

JER INVESTORS TRUST INC (JERT)

SC 13G/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities by passive investors and certain institutions

Filed on 02/17/2009

THOMSON REUTERS ACCELUS™



THOMSON REUTERS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

JER INVESTORS TRUST INC.

(Name of Issuer)

Common Stock
(Title of Class of Securities)

46614H301
(CUSIP Number)

December 31, 2008
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAMES OF REPORTING PERSONS Highland Capital Management, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
		6	SHARED VOTING POWER 0
		7	SOLE DISPOSITIVE POWER 0
		8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,405,253		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN/IA		

1	NAMES OF REPORTING PERSONS Strand Advisors, Inc.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 0	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO/HC		

1	NAMES OF REPORTING PERSONS James Dondero		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
		6	SHARED VOTING POWER 0
		7	SOLE DISPOSITIVE POWER 0
		8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN/HC		

1	NAMES OF REPORTING PERSONS Highland Equity Opportunities Fund		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 0	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) OO		

1	NAMES OF REPORTING PERSONS Highland Multi-Strategy Onshore Master SubFund, L.L.C.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	0
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) OO		

1	NAMES OF REPORTING PERSONS Highland Multi-Strategy Master Fund, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
		6	SHARED VOTING POWER 0
		7	SOLE DISPOSITIVE POWER 0
		8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.0%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN/HC		

This Amendment No. 2 to Schedule 13G is jointly filed by and on behalf of each reporting person to amend and/or supplement the Schedule 13G relating to shares of Common Stock of the Issuer filed by such reporting person with the Securities and Exchange Commission on Feb. 14, 2008 (the "*Schedule 13G*"). Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Schedule 13G. Except as otherwise provided herein, all Items of the Schedule 13G remain unchanged.

Item 1(a) Name of Issuer:

JER Investors Trust Inc. (the "*Issuer*").

Item 1(b) Address of Issuers Principal Executive Offices:

1650 Tysons Blvd, Suite 1600, McLean, VA 22102.

Item 2(a) Name of Persons Filing:

This statement is filed by and on behalf of: (i) Highland Capital Management, L.P. ("*Highland Capital*"); (ii) Strand Advisors, Inc. ("*Strand*"); (iii) James D. Dondero ("*Dondero*"); (iv) Highland Equity Opportunities Fund ("*Equity Fund*"); (v) Highland Multi-Strategy Onshore Master SubFund, L.L.C. ("*Multi-Strategy SubFund*"); and (vi) Highland Multi-Strategy Master Fund, L.P. ("*Multi-Strategy Master Fund*").

Highland Capital principally serves as an investment adviser and/or manager to other persons, including Equity Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund; Highland Capital may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of other persons, including Equity Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund. Strand serves as the general partner of Highland Capital; Strand may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of Highland Capital. Dondero is the President and a director of Strand; Dondero may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of Strand.

Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, the beneficial owner of any securities covered by this statement.

Each of the reporting persons may be deemed to be a member of a group with respect to the Issuer or securities of the Issuer for the purposes of Section 13(d) or 13(g) of the Act. Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the Issuer or otherwise with respect to the Issuer or any securities of the Issuer or (ii) a member of any group with respect to the Issuer or any securities of the Issuer.

Item 2(b) Address of Principal Business Office or, if non Residence:

The address of the principal business office of each of the reporting persons is Two Galleria Tower, 13455 Noel Road, Suite 800, Dallas, Texas 75240.

Item 2(c) Citizenship:

See Item 4 of each cover page for the respective reporting persons.

Item 2(d) Title of Class of Securities:

Common Stock, par value \$0.01 per share (the "*Common Stock*").

Item 2(e) CUSIP Number:

46614H301.

Item 3 Status of Persons Filing.

Not applicable.

Item 3 Ownership.

- (a) Amount Beneficially Owned:
See Item 9 of each cover page for the respective reporting persons.
- (b) Percent of Class:
See Item 11 of each cover page for the respective reporting persons.
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote:
See Item 5 of each cover page for the respective reporting persons.
 - (ii) Shared power to vote or to direct the vote:
See Item 6 of each cover page for the respective reporting persons.
 - (iii) Sole power to dispose or to direct the disposition of:
See Item 7 of each cover page for the respective reporting persons.
 - (iv) Shared power to dispose or to direct the disposition of:
See Item 8 of each cover page for the respective reporting persons.

Item 5 Ownership of 5% or Less of a Class.

This statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5% of the Class of Securities.

Item 6 Ownership of More than 5% on Behalf of Another Person.

Highland Capital serves as an investment adviser and/or manager to other persons, including Equity Fund and Multi-Strategy SubFund; Highland Capital may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of other person, including Equity Fund and Multi-Strategy SubFund. Equity Fund and Multi-Strategy SubFund may have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, shares owned and/or held by and/or for the account and/or benefit of other reporting persons.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not applicable.

Item 8 Identification and Classification of Members of the Group.

Not applicable.

Item 9 Notice of Dissolution of Group.

Not applicable.

Item 10 Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

EXHIBIT A
JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them a Statement of Schedule 13G (including amendments thereto) with regard to the common stock of JER Investors Trust, Inc., a Maryland corporation, and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filings. In evidence thereof, the undersigned, being duly authorized, hereby execute this Joint Filing Agreement as of February 17, 2009.

Highland Capital Management, L.P.

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero
James D. Dondero, President

Strand Advisors, Inc.

By: /s/ James D. Dondero
James D. Dondero, President

James D. Dondero

/s/ James D. Dondero