed as a partnership and, therefore, the accompanying financial statements do not include any provision for federal or state income taxes. The company files a consolidated tax return with its parent company, Panache, LLC, and the members of Panache, LLC are individually responsible for reporting their share of the Company's income or loss. The Company is responsible for New York City Unincorporated Business Taxes.

Use of 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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. NET CAPITAL REQUIREMENTS

The Company is a member of the FINRA and subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2008, the Company had net capital of \$22,146 which was \$17,146 in excess of the amount required.

REID & RUDIGER, L.L.C.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

4. COMMITMENTS

Customer Transactions

In the normal course of business the Company executes, as agent, securities transactions on behalf of its customers. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, is subject to market risk if the market value of the securities is different from the contract amount of the transactions. The Company does not anticipate non-performance by customers or counterparties in the above situations. The Company's policy is to monitor its market exposure and counterparty risk. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

5. LEASING ARRANGEMENTS

The Company entered into a five year lease during 2008 for office space at 110 Wall Street in NYC that expires on October 11, 2011. The rent at year-end was \$10,381,000 per month. The lease agreement provides for annual escalations. Rent expense for 2008 was \$103,265.

6. RESTRICTED CASH

The Company in lieu of posting a rental security deposit used a Letter of Credit drawn in favor of 110 Wall Street., LLP at Citibank for approximately \$40,000 which is collateralized by a Citibank CD for \$43,753.

7. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation and amortization are computed for financial statement purposes on either a straight-line or accelerated basis over the estimated useful lives of the related assets. The estimated useful lives of depreciable and amortizable assets are:

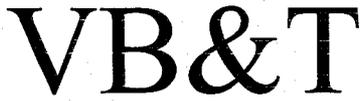
<u>Asset Class</u>	<u>Method</u>	<u>Estimated Useful Lives</u>
Computers	S/L	5 years
Equipment	200DB	5 years
Furniture and fixtures	200DB	5-7 years
Leasehold improvements	S/L	5-39 years

There is no difference between book depreciation and depreciation used for federal income tax purposes.

REID & RUDIGER, L.L.C.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2008

NET CAPITAL:	
Total member's equity	\$ 233,949
Deductions and/or charges:	
Non-allowable assets:	
Cash - restricted	(43,753)
Prepaid expenses	(28,999)
Property and equipment	<u>(137,939)</u>
Net capital before haircuts on securities positions	<u>23,258</u>
Haircuts on securities positions	<u>(1,112)</u>
Undue concentration	<u>-</u>
Net Capital	<u><u>\$ 22,146</u></u>
AGGREGATE INDEBTEDNESS:	
Items included in the statement of financial condition:	
Accounts payable and accrued expenses	<u><u>\$ 55,488</u></u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:	
Minimum net capital required (6-2/3% of aggregate indebtedness)	<u>\$ 3,699</u>
Minimum net capital required	<u><u>\$ 5,000</u></u>
Excess net capital	<u><u>\$ 17,146</u></u>
Excess net capital at 1,000%	<u><u>\$ 16,597</u></u>
Percentage of aggregate indebtedness to net capital is	<u><u>251%</u></u>

The above computation does not differ materially from the December 31, 2008 computation of net capital filed electronically by the Company on FOCUS Form X-17A-5 Part IIA.



Certified Public Accountants, PLLC

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Board of Directors of
Reid & Rudiger, L.L.C.

In planning and performing our audit of the financial statements and supplementary information of Reid & Rudiger, L.L.C. (the "Company") for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (the "Commission"), we have made a study of the practices and procedures followed by the Company including 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 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; 2) Recordation of differences required by Rule 17a-13, or, 3) 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.

The management of the Company is responsible for establishing and maintaining a system of internal accounting 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 Commission'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 transactions are executed in accordance with management's authorization and recorded properly to permit the 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 internal control or the practices and procedures referred to above, error 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. Our consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that error or fraud 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 internal control, including 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 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 information and use of the Board of Directors, management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), 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.

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

New York, NY
February 10, 2009

Reid & Rudiger, L.L.C.
(SEC I.D. No. 8-51721)

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008
AND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
AND
SUPPLEMENTAL REPORT ON INTERNAL CONTROL**