

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Dekania Capital Management, LLC
2929 Arch Street, 17th Floor
Philadelphia, PA 19104
215-701-9555
www.ifmi.com

March 31, 2011

This brochure provides information about the qualifications and business practices of Dekania Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 215-701-9555. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Dekania Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Registrations does not imply a certain level of skill or training.

Item 2 Material Changes

This brochure, dated March 31, 2011, represents a new disclosure that Dekania Capital Management, LLC is providing to our clients for the first time pursuant to SEC rules that were amended on July 28, 2010. This brochure differs in structure from the Form ADV, Part II, and Schedule F disclosures that we previously provided to our clients. This brochure also contains certain new information that our previous disclosure documents were not required to include. Since this is the first time Dekania Capital Management, LLC is required to provide this brochure to you, a summary of material changes is not required. In the future, we will summarize material changes that are made to this brochure since our last annual update.

Item 3 Table of Contents

<u>TABLE OF CONTENTS</u>	
<u>Section/Topic</u>	<u>Page</u>
Cover Page	1
Material Changes	2
Table of Contents	3
Advisory Business	4
Fees and Compensation	5
Performance-Based Fees and Side-by-Side Management	6
Types of Clients	7
Method of Analysis, Investment Strategies and Risk Loss	8
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	10
Code of Ethics, Participation or Interest in Client Transactions	11
and Personal Trading	
Brokerage Practices	12
Review of Accounts	13
Client Referrals and Other Compensation	14
Custody	15
Investment Discretion	16
Voting Client Securities	17
Financial Information	18

Item 4 Advisory Business

Dekania Capital Management, LLC is referred to herein as “DCM” or “Applicant”.

DCM was approved February 2005; Principle Owners are Daniel Cohen, Cohen Bros. Financial, LLC and IFMI, LLC.

DCM acts as a collateral manager for Collateralized Debt Obligation issuers (CDOs). The CDOs hold trust preferred securities and similar securities issued by bank holding companies and insurance companies. DCM manages these collateral assets for the CDO issuers pursuant to the terms of various agreements entered into by the CDO, DCM and other parties, including a Trust Indenture by:

- Evaluating and analyzing the credit quality of issuers of securities acquired by the CDO to enable the CDO to make an investment decision with regard to the collateral;
- during the term of the CDO, performing ongoing reviews of the performance of collateral securities and general market conditions and generating reports to the trustees of the CDOs;
- investing the proceeds from the sales of the CDO’s securities;
- selling of defaulted collateral securities;
- acquiring replacement collateral securities; and
- auctioning collateral securities.

DCM will follow investment guidelines established by the terms of the Trust Indentures, Collateral Management Agreements and credit rating agencies for each CDO issuer that it advises.

As of December 31, 2010 DCM had \$1.3 billion assets under management, all of which was managed on a discretionary basis.

Item 5 Fees and Compensation

As collateral manager, DCM is paid a structuring fee when a CDO closes and collateral management fees based on the value of the collateral held by the CDO, as well as trailing collateral management fees based on the value of the CDO. Collateral management fees are typically paid quarterly in arrears based on the total amount of collateral at the end of each calendar quarter. The fees earned by DCM and the terms of termination are negotiated prior to closing of each CDO and may vary for each CDO. Full disclosure of the terms of the DCM's compensation and termination provisions for DCM are contained in the collateral management agreement. Generally, total compensation to DCM will not exceed 3% of the value of collateral in the CDO annually.

In general DCM's management can be terminated by the trustee of a CDO and upon a vote of the holders of the CDO securities as set forth in the Trust Indentures and Collateral Management Agreements governing the CDOs.

Cohen & Company Securities, LLC, a broker dealer affiliated with DCM, may be paid origination fees by the issuers of collateral debt securities placed by it with CDOs managed by DCM.

Item 6 *Performance-Based Fees* and Side-By-Side Management

Dekania Capital Management, LLC does not accept performance-based fees and does not manage accounts that are charged a performance-based fee or another type of fee, such as an hourly or flat fee or an asset-based fee; this section is not applicable.

Item 7 Types of *Clients*

Although the Applicant has the authority to accept subscriptions for a lesser amount, the minimum investment in the Funds generally is \$10,000,000.

In addition, Dekania Capital Management, LLC only provides advisory services to CDOs backed by insurance trust preferred securities.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Applicant may obtain advice from attorneys, accountants and other experts to assist in its analysis of certain investments for clients who CDOs.

Credit risk consists of the possibility that if an issuer defaults, the CDO will lose money.

General Risks

Our basic business creates exposure to the risks presented by the insurance industry (policy design, pricing, underwriting discipline, investment success, sufficient reserving, use of reinsurance, and maintenance of the business franchise).

The risks presented by the insurance industry are mitigated by:

- Ongoing monitoring of operating results and financial position of each issuer through review of key portions of the quarterly financial statements filed with insurance regulators or the SEC.
- Event-driven reviews of particular issuers in the wake of changes in strategy or management, conditions in the bond and equities markets, and (for property-casualty insurers) catastrophic weather or geological events.
- The insurance team keeps abreast of evolving industry issues through reading industry publications and attending industry conferences, and assesses the impact on individual insurance companies through reviewing regulatory filings and having discussions with insurance company management.

Investing in securities involves risk of loss that the issuer of the CDO should be prepared to bear. DCM does not guarantee or represent that our investment program or advice will be successful or enhance returns. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure issuers of CDOs that our investments of the collateral assets will be profitable, and in fact, a CDO could incur substantial losses.

Item 9 Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Dekania Capital Management, LLC or the integrity of our management. We have not been subject to any legal or disciplinary event that would require disclosure under applicable SEC rules.

Item 10 Other Financial Industry Activities and Affiliations

The Principal Executive Officers are registered representatives and principal executive officers of Cohen & Company Securities, LLC, a registered broker/dealer, member FINRA and SIPC. Additionally, certain of the Principal Executive Officers direct the day to day activities of Dekania Capital Management, LLC, a registered investment adviser, Cohen & Company Financial Management, LLC, a registered investment adviser; and Cira SCM, LLC a registered investment adviser. Additionally certain of the Principal Executive Officers direct the day to day activities of Alesco Financial, Inc., a NYSE public company.

Some of the Principal Executive Officers spend on average in excess of 50% of their time directing the day to day activities of those (and certain other) entities. From time to time affiliates of the Applicant may establish new entities, including investment advisers, and the Principal Executive Officers may serve as officers of such entities.

The Applicant may utilize the services of Cohen & Company and its affiliates in connection with certain back office functions, including the settling and clearing of trades, on behalf of the CDOs. No additional fees will be charged to the CDOs for such services.

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

The Principal Executive Officers and related persons are registered representatives and/or associated with Cohen & Company Securities, LLC. The securities and activities conducted through Cohen & Company Securities, LLC are different from the services offered through DCM.

Cohen & Company Securities, LLC may act as placement agent on behalf of issuers of collateral securities into CDOs managed by DCM and earn fees in respect of such activities. Such compensation is in addition and separate from any compensation paid to DCM for its management and advisory services. DCM and its affiliates may acquire securities issued by CDOs managed by DCM. CDOs, upon advice of DCM, will purchase collateral securities to the extent that DCM determines that such collateral securities are consistent with the investment guidelines and objectives of the CDO, the restrictions set forth in the agreements governing the CDO and applicable law. Related persons will not put their interests before a client's interest. Advisory Representatives may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Further, related persons are prohibited from trading on non-public information or sharing such information. DCM and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

DCM may receive income when warehousing securities prior to the full funding of the Collateralized Debt Obligation.

CODE OF ETHICS

DCM has a fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. DCM takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as DCM's policies and procedures. Further, DCM strives to handle clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with DCM's Privacy Policy. As such, DCM maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, DCM's Code of Ethics establishes DCM's expectation for business conduct. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

Item 12 Brokerage Practices

DCM does not represent, warrant or imply that the services or methods of analysis used by DCM can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by DCM will provide a better return than other investment strategies.

Item 13 Review of Accounts

Applicant's clients are Collateralized Debt Obligation ("CDO") issuers. Reviews are conducted initially in an underwriting capacity to evaluate the collateral securities to be acquired by the CDO and to make recommendations to the CDO concerning such purchases. Clients' collateral securities are reviewed on an ongoing basis and at least quarterly. Applicant publishes quarterly and semi-annual reports on market conditions and the financial performance of issuers of collateral securities for the benefit of the CDO, its investors and rating agencies. Additionally, Applicant reviews the CDOs' collateral debt securities performance to determine whether such securities continue to perform in accordance with their terms.

A CDO issuer is a special purpose investment vehicle that raises capital through the issuance of securities and uses the proceeds to purchase financial assets, typically debt or preferred equity instruments. A CDO issuer pools collateral assets into a portfolio that generates interest over a fixed period of time.

Applicant publishes quarterly and semi-annual reports on market conditions affecting and the financial performance of issuers of collateral securities for the benefit of the CDO, its investors and rating agencies.

Item 14 *Client Referrals and Other Compensation*

As disclosed under Item 11 above, Cohen & Company Securities, LLC will from time to time act as placement agent in the sale of debt or equity securities by CDOs advised by DCM and receive compensation for such services. Such compensation is in addition and separate from the fees received by DCM for its advisory and management services.

Item 15 *Custody*

Dekania Capital Management, LLC does not have “Custody” of client’s assets for purposes of Rule 206(4)-2 of the Advisers Act.

Item 16 Investment Discretion

DCM will evaluate and recommend the collateral to be acquired by the CDO. Additionally, DCM will determine when to sell or replace any defaulted collateral securities. DCM will follow the guidelines set forth in the agreements governing the CDO.

DCM will select brokers based on their ability to identify and effectively execute trades introduced by it. DCM may execute trades through its affiliated broker dealer, Cohen & Company Securities, LLC. DCM will only pay fees for the services rendered by brokers, including its affiliated broker dealer, that it determines are reasonable under the circumstances and in light of the types of securities being traded and the nature of the services being provided.

Item 17 Voting *Client* Securities

DCM does not have authority to vote client securities.

Item 18 Financial Information

Cira SCM, LLC has no requirement to provide financial statements and has not been subject of a bankruptcy proceeding.