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SECURITIES COMMISSION
I.C. 20549

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

SEC Mail Processing Section

MAR 02 2009

SEC FILE NUMBER
8- 67032

FACING PAGE Washington, DC
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: Taberna Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2929 Arch Street, 17th Floor

Philadelphia
(City)

PA
(State)

19104
(Zip Code)

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

Jim Garrard

(404) 401-4185
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Grant Thornton LLP

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

2001 Market Street
(Address)

Philadelphia
(City)

PA
(State)

19103
(Zip Code)

CHECK ONE:

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

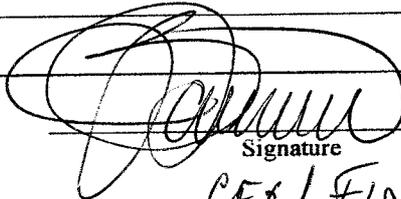
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

TA 3/25

OATH OR AFFIRMATION

I, Jim Garrard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TABLENA SECURITIES, LLC, 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:


Signature

CEO / FINOP
Title

STEVEN BOWMAN
Notary Public, Henry County, GA
My Commission Expires 4/25/2010


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 Soie 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).

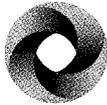
Report Pursuant to Rule 17a-5 and Report of
Independent Certified Public Accountants

**Taberna Securities LLC (a wholly owned subsidiary
of Taberna Realty Finance Trust) Financial
Statements**

December 31, 2008

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Report of Independent Certified Public Accountants

The Member of
Taberna Securities LLC

We have audited the accompanying statement of financial condition of Taberna Securities LLC (a wholly owned subsidiary of Taberna Realty Finance Trust) (the Company), as of December 31, 2008, and the related statements of income (loss), changes in member's equity and cash flows for the year 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 audit.

We conducted our audit 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 also 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 Taberna Securities LLC, as of December 31, 2008, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental 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 audit 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.

Grant Thornton LLP

Philadelphia, Pennsylvania

February 25, 2009

Taberna Securities LLC

Statement of Financial Condition

December 31, 2008

(dollars in thousands)

ASSETS

Cash	\$	1,432
Deposit with clearing firm		100
Receivable from affiliates		175
Other assets		<u>1,115</u>
Total assets	\$	<u>2,822</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities		
Accounts payable	\$	<u>26</u>
Total liabilities		26
Member's equity		<u>2,796</u>
Total liabilities and member's equity	\$	<u>2,822</u>

The accompanying notes are an integral part of this statement.

Taberna Securities LLC

Statement of Income (Loss)

Year ended December 31, 2008

(dollars in thousands)

Revenue	
Interest and other income	\$ <u>46</u>
Total revenue	<u>46</u>
Expenses	
Expenses incurred by affiliates	571
General and administrative expenses	<u>179</u>
Total expenses	<u>750</u>
Income (loss) before income taxes	(704)
Income tax expense	<u>(24)</u>
Net income (loss)	<u>\$ (728)</u>

The accompanying notes are an integral part of this statement.

Taberna Securities LLC

Statement of Changes in Member's Equity

Year ended December 31, 2008

(dollars in thousands)

Balance at January 1, 2008	\$ 3,524
Net income (loss)	<u>(728)</u>
Balance at December 31, 2008	<u>\$ 2,796</u>

The accompanying notes are an integral part of this statement.

Taberna Securities LLC

Statement of Cash Flows

Year ended December 31, 2008

(dollars in thousands)

Cash flows from operating activities	
Net income (loss)	\$ (728)
Change in operating assets and liabilities	
Other assets	1,211
Accrued expenses	<u>26</u>
Net cash from operating activities	<u>509</u>
Cash flows from financing activities	
Advances from affiliates	657
Repayments to affiliates	<u>(3,245)</u>
Net cash from financing activities	<u>(2,588)</u>
Net decrease in cash	(2,079)
Cash at beginning of year	<u>3,511</u>
Cash at end of year	<u>\$ 1,432</u>

The accompanying notes are an integral part of this statement.

Taberna Securities LLC

Notes to Financial Statements

December 31, 2008

(dollars in thousands)

NOTE 1 - ORGANIZATION

Taberna Securities LLC (the Company) is a Delaware limited liability company. The Company was formed on February 3, 2005. The Company is an introducing broker providing execution services to institutional investors. The Company is a registered broker-dealer with the Financial Industry Regulatory Authority and is registered with the Pennsylvania Securities Commission. The Company is a member of the Securities Investors Protection Corporation.

The Company is wholly-owned by Taberna Realty Finance Trust (Taberna Realty), a Maryland real estate investment trust (REIT). The Company has elected to be treated as a taxable REIT subsidiary under the Internal Revenue Code. As a wholly-owned subsidiary of Taberna Realty, the Company utilizes the employees and other general and administrative support provided by Taberna Capital Management LLC (Taberna Capital). As a result, the financial condition and results of operations presented herein may not be indicative of the financial condition and results of operations that may have occurred if the Company was not a wholly-owned subsidiary of Taberna Realty.

On December 11, 2006, Taberna Realty completed its planned merger with RAIT Financial Trust (RAIT) announced on June 8, 2006. The merger was a stock-for-stock merger in which the common shares of Taberna Realty were exchanged into 0.5389 RAIT common shares. RAIT is a publicly held Maryland REIT, trading under the ticker symbol "RAS."

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America.

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

b. Deposit with Clearing Firm

The Company maintains a \$100 interest bearing account with its clearing agent. This account is not insured by the FDIC.

(Continued)

Taberna Securities LLC

Notes to Financial Statements - Continued

December 31, 2008

(dollars in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Revenue Recognition

The Company earns origination fees in connection with the origination of trust preferred securities, subordinated debentures and other debt instruments. These fees and related origination expenses are recognized on a trade date basis as securities transactions occur. The Company did not earn origination fees during the year ended December 31, 2008.

d. Expenses Incurred by Affiliate

The Company and Taberna Capital are wholly-owned subsidiaries of Taberna Realty and shares employees, office space, and other general and administrative items. Costs directly attributable to securities transactions are paid and recorded by the Company. Costs indirectly associated with securities transactions, including employee salaries, bonuses, employee benefits, office space, and other general and administrative costs, are allocated to the Company based on the portion of time spent by employees on securities transactions or administrative matters relating to the Company's business activities.

e. Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. The Company is subject to U.S. federal, state and local income taxes. Income taxes are accrued by the Company in the year in which the taxable revenue is received.

NOTE 3 - INCOME TAX EXPENSE

The components of the Company's income tax expense are as follows:

<u>Description</u>	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal expense (benefit)	\$ (210)	\$ 53	\$ (157)
State and local expense (benefit)	<u>167</u>	<u>14</u>	<u>181</u>
Provision (benefit) for income taxes	<u>\$ (43)</u>	<u>\$ 67</u>	<u>\$ 24</u>

The Company did not have any deferred tax assets or liabilities as of December 31, 2008.

The Company's effective tax rate for the year ended December 31, 2008 was (3.3)% and was comprised of the following:

Federal statutory rate	35.0%
State and local rates, net of federal benefit	(25.6)%
Permanent items	<u>(12.7)%</u>
Effective tax rate	<u>(3.3)%</u>

Taberna Securities LLC

Notes to Financial Statements - Continued

December 31, 2008

(dollars in thousands)

NOTE 4 - RELATED PARTY TRANSACTIONS

RAIT's Chief Executive Officer as of December 31, 2008, Daniel G. Cohen, holds controlling positions in various companies with which the Company or an affiliate conducts business. Daniel G. Cohen is the majority member of Cohen Brothers LLC d/b/a Cohen & Company (Cohen & Company). Taberna Capital maintains sub-lease agreements for shared office space and facilities with Cohen & Company. The Company's allocated portion of expenses associated with the sub-lease agreements was \$2 for the year ended December 31, 2008.

NOTE 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the net capital provisions of Rule 15c3-1 under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital of the greater of \$100 or 6-2/3% of aggregate indebtedness. As applied to the Company, the rule requires minimum net capital of \$100. As of December 31, 2008, the Company's net capital was \$1,506, which exceeds the minimum requirements by \$1,406.

NOTE 6 - EXEMPTIVE PROVISIONS

The Company is exempt from the reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934 pursuant to paragraph (k)(2)(ii). The Company continues to introduce and clear its customers' transactions on a fully disclosed basis with its clearing broker and was not in possession of any customer funds at December 31, 2008.

NOTE 7 - CONTINGENCIES

In the ordinary course of business, claims are made against the Company from time to time for alleged damages in connection with its operation for which the Company maintains insurance. In the opinion of management, the resolution of such matters will not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

SUPPLEMENTAL INFORMATION

Taberna Securities LLC

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

December 31, 2008

(dollars in thousands)

Net capital		
Total member's equity		\$ 2,796
Deductions		
Non-allowable assets		
Receivable from affiliates		175
Other assets		<u>1,115</u>
Total deductions		1,290
Net capital		1,506
Aggregate indebtedness		
Accounts payable		<u>26</u>
Aggregate indebtedness		26
Net capital requirement is the greater of the following:		
Computation of basic net capital required as 6-2/3% of aggregate indebtedness		<u>2</u>
Minimum net capital required per SEC Rule 15c3-1		<u>100</u>
Net capital requirement		<u>100</u>
Excess net capital		<u>\$ 1,406</u>
Aggregate indebtedness		<u>\$ 26</u>
Percentage of aggregate indebtedness to net capital		2%

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

Taberna Securities LLC

Computation for Determination of Reserve Requirements under Rule 15c3-3
of the Securities and Exchange Commission

December 31, 2008

As of December 31, 2008, the Company is not subject to the reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934 because it qualifies for an exemption pursuant to paragraph (k)(2)(ii) of Rule 15c3-3. The Company continues to introduce and clear its customers' transactions on a fully disclosed basis with its clearing broker and was not in possession of any customer funds at December 31, 2008.



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Report of Independent Certified Public Accountants on Internal Control Required by SEC Rule 17A-5 for a Broker- Dealer Claiming an Exemption for SEC Rule 15c3-3

Board of Directors
Taberna Securities LLC

In planning and performing our audit of the financial statements of Taberna Securities LLC (a wholly-owned subsidiary of Taberna Realty Finance Trust) (the Company), 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 U.S. 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 generally accepted accounting principles (US GAAP). 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 control deficiency, or 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 Company'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 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 Board of Directors, management, the SEC, Financial Industry Regulatory Authority, Inc. 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.



Philadelphia, Pennsylvania

February 25, 2009



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