COWEN GROUP, INC.
Form DEF 14A
April 30, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

Cowen Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(2) Form, Schedule or Registration Statement No.:

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599 Lexington Avenue
New York, New York 10022

April 30, 2010

Dear Fellow Stockholder:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of Cowen Group, Inc. to be held on June 7, 2010, at 10:00 a.m., Eastern Daylight Time, in the conference room on the second floor at 1221 Avenue of the Americas, New York, New York. The information regarding matters to be voted upon at the Annual Meeting is set out in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

In addition to the election of directors and the ratification of our independent registered public accounting firm, the proxy statement contains a proposal to approve our 2010 Equity and Incentive Plan. The Board of Directors believes that having a new equity and incentive plan is an important component of Cowen's future success. The new plan will allow Cowen to utilize equity in an effort to further its goal of aligning employees' interests with the interests of stockholders, foster an ownership culture among employees, assist in the recruitment and retention of employees, and allow Cowen to pay a portion of total compensation in equity, in lieu of cash. The Board of Directors recommends that you vote for the approval of the new plan.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares you hold or whether you plan to attend the meeting in person. I urge you to read the accompanying proxy statement and vote your shares as soon as possible. The proxy card contains instructions on how to cast your vote.

Sincerely,

Peter A. Cohen
Chairman and Chief Executive Officer

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NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

Date:	Monday, June 7, 2010
Time:	10:00 a.m., Eastern Daylight Time
Place:	1221 Avenue of the Americas, New York, New York, 10020 Second Floor Conference Room
Purpose:	

1. To elect nine members to the Board of Directors of Cowen Group, Inc., for a one-year term or until their successors are elected and qualified.

2. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Cowen Group, Inc. for the fiscal year ending December 31, 2010.

3. To consider a Company proposal to adopt the 2010 Equity and Incentive Plan.

4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Record Date:	April 20, 2010 You are eligible to vote if you were a stockholder of record on this date.
Inspection of List of Stockholders of Record:	A list of the stockholders of record as of April 20, 2010 will be available for inspection during ordinary business hours at our offices, 599 Lexington Avenue, New York, New York 10022, from May 25, 2010 to June 4, 2010, as well as at the Annual Meeting.

By Order of the Board of Directors

J. Kevin McCarthy
Secretary

April 30, 2010

Important Notice Regarding the Availability of Proxy Materials for the 2010 Annual Meeting of Stockholders to Be Held on June 7, 2010. The Proxy Statement and Annual Report to security holders are also available at www.cowen.com

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YOUR VOTE IS IMPORTANT!

Whether or not you plan to attend the meeting, please submit your proxy card or voting instructions promptly so that we can be assured of having a quorum present at the meeting and so that your shares may be voted in accordance with your wishes. Most stockholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the attached proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

Proxy Statement
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PROXY STATEMENT
2010 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 7, 2010

The Board of Directors of Cowen Group, Inc., or the Company, is soliciting proxies for use at the annual meeting of stockholders to be held on June 7, 2010 at 1221 Avenue of the Americas, New York, New York, and at any adjournment or postponement of the meeting. This proxy statement and the enclosed proxy card are first being mailed or given to stockholders on or about May 4, 2010.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our annual meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders. These include the election of directors, approval of the 2010 Equity and Incentive Plan and ratification of the selection of our independent registered public accounting firm for 2010. Also, management will report on matters of current interest to our stockholders and respond to questions from our stockholders.

Who is entitled to vote at the meeting?

The Board has set April 20, 2010 as the record date for the annual meeting. If you were a stockholder of record at the close of business on April 20, 2010, you are entitled to vote at the meeting. As of the record date, 74,656,513 shares of Class A common stock, representing all of our voting stock, were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our Class A common stock are entitled to one vote per share. There are currently no shares of our non-voting Class B common stock outstanding. Therefore, a total of 74,656,513 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

In accordance with our bylaws, shares equal to a majority of our capital stock issued and outstanding and entitled to vote as of the record date must be present at the annual meeting in order to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the meeting if:

- you are present and vote in person at the meeting; or
- you have properly and timely submitted your proxy as described below under "How do I submit my proxy?"

What is a proxy?

It is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote." Two of our officers, Peter A. Cohen, our Chairman and Chief Executive Officer, and J. Kevin McCarthy, our General Counsel, have been designated as proxies for our 2010 annual meeting of stockholders.

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What is a proxy statement?

It is a document that we are required to give you, in accordance with regulations promulgated by the Securities and Exchange Commission, or the SEC, when we ask you to designate proxies to vote your shares of Cowen Group, Inc. Class A common stock at a meeting of our stockholders. The proxy statement includes information regarding the matters to be acted upon at the meeting and certain other information required by regulations promulgated by the SEC and rules of the Nasdaq Stock Market.

What is the difference between a stockholder of record and a "street name" holder?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered to be the beneficial owner of those shares. In the latter case, your shares are said to be held in "street name." Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described below under "How do I submit my proxy?"

How do I submit my proxy?

If you are a stockholder of record or if you hold restricted stock, you can submit a proxy to be voted at the meeting in any of the following ways:

- electronically, using the Internet;
- over the telephone by calling a toll-free number; or
- by completing, signing and mailing the enclosed proxy card.

If you hold your shares in street name, you can vote your shares in the manner prescribed by your broker, bank, trust company or other nominee. Your broker, bank, trust company or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker, bank, trust company or other nominee how to vote your shares.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials or multiple control numbers for use in submitting your proxy, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or voting instruction card you receive or, if you submit your proxy by Internet or telephone, vote once for each card or control number you receive.

Can I vote my shares in person at the meeting?

If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so your vote will be counted if you later decide not to attend the meeting. If you submit your vote by proxy and later decide to vote in person at the annual meeting, the vote you submit at the meeting will override your proxy vote.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the meeting a signed letter or other form of proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

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How does the Board recommend that I vote?

The Board of Directors recommends a vote:

- **FOR** all of the nominees for director;
- **FOR** the 2010 Equity and Incentive Plan; and
- **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Cowen Group, Inc. for the year ending December 31, 2010.

What if I do not specify how I want my shares voted?

If you are a stockholder of record or a holder of restricted stock and you submit a signed proxy card or submit your proxy by Internet or telephone but do not specify how you want to vote your shares on a particular manner, we will vote your shares:

- **FOR** all of the nominees for director;
- **FOR** the 2010 Equity and Incentive Plan; and
- **FOR** the ratification of the selection of PricewaterhouseCooopers LLP as the independent registered public accounting firm of Cowen Group, Inc. for the year ending December 31, 2010.

Your vote is important. We urge you to vote, or to instruct your broker, bank, trust or other nominee how to vote, on all matters before the annual meeting. If you are a street name holder and fail to instruct the stockholder of record how you want to vote your shares on a particular matter, those shares are considered to be "uninstructed." New York Stock Exchange rules determine the circumstances under which member brokers of the New York Stock Exchange may exercise discretion to vote "uninstructed" shares held by them on behalf of their clients who are street name holders. These rules generally permit member brokers to exercise voting discretion with respect to uninstructed shares only on certain routine matters, including the ratification of the selection of a company's independent registered public accounting firm, however, recent changes in regulation were made to take away the ability of your bank, broker or other record holder to vote your uninstructed shares in the election of directors on a discretionary basis. The rules do *not* permit member brokers to exercise voting discretion with respect to the election of directors or the approval of an equity incentive plan, such as the 2010 Equity and Incentive Plan. Therefore, member brokers may not vote uninstructed shares on these matters. An uninstructed share that is not voted by a broker, bank or other nominee is sometimes referred to as a "broker non-vote." A broker non-vote will not have any effect on the approval or rejection of the proposal. For more information regarding the effect of broker non-votes on the outcome of the vote, see below under "How are votes counted?"

Can I change or revoke my vote after submitting my proxy?

Yes. If you are a record holder or a holder of restricted stock, you may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting, in any of the following ways:

- by submitting a later-dated proxy by Internet or telephone before the deadline stated on the enclosed proxy card;
- by submitting a later-dated proxy to the corporate secretary of the Company, which must be received by us before the time of the annual meeting;

by sending a written notice of revocation to the corporate secretary of the Company, which must be received by us before the time of the annual meeting; or

by voting in person at the meeting.

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If you are a street name holder, please refer to the voting instructions provided to you by your broker, bank, trust company or other nominee.

What vote is required to approve each item of business included in the notice of meeting?

Proposal 1: Election of Directors	The 9 nominees for director will be elected by an affirmative vote of a majority of the votes cast by holders of our Class A common stock present in person or by proxy and entitled to vote on the proposal at the Annual Meeting.
Proposal 2: Approval of 2010 Equity and Incentive Plan	To be approved by our stockholders, this proposal requires the affirmative vote of a majority of the votes cast by holders of our Class A common stock present in person or by proxy and entitled to vote on the proposal at the Annual Meeting.
Proposal 3: Ratification of the Selection of Our Independent Registered Public Accounting Firm	To be approved by our stockholders, this proposal requires the affirmative vote of a majority of the votes cast by holders of our Class A common stock present in person or by proxy and entitled to vote on the proposal at the Annual Meeting.

How are votes counted?

You may either vote "FOR" or "WITHHOLD" authority to vote for each director nominee. You may vote "FOR," "AGAINST" or "ABSTAIN" on the other proposals. If you properly submit your proxy but withhold authority to vote for one or more director nominees or abstain from voting on one or more of the proposals, your shares will be counted for purposes of determining both (i) the presence or absence of a quorum for the transaction of business and (ii) the total number of shares present in person or by proxy at the Annual Meeting with respect to a proposal, and, therefore, will have the effect of votes against the proposal. If you do not submit your proxy or voting instructions and also do not vote by ballot at the annual meeting, your shares will not be counted as present at the meeting for the purpose of determining either (i) the presence or absence of a quorum for the transaction of business and (ii) the total number of shares present in person or by proxy at the Annual Meeting with respect to a proposal unless you hold your shares in street name and the broker, bank, trust or other nominee has discretion to vote your shares and does so. For the avoidance of doubt, broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting but will have no effect on the outcome of the vote for any proposal. For more information regarding discretionary voting, see the information above under "What if I do not specify how I want my shares voted?"

What constitutes a quorum for the meeting?

Under Delaware law and the Company's by-laws, the presence of a quorum is required to transact business at the Annual Meeting. A quorum is defined as any number of stockholders, together holding at least a majority of the capital stock of the Company issued and outstanding and entitled to vote, who shall be present in person or represented by proxy at the Annual Meeting.

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Will my vote be kept confidential?

Yes. We have procedures to ensure that, regardless of whether you vote by Internet, telephone, mail or in person:

- all proxies, ballots and voting tabulations that identify stockholders are kept permanently confidential, except as disclosure may be required by federal or state law or expressly permitted by a stockholder; and

- voting tabulations are performed by an independent third party.

How can I attend the meeting?

All of our stockholders are invited to attend the annual meeting. You may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name, you also may be asked to present proof of ownership to be admitted to the meeting. A brokerage statement or letter from your broker, bank, trust or other nominee proving ownership of the shares on April 20, 2010, the record date, are examples of proof of ownership.

To help us plan for the meeting, please let us know whether you expect to attend, by responding affirmatively when prompted during Internet or telephone voting or by marking the attendance box on the proxy card.

Who pays for the cost of proxy preparation and solicitation?

Cowen Group, Inc. pays for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone or facsimile or personally. Our directors, officers and regular employees will receive no additional compensation for their services other than their regular compensation.

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ITEM 1 ELECTION OF DIRECTORS

The number of directors currently serving on our Board of Directors is ten. Promptly following the 2010 Annual Meeting of Shareholders, the number of directors constituting the Board will be nine. On November 2, 2009, the transactions (which we refer to as the Transactions) contemplated by the Transaction Agreement and Plan of Merger, dated as of June 3, 2009, by and among the Company, Ramius LLC , a wholly owned subsidiary of the Company (f/k/a Park Exchange LLC, which we refer to as Ramius), Cowen Holdings, following the Transactions, a wholly owned subsidiary of the Company (f/k/a Cowen Group, Inc., which we refer to as Cowen), RCG Holdings LLC (which we refer to as RCG) and Lexington Merger Corp., a wholly owned subsidiary of the Company, were consummated including (1) the merger of Lexington Merger Corp. with and into Cowen Holdings, pursuant to which each outstanding share of common stock of Cowen Holdings, Inc. was converted into one Class A common stock of the Company and (2) the transfer by RCG of substantially all of its assets and liabilities to Ramius in exchange for the Company's issuance to RCG of 37,536,826 shares of Class A common stock of the Company. Except for the initial appointment of directors in connection with the Transactions, the members of our Board of Directors are elected to serve a one-year term or until their successors are elected and qualified.

Peter A. Cohen, Jules B. Kroll, David M. Malcolm, Jerome S. Markowitz, Jack H. Nusbaum, Edoardo Spezzotti, John E. Toffolon, Jr. and Joseph R. Wright have been nominated for re-election to the Board to serve until our 2011 annual meeting of shareholders or until their successors are elected and qualified. Each of the nominees has agreed to serve as a director if elected. Our Board, upon the recommendation of our Nominating and Corporate Governance Committee, is nominating Steven Kotler for election as a director by shareholders at our Annual Meeting. Mr. Kotler was recommended to our Nominating and Corporate Governance Committee by Jerome S. Markowitz, a current member of the Cowen Group, Inc. Board of Directors. If, for any reason, any nominee becomes unable to serve before the annual meeting occurs, the persons named as proxies may vote your shares for a substitute nominee selected by our Board of Directors.

L. Thomas Richards, M.D. and Charles W.B. Wardell, III, two of our current directors, have advised the Nominating and Governance Committee that they do not wish to stand for re-election to our Board of Directors at our Annual Meeting. Neither Dr. Richards' nor Mr. Wardell's decision not to stand for re-election involved any disagreements with the Company, our management or the Board of Directors. Therefore, each of Dr. Richards' and Mr. Wardell's service as a director will terminate on the date of our 2010 meeting.

The Board of Directors recommends a vote FOR the election of the director nominees. Proxies will be voted FOR the election of the nominees unless otherwise specified.

Each nominee to our Board of Directors brings unique capabilities to the Board. The Board believes that the nominees as a group have the experience and skills in areas such as business management, strategic development, corporate governance, leadership development, asset management, investment banking, finance and risk management and other relevant experience required to build a Board that is effective and responsive to the needs of the Company. In addition, the Board believes that each of our directors possesses sound judgment, integrity, high standards of ethics and a commitment to representing the long-term interests of our shareholders.

Set forth below is biographical information for each of the nominees for election as director and for the directors who will not stand for reelection. All ages are as of April 20, 2010.

PETER A. COHEN. Age 63. Mr. Cohen serves as Chairman of the Company's Board of Directors and Chief Executive Officer of Cowen Group. Mr. Cohen is a founding principal of RCG. From November 1992 to May 1994, Mr. Cohen was Vice Chairman and a director of Republic New York Corporation, as well as a member of its executive management committee. Mr. Cohen was also

Chairman of Republic's subsidiary, Republic New York Securities Corporation. Mr. Cohen was Chairman of the Board and Chief Executive Officer of Shearson Lehman Brothers from 1983 to 1990. Over his career, Mr. Cohen has served on a number of corporate, industry and philanthropic boards, including the New York Stock Exchange, The Federal Reserve International Capital Markets Advisory Committee, The Depository Trust Company, The American Express Company, Olivetti SpA, Telecom Italia SpA, Kroll, Inc. and L-3 Communications. He is presently a Trustee of Mount Sinai Medical Center, Vice Chairman of the Board of Directors of Scientific Games Corporation and a Director of Safe Auto Insurance. Mr. Cohen provides the Board with extensive experience as a senior leader of large and diverse financial institutions, and, as Chief Executive Officer, he will be able to provide in-depth knowledge of the Company's business and affairs, management's perspective on those matters and an avenue of communication between the Board and senior management.

STEVEN KOTLER. Age 63. Mr. Kotler currently serves as Vice Chairman of the private equity firm Gilbert Global Equity Partners, which he joined in 2000. Prior to joining Gilbert Global, Mr. Kotler, for 25 years, was with the investment banking firm of Schroder & Co. and its predecessor firm, Wertheim & Co., where he served in various executive capacities including President & Chief Executive Officer, and Group Managing Director and Global Head of Investment and Merchant Banking. Mr. Kotler is a Director of CPM Holdings, an international agricultural process equipment company; a Capital Partner of The Archstone Partnerships; and, Vice Chairman of Stone Tower Capital. Mr. Kotler is a member of the Council on Foreign Relations; and, from 1999-2002, was Council President of The Woodrow Wilson International Center for Scholars. Mr. Kotler has previously served as a Governor of the American Stock Exchange, The New York City Partnership and Chamber of Commerce's Infrastructure and Housing Task Force, The Board of Trustees of Columbia Preparatory School; and, the Board of Overseers of the California Institute of the Arts. Mr. Kotler also previously served as a Director of Cowen Holdings from September 2006 until June 2007. Mr. Kotler provides the Board with extensive experience in leading an international financial institution and expertise in private equity.

JULES B. KROLL. Age 68. Mr. Kroll is Chairman of the Board of John Jay College Foundation. Since 2008, Mr. Kroll has been the President of JEMKroll Group, a family consultancy. Mr. Kroll has also been a member of the advisory board of Metalmark Capital Partners, a private equity firm, since 2007. Mr. Kroll founded Kroll Inc. in 1972, where he served as the Chairman of the Board of Directors and Chief Executive Officer until its acquisition by Marsh & McLennan Company in 2004. Following the acquisition of Kroll Inc., Mr. Kroll served as the Vice Chairman of Marsh Inc. and as a member of Marsh McLennan International Advisory Board until his retirement from those positions in 2008. Mr. Kroll is a former Chairman of the Board of the Georgetown Law Center. Mr. Kroll provides the Board with significant public company experience, including extensive experience in risk management.

DAVID M. MALCOLM. Age 62. Mr. Malcolm serves as Chief Executive Officer and President of Cowen and Company, LLC, Cowen Group's broker-dealer subsidiary. Mr. Malcolm was previously President and Chief Executive Officer of Cowen Holdings and had been serving in that position since March 4, 2008. Mr. Malcolm has also served as Chairman, Chief Executive Officer and President of Cowen and Company since March 4, 2008. Mr. Malcolm previously served as Cowen Holding's Executive Vice Chairman from October 2006 until he took over as President and Chief Executive Officer of Cowen Holdings. From 2001 through 2006, Mr. Malcolm served as Head of Investment Banking. He joined Cowen Holdings in 2000 as Chairman of the Executive Committee from Société Générale, where he served as Head of Leveraged Finance. Prior to joining Société Générale in 1996, Mr. Malcolm was a Senior Managing Director at Bear Stearns. Mr. Malcolm also served as a Managing Partner of Anthem Partners, L.P., an advisory investment banking boutique. Prior to that, Mr. Malcolm was a Managing Director of The First Boston Corporation, where he founded and ran the High Yield Finance Group. Mr. Malcolm provides the Board with extensive experience in the Company's broker-dealer businesses.

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JEROME S. MARKOWITZ. Age 70. Mr. Markowitz has been a Senior Partner at Conifer Securities LLC, a boutique servicing the operational needs of investment managers, since 2006. From 1998 to 2006, Mr. Markowitz was actively involved in managing a private investment portfolio. Prior to 1998, Mr. Markowitz was Managing Director and a member of the executive committee at Montgomery Securities and was responsible for starting their private client, high yield, equity derivatives and prime brokerage divisions. Prior to joining Montgomery, Mr. Markowitz was a Managing Director of L.F. Rothschild's Institutional Equity Department. Mr. Markowitz is a director and serves on the investment committee of Market Axess Inc., and also formerly served on the advisory board of Thomas Weisel Partners Group, Inc. Mr. Markowitz provides the Board with extensive experience in asset management and investment banking, as well as experience as a public company director.

JACK H. NUSBAUM. Age 69. Mr. Nusbaum is a Senior Partner of the New York law firm of Willkie Farr & Gallagher LLP and a member of the Executive Committee. Mr. Nusbaum served as the firm's Chairman from 1987 through 2009 and has been a partner in that firm for more than thirty years. Willkie Farr & Gallagher LLP is outside counsel to Cowen Group. Mr. Nusbaum is also a director of W. R. Berkley Corporation. Mr. Nusbaum provides the Board with experience as senior management of an international law firm and provides extensive corporate governance experience.

EDOARDO SPEZZOTTI. Age 57. Mr. Spezzotti has been with the Unicredit Group since 2006 and is an Executive Vice President. Mr. Spezzotti is the Vice Chairman of Corporate and Investment Banking (CIB), a position he has held since January 1, 2010, is a member of the CIB Executive Committee, responsible for CIB for the Americas and Asia. He held the position of Global Head of Markets & Investment Banking Division until its merger with the Corporate Banking Division in March 2009 and from April to December 2009 he was responsible for the integration of the two divisions. Prior to joining the UniCredit Group, Mr. Spezzotti was a managing partner at Esfin LLP, a corporate finance firm founded in 2004. During his extensive career in finance, Mr. Spezzotti has worked at Merrill Lynch and at Goldman Sachs in various senior positions for Italy and for the EMEA region in the Investment Banking, Private Banking and Asset Management areas and has advised clients on numerous benchmark mergers, acquisitions and capital markets transactions. Mr. Spezzotti is BA Alpine Holdings, Inc.'s appointee to the Board. In addition, Mr. Spezzotti provides the Board with extensive international investment banking and corporate finance experience.

JOHN E. TOFFOLON, JR. Age 59. Mr. Toffolon served as non-Executive Chairman of Cowen Holdings from July 2008 through the closing of the Transactions. Mr. Toffolon previously served as Cowen Holding's Lead Independent Director from June 2007 until his appointment as Chairman, and has been a member of Cowen Holding's Board of Directors and has served as the Chairman of Cowen Holding's Audit Committee since September 2006. Since May 2009, Mr. Toffolon has served as a member of the Board of Directors and as the Chairman of the audit committee of Westway Group, Inc., a leading global provider of bulk liquid storage services. Previously, Mr. Toffolon, in his capacity as a partner of The Shermen Group, served as the Chief Financial Officer and a member of the Board of Directors of Shermen WSC Acquisition Corp. since August 2006 until the business combination with Westway in May 2009. From 2001 to 2003, Mr. Toffolon served as an advisor to the Chairman and Chief Executive Officer of Royster-Clark, Inc., a privately-held chemicals distribution company. From 1992 to 2000, Mr. Toffolon served in various capacities, including Executive Managing Director, Chief Financial Officer and Chief Administrative Officer for Nomura Holding America, Inc. and Nomura Securities International, Inc. Mr. Toffolon also served as a member of the Boards of Directors of both Nomura companies. From 1979 to 1990, Mr. Toffolon worked at The First Boston Corporation as a Managing Director in various capacities, including Chief Financial Officer and served on the Management and Capital Commitment Committees. Mr. Toffolon, our Lead Director, has significant public company experience as well as expertise in risk management and finance. The Board also determined that Mr. Toffolon is an Audit Committee financial expert under the applicable rules of the SEC.

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JOSEPH R. WRIGHT. Age 70. Mr. Wright serves as a senior advisor to The Chart Group. Mr. Wright previously served as Chief Executive Officer of Scientific Games Corporation, a supplier of technology-based products, systems and services to gaming markets worldwide, from January 1 2009 through December 31, 2009 and has served as Vice Chairman of Scientific Games Corporation's Board of Directors since May 1, 2008, of which he has been a member since 2004. From July 2006 through April 2008, he served as Chairman of Intelsat, Ltd., the world's largest provider of satellite services, and as Chief Executive Officer of PanAmSat Corporation from August 2001 until it was combined with Intelsat in July 2006. Mr. Wright was the Chairman of GRC International, Inc. from 1996 to March 2000 and was an Executive Vice President and Vice Chairman of W.R. Grace & Co. from 1989 to 1994. Mr. Wright was a member of President Reagan's Cabinet, was Director and Deputy Director of the White House Office of Management and Budget from 1982 to 1989 and was Deputy Secretary of the Department of Commerce from 1981 to 1982. He received the Distinguished Citizens Award from President Reagan in 1988. Mr. Wright is a director of Terremark Worldwide, Inc. and Federal Signal Corporation. Mr. Wright provides the Board with significant senior management expertise as well as experience as a director of a public company. He also provides the Board with significant experience in public affairs.

DIRECTORS NOT STANDING FOR RE-ELECTION

L. THOMAS RICHARDS, M.D. Age 40. Dr. Richards served as a director of Cowen Holdings since September 12, 2006. Dr. Richards is an Emergency Medicine physician on the Faculty of UCSF Medical Center. Dr. Richards is a 2003 graduate of Harvard Medical School and a graduate of Yale College. Prior to attending medical school, Dr. Richards was an investment banker in the Mergers & Acquisitions departments of several firms, including Lazard Frères & Co, UBS Securities LLC and Cowen and Company.

CHARLES W.B. WARDELL, III. Age 64. Mr. Wardell served as a director of Cowen Holdings since July 2006. Mr. Wardell is the Senior Advisor to the Chief Executive Officer and Chairman of Emerging Markets at Korn/Ferry International. Korn/Ferry International is an executive search firm with more than 70 offices throughout the world. Mr. Wardell has nine years of service with Korn/Ferry. Prior to joining Korn/Ferry, Mr. Wardell held senior positions at a number of firms, including Nordeman Grimm, American Express, Travelers, Mastercard International and Citicorp. Mr. Wardell also served as Deputy Special Assistant and Staff Assistant to Presidents Nixon and Ford, Administrative Aide to General Alexander Haig and Richard Cheney when they served as President Nixon's and Ford's Chief of Staff, respectively, and was appointed by President Ford as a Deputy Assistant Secretary of State. Mr. Wardell graduated from Harvard College and was honorably discharged as an officer in the Army after distinguished service in Vietnam. Mr. Wardell also serves on the Board of General Employment Enterprises.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our Board of Directors believes that good corporate governance is important to ensure that Cowen Group, Inc. is managed for the long-term benefit of its stockholders. This section describes key corporate governance guidelines and practices that our Board has adopted. Complete copies of our Corporate Governance Guidelines, the charters of our Audit, Compensation, Nominating and Corporate Governance Committees and our Code of Ethics and Business Conduct are available on the investor relations section of our website, www.cowen.com. Alternatively, you can request a copy of these documents by writing to Cowen Group, Inc., Attn: Corporate Secretary, 599 Lexington Avenue, New York, NY, 10022.

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Corporate Governance Guidelines

Our Board has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of the Company and our stockholders. These guidelines, which provide a framework for the conduct of the Board's business, provide that:

- the Board's goal is to oversee and direct management in building long-term value for the Company's stockholders;
- a majority of the members of the Board shall be independent directors;
- the independent directors shall meet regularly in executive session;
- directors have access to management and, as appropriate, to the Company's outside advisors;
- new directors participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and
- at least annually, the Board and its committees conduct a self-evaluation to determine whether they are functioning effectively.

Director Independence

Under applicable Nasdaq Stock Market rules, a director will only qualify as an "independent director" if, in the opinion of our Board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our Board has determined that none of Messrs. Kotler, Kroll, Markowitz, Nusbaum, Toffolon or Wright currently has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an "independent director" as defined under Rule 4200(a)(15) of the Nasdaq Stock Market, Inc. Marketplace Rules.

BA Alpine Holdings, Inc. and its affiliates have the right to designate one director for nomination to the Cowen Group board of directors, currently Mr. Spezzotti, until certain of its affiliates own less than 4.9% of the outstanding common stock of Cowen Group (including shares held by RCG that are attributable to BA Alpine Holdings, Inc.) throughout any consecutive ninety-day period. Cowen Group has agreed to nominate the BA Alpine Holdings, Inc. designee as part of the slate of directors proposed by Cowen Group in connection with any vote to elect the board of directors of Cowen Group, and RCG has agreed to vote all of the shares of our Class A common stock that it holds in favor of the election of such nominee.

Messrs. Cohen and Malcolm cannot be considered independent directors under Nasdaq Stock Market rules because Mr. Cohen is employed as our Chief Executive Officer and Mr. Malcolm is employed as the Chief Executive Officer and President of Cowen and Company, LLC, the Company's broker-dealer subsidiary. Therefore, the Board of Directors has determined that six of our nine director nominees are independent.

Board Leadership Structure

Mr. Cohen serves in the combined roles of chairman and chief executive officer. We believe that Mr. Cohen's combined service as chairman and chief executive officer provides the Company with (i) a unified strategic and operating focus, (ii) the benefit of clarity in the management structure of the organization, and (iii) consistency of communications to shareholders, customers, regulators and other constituencies. This structure also best assures that the leader of the organization is closely connected with both the Company's senior level managers and the Board and is therefore better able to appreciate and balance the perspectives of both groups. To establish a liaison between the non-management directors and the Chairman and CEO and thus facilitate effective communication between them, as well as to facilitate the deliberations of the non-management directors in executive session, the Board also appoints a lead director who is independent. This position is currently held by Mr. Toffolon.

The Board's Role in Risk Oversight

Our Board's oversight of our risk management processes is effected primarily through our Audit Committee. Our Audit Committee periodically meets with senior executives responsible for risk oversight to review and discuss the material risks facing the Company, including operational, market, credit, liquidity, legal and regulatory risks, and to assess whether management has reasonable controls in place to address these risks. The Audit Committee is also responsible for ensuring that management has established processes and an enterprise risk management framework and governance structures designed to identify, bring to the Board's and/or the Audit Committee's attention, and appropriately manage, monitor, control and report exposures to the major risks affecting Cowen Group. In addition to the Audit Committee, the Compensation Committee separately reviews and discusses with management whether our compensation arrangements are consistent with effective controls and sound risk management.

Board Meetings and Attendance

Our Board met three times from November 2, 2009 through December 31, 2009. From the date of each director's appointment through December 31, 2009, each director attended at least 75% of the aggregate number of Board meetings and the number of meetings held by all committees on which he then served.

Director Attendance at Annual Meeting of Stockholders

Because we are a new public company, our annual meeting to be held on June 7, 2010 will be our first annual meeting of stockholders. Our Corporate Governance Guidelines provide that directors are invited and encouraged to attend the annual meeting of stockholders.

Committees of the Board

Our Board has established three standing committees Audit, Compensation, and Nominating and Corporate Governance each of which operates under a charter that has been approved by our Board. Current copies of each committee's charter are posted on the investor relations section of our website, www.cowen.com. Alternatively, you can request a copy of these documents by writing to Cowen Group, Inc., Attn: Corporate Secretary, 599 Lexington Avenue, New York, NY, 10022.

Audit Committee

The Audit Committee's responsibilities include:

- being directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- reviewing the performance of the independent registered public accounting firm and making the decision to replace or terminate the independent registered public accounting firm or the lead partner;
- evaluating the independence of the registered public accounting firm;

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- reviewing and discussing with management and the independent registered public accounting firm and the head of the Company's internal audit department all critical accounting policies and practices;
- reviewing the adequacy and effectiveness of the Company's accounting and internal control policies and procedures;
- discussing our risk management policies;
- reviewing and discussing with the independent registered public accounting firm the results of the year-end audit of the Company;
- establishing and implementing policies and procedures for the Committee's review and approval or disapproval of proposed related party transactions; and
- preparing the audit committee report required by SEC rules, which is included on page 40 of this proxy statement.

The current members of our Audit Committee are Messrs. Toffolon (Chairperson), Markowitz, Wardell and Dr. Richards. Our Board of Directors has determined that Mr. Toffolon is an "audit committee financial expert" as defined by applicable SEC rules. Our Audit Committee met one time from November 2, 2009 through December 31, 2009.

Our Board has determined that all of the members of the Board's Audit Committee are independent as defined under the rules of the Nasdaq Stock Market, and the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934, or the Exchange Act.

Compensation Committee

The Compensation Committee's responsibilities include:

- annually reviewing the goals and objectives of the Company's executive compensation plans;
- annually reviewing the Company's executive compensation plans in light of the Company's goals and objectives;
- annually evaluating the CEO's and other executive officers' performance and determining and approving the CEO's and other executive officers' compensation level based on such evaluation;
- overseeing and administering our equity and incentive compensation plans, with the oversight of the full Board of Directors;
- annually reviewing the compensation process of the Company's equity research personnel to ensure compliance with applicable laws, rules and regulations;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis," which is included beginning on page 19 of this proxy statement; and

preparing the compensation and benefits committee report required by SEC rules, which is included on page 28 of this proxy statement.

The processes and procedures followed by our Compensation Committee in considering and determining executive and director compensation are described below under the heading "Executive and Director Compensation Processes" on page 13 and in the Compensation Discussion and Analysis section beginning on page 19.

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The current members of our Compensation Committee are Messrs. Markowitz (Chairperson), Kroll, Spezzotti, Toffolon and Wardell. Our Compensation Committee met one time from November 2, 2009 through December 31, 2009 and acted by unanimous written consent once.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's responsibilities include:

- assisting in identifying, recruiting and interviewing director candidates, including persons suggested by stockholders;
- reviewing the background and qualifications of individuals being considered as director candidates;
- recommending to the Board the director nominees for election;
- annually reviewing with the Board the composition of the Board as a whole;
- recommending to the Board the size and composition of each standing committee of the Board;
- annually reviewing committee assignments and the policy with respect to the rotation of committee memberships and/or chairmanships;
- making recommendations on the frequency and structure of Board meetings;
- monitoring the functioning of the committees of the Board;
- annually reviewing the Corporate Governance Guidelines and recommending any changes to the Board; and
- overseeing the self-evaluation of the Board as a whole and the self-evaluation of each Board committee.

The processes and procedures followed by the Nominating and Corporate Governance Committee in identifying and evaluating director candidates are described below under the heading "Director Nomination Process" on page 14 of this proxy statement.

The current members of our Nominating and Corporate Governance Committee are Messrs. Nusbaum (Chairperson), Kroll, Spezzotti and Dr. Richards. Our Nominating and Corporate Governance Committee did not meet from November 2, 2009 through December 31, 2009. At a meeting held on April 20, 2010, the Nominating and Corporate Governance Committee approved the recommendation of Mr. Kotler to the Board of Directors for election as a director by shareholders at our Annual Meeting.

Cowen Group is currently operating under an exemption available to newly-public companies with respect to the composition of our Compensation and Nominating and Corporate Governance Committees under the applicable NASDAQ Stock Market rules solely for the purpose of including Mr. Spezzotti, the director designated by BA Alpine Holdings, Inc., as a member of each of the Compensation Committee and the Nominating and Corporate Governance Committee. Our Board of Directors has determined that each other member of each of the Compensation and the Nominating and Governance Committees other than Mr. Spezzottu is independent. This exemption will expire on November 2, 2010, at which time both the Compensation and Nominating and Corporate Governance Committees will be required to be composed solely of independent directors.

Executive and Director Compensation Processes

For a discussion of our process relating to executive officer compensation, please see "Compensation Discussion and Analysis" included elsewhere in this proxy statement.

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The Compensation Committee is responsible for periodically reviewing the level and form of compensation of our non-employee directors, including how such compensation compares to director compensation of companies of comparable size, industry and complexity, and for making recommendations to the Board with respect to such compensation. For a description of the annual compensation paid to each non-employee director, please see "Compensation Program for Non-Employee Directors" below.

The Compensation Committee, has delegated to a New Hire Retention Award Committee limited authority to grant equity awards under our existing equity compensation plans. The members of the New Hire Retention Award Committee are Messrs. Cohen, Markowitz and Spezzotti. The New Hire Retention Award Committee may only grant equity awards in connection with the hiring of new employees, the retention of existing employees and in connection with significant promotions. The New Hire Retention Award Committee may not grant or modify awards to named executive officers or certain other senior employees. Subject to aggregate and individual share limitations established by the Compensation Committee, the New Hire Retention Award Committee has the authority to determine the recipient of the award as well as the type and amount of the award.

Director Nomination Process

The process to be followed by our Nominating and Corporate Governance Committee to identify and evaluate Director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Committee and the Board.

In considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended Director nominees, our Nominating and Corporate Governance Committee will apply the criteria set forth in the Committee's charter and in our Corporate Governance Guidelines. These criteria include the candidate's experience, skills, expertise, diversity, integrity, character, business judgment, time availability, dedication, age, conflicts of interest, reputation for honesty and ethical conduct, material relationships with the Company and independence from management and the Company. The Committee will not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. Our Board believes that the backgrounds and qualifications of its Directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow it to fulfill its responsibilities. Our Corporate Governance Guidelines require that if there is a significant change in a Director's primary job responsibilities, that director must notify the Board of Directors and the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee may recommend to the Board that the director tender his or her resignation. In addition, our Corporate Governance Guidelines require that any Director attaining the age of 75 must annually tender his or her proposed retirement from the Board, and the Nominating and Corporate Governance Committee shall recommend to the Board whether it should accept such proposed retirement or request that the director continue to serve on the Board.

Stockholders may recommend individuals to our Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting to the Nominating and Corporate Governance Committee the proposed director's name, age, business address, principal occupation and principal qualifications. The stockholder making the recommendation must include a statement as to the amount of shares beneficially owned by the stockholder and a statement as to whether the proposed director has consented to serve as a director if elected. Stockholders should send all notices to the Nominating and Corporate Governance Committee, c/o Corporate Secretary, Cowen Group, Inc., 599 Lexington Avenue, New York, NY, 10022. Stockholders may make recommendations at any time, but recommendations for consideration as nominees at the next annual meeting of

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stockholders must be received not less than 120 days before the first anniversary of the date that the proxy statement was first mailed to stockholders in connection with the previous year's annual meeting. Assuming that appropriate biographical and background material has been provided on a timely basis, the Nominating and Corporate Governance Committee will evaluate stockholder-recommended candidates by following the same process, and applying the same criteria, as it follows for candidates submitted by others. If the Board determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in the Company's proxy card for the next annual meeting.

Stockholders also have the right under our bylaws to directly nominate director candidates, without any action or recommendation on the part of the Nominating and Corporate Governance Committee or the Board, by following the procedures set forth under "Procedures for Nominating Director Candidates."

At the Annual Meeting, stockholders will be asked to consider the election of nine directors who have been nominated for election as directors for the first time. All of the nominated directors, with the exception of Mr. Kotler, were appointed as directors following the Transactions.

Procedures for Nominating Director Candidates

Stockholders may directly nominate a person for election to our Board by complying with the procedures set forth in Article III, Section 3 of our bylaws, and with the rules and regulations of the SEC. Under our bylaws, only persons nominated in accordance with the procedures set forth in the bylaws will be eligible to serve as directors. In order to nominate a candidate for service as a director, you must be a stockholder at the time you give the Board notice of your nomination, and you must be entitled to vote for the election of directors at the meeting at which your nominee will be considered. In accordance with our bylaws, director nominations generally must be made pursuant to notice to our Corporate Secretary delivered to or mailed and received at our principal executive offices at 599 Lexington Avenue, New York, NY, 10022, not later than the 90th day, nor earlier than the 120th day, prior to the first anniversary of the prior year's annual meeting of stockholders. Your notice must set forth (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class or series and number of shares of capital stock of Cowen Group, Inc. owned beneficially or of record by the nominee, and (iv) all other information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

Procedures for Contacting the Board of Directors

Our Board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. The Chairman of the Board of Directors, with the assistance of our General Counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the General Counsel considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our Board should address such communications to Board of Directors, c/o Corporate Secretary, Cowen Group, Inc., 599 Lexington Avenue, New York, NY, 10022.

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Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We have posted a current copy of the code on our website, www.cowen.com. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq Stock Market listing standards concerning any amendments to, or waivers from, any provision of the code. You may also request a copy of the code by writing to Cowen Group, Inc., Attn: Corporate Secretary, 599 Lexington Avenue, New York, NY 10022.

Director Compensation

The following table contains compensation information for our non-employee Directors for the period from November 2, 2009 through December 31, 2009. Each Director was paid in cash for this period.

Director	Fees Earned or Paid in Cash ($)	Total ($)
Jules B. Kroll	16,667	16,667
Jerome S. Markowitz	17,500	17,500
Jack H. Nusbaum	17,500	17,500
L. Thomas Richards	16,667	16,667
John E. Toffolon, Jr.	18,333	18,333
Charles W.B. Wardell, III	16,667	16,667
Joseph R. Wright	16,667	16,667

Our Directors receive annual compensation of $100,000. The Chairman of each of the Compensation Committee and the Nominating and Corporate Governance Committee receives additional compensation of $5,000 per annum and the Chairman of the Audit Committee receives additional compensation of $10,000 per annum. Compensation is generally payable, at the Director's election, 50% in cash and 50% in Restricted Stock Units or 100% in Restricted Stock Units; however, as noted in the table above, all director compensation for the short 2009 fiscal year was paid in the form of cash. It is anticipated that Restricted Stock Units granted to directors will vest on a quarterly basis over a one-year period; however, except in the event of death, the underlying shares of Cowen Group, Inc. Class A common stock will not be delivered to the holder for at least one year from the date of grant. These equity awards are intended to further align the interests of our Directors with those of our stockholders. Directors who also are employed as executive officers of the Company receive no additional Director compensation and Mr. Spezzotti, BA Alpine, Inc.'s designee to the Board, also does not receive Director compensation.

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EXECUTIVE OFFICERS OF THE COMPANY

Biographies of the current executive officers of the Company are set forth below, excluding Mr. Cohen's and Mr. Malcolm's biographies, which are included under "Election of Directors" above. Each executive officer serves at the discretion of the Board of Directors.

Morgan B. Stark Age 70

Mr. Stark serves as the Chairman of Ramius Alternative Investments and Head of Macro Trading Strategy since February 8, 2010 and serves as a member of the Executive and Operating Committees of Cowen Group following the closing of the Transactions. Mr. Stark previously served as Chief Executive Officer and President of Ramius LLC. Mr. Stark is a founding principal of RCG. From 1979 to 1988, Mr. Stark held senior management positions at Chemical Bank and in 1989 he became President and CEO of Chemical Securities, Inc., a Section 20 securities subsidiary. From 1993 to 1995, Mr. Stark was a portfolio manager and Managing Director with Granite Capital International Group. Mr. Stark is a former Chairman and member of the United States Treasury Borrowing Advisory Committee of the Bond Market Association. He currently serves as a member of the Investors Advisory Committee on Financial Markets for the Federal Reserve Bank of New York. He previously served as President, Vice President and member of the Board of Directors of the Dealer Bank Association. Mr. Stark's philanthropic activities include his positions as a member of the Board of Directors of the Founders Affiliate (Northeast) of the American Heart Association, member of the Investment Committee of the American Heart Association, member of the Board of Directors and President of the Perlman Music Program and Chairman of the Endowment Committee of the Perlman Music Program.

Thomas W. Strauss Age 67

Mr. Strauss serves as Chief Executive Officer and President of Ramius Alternative Investments since February 8, 2010 and serves as a member of the Executive and Operating Committees of Cowen Group. Mr. Strauss previously served as Chief Executive Officer and President of Ramius Alternative Solutions. Mr. Strauss is a founding principal of RCG. From 1963 to 1991, Mr. Strauss was with Salomon Brothers Inc. where he was admitted as a General Partner in 1972 and was appointed to the Executive Committee in 1981. In 1986, he became President of Salomon Brothers and a Vice Chairman and member of the Board of Directors of Salomon Inc., the holding company of Salomon Brothers and Phibro Energy, Inc. In 1993, Mr. Strauss became Co-Chairman of Granite Capital International Group. Mr. Strauss is a former member of the Board of Governors of the American Stock Exchange, the Chicago Mercantile Exchange, the Public Securities Association, the Securities Industry Association, the Federal Reserve International Capital Markets Advisory Committee and the U.S. Japan Business-Council. He is a past President of the Association of Primary Dealers in U.S. Government Securities. Mr. Strauss currently serves on the Board of Trustees of the U.S.-Japan Foundation and is a member of the Board of Trustees and Executive Committee of Mount Sinai Medical Center and Mount Sinai-NYU Health System.

Stephen A. Lasota Age 47

Mr. Lasota serves as Chief Financial Officer of Cowen Group. Mr. Lasota was appointed Chief Financial Officer in November 2009. Following the consummation of the Transactions, Mr. Lasota was the Chief Financial Officer of Ramius LLC and a Managing Director of the Company. Mr. Lasota began working at RCG in November 2004 as the Director of Tax and was appointed Chief Financial Officer in May 2007. Prior to joining RCG, Mr. Lasota was a Senior Manager at PricewaterhouseCoopers LLP. Mr. Lasota has been working in the accounting industry for over twenty years and is a Certified Public Accountant.

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Marran H. Ogilvie Age 41

Ms. Ogilvie serves as a member of the Operating Committee of the Company. Ms. Ogilvie joined RCG in 1994 and served as its General Counsel from 1997 to 2008. Ms. Ogilvie served as Chief Operating Officer of RCG from 2007 until November 2009. Ms. Ogilvie served as Chief of Staff of the Company from November 2009 until April 2010. In addition, she is a member of the American Bar Association and the New York State Bar Association. Ms. Ogilvie has advised the Company that she will be leaving to pursue other interests.

Jeffrey M. Solomon Age 44

Mr. Solomon serves as Chief Operating Officer, Chief Strategy Officer, Chairman of the Investment Committee and as a member of the Operating Committee of the Company. Mr. Solomon is a founding principal of RCG. From 1991 to 1994, Mr. Solomon was at Republic New York Securities Corporation, the brokerage affiliate of Republic National Bank (now part of the HSBC Group), where he served as Chief Administrative Officer, Head of Corporate Development and Strategic Planning. Prior to joining Republic, Mr. Solomon was in the Mergers and Acquisitions Group at Shearson Lehman Brothers. Currently, Mr. Solomon serves on the Boards of Directors of Hale & Hearty Soups, NuGo Nutrition and Tollgrade Communications, Inc. Mr. Solomon also serves on the Technical Advisory Group of the Committee on Capital Markets Regulation.

Christopher A. White Age 45

Mr. White serves as Chief of Staff and as a member of the Operating Committee of the Company. From November 2009 until April 2010, Mr. White served as Chief Operating Officer of the Company. In November 2009, Mr. White served as the Chief Financial Officer of the Company. Mr. White served as the Vice President of Cowen Holdings since its formation in February 2006 and was a member of the operating committee and Office of the Chief Executive. Mr. White served as Chief of Staff of Cowen and Company and its predecessor entities from December 2005 and as Chief Administrative Officer of Cowen and Company and its predecessor entities from June 2006 to November 2009. Mr. White served as a member of SG Capital Partners, the Merchant Banking Division of Cowen and Company, from 2003 to December 2005. Prior to joining the Merchant Banking Division, Mr. White was in the Equity Capital Markets Group of Cowen and Company. Prior to joining Cowen in 1999, Mr. White worked at Salomon Smith Barney in the Equity Capital Markets Group. In addition, Mr. White has seven years experience as a practicing securities and mergers and acquisitions lawyer. Mr. White serves as a Director of Coleman Properties, LLC.

EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

Our "named executive officers" for 2009 consist of the following individuals:

- Peter A. Cohen, who serves as our Chairman, Chief Executive Officer and President;
- Stephen A. Lasota, who serves as our Chief Financial Officer;
- Christopher A. White, who served as our Chief Financial Officer until November 23, 2009, served as our Chief Operating Officer from November 2009 until April 2010 and who now serves as our Chief of Staff;
- David M. Malcolm, who serves as the Chief Executive Officer and President of Cowen and Company, LLC, our broker-dealer subsidiary;
- Morgan B. Stark, who serves as the Chairman of Ramius Alternative Investments and Head of Macro Trading Strategy and is a member of the Company's Executive and Operating Committees; and
- Thomas W. Strauss, who serves as the Chief Executive Officer and President of Ramius Alternative Investments and is a member of the Company's Executive and Operating Committees.

Compensation Philosophy and Objectives

Our compensation program, including compensation of our named executive officers, is designed to achieve three objectives:

- ***Pay for Performance.*** A significant portion of the total compensation paid to each named executive officer is variable. The amount of compensation paid is determined based on: (i) the performance of the Company on an absolute basis through a comparison of our results to competitor firms; (ii) an evaluation of each executive officer's contribution to the Company; and (iii) his performance against individualized qualitative goals.
- ***Align Executive Officers' Interests with Stockholders' Interests.*** We believe that deferred compensation aligns the interests of our executive officers with those of our stockholders and ensures that our employees are focused on the long-term performance of the Company. In connection with fiscal 2009 bonus payments, most employees earning at least $250,000 in total compensation for the year, including all of our named executive officers, received a portion of their bonus in deferred equity, subject to service-based vesting requirements. Pursuant to a deferred equity grid approved by the Compensation Committee, the percentage of total compensation paid in deferred equity increases as total compensation increases. The Compensation Committee believes that the payment of a significant portion of an employee's compensation in the form of deferred equity properly aligns the employee's interests with those of the Company's stockholders and effectively mitigates any material risks associated with the Company's compensation practices.
- ***Recruiting and Retention.*** We operate in an intensely competitive industry, and we believe that our success is closely related to our recruiting and retention of highly talented employees and a strong management team. We try to keep our compensation program comparable to industry practices so that we can continue to recruit and retain talented executive officers and employees.

In addition to the objectives noted above, we seek to achieve an appropriate ratio of compensation and benefits expense to revenue on a Company-wide basis, based on the ongoing mix of revenue between broker dealer products, investment management products and revenue generated on our

invested capital. We believe that we can lower the ratio without affecting our other objectives as we grow our assets under management and we experience a more robust investment banking environment.

Our desire to lower our compensation and benefit expense to revenue ratio is always balanced with our stated objectives. Specifically, with respect to our recruitment and retention objective, our Compensation Committee has determined that the success of our business is based largely on the quality of our employees, and as such we must continually monitor the market for their services and seek to offer competitive compensation, because we believe it is in our stockholders' best interest to attempt to minimize employee turnover as a result of paying below market compensation. As a result, we will continue to review our compensation to revenue ratio on a quarterly basis, and there can be no assurance that we will be able to achieve our target levels under difficult market conditions.

Employee compensation and benefits expense as a percentage of total revenues was 68.9% in 2009 (excluding legacy deferred compensation expenses), and while high given the Company's revenues, the Compensation Committee deemed it appropriate in light of the Company's particularized circumstances immediately following the Transactions and during the two-month period of integration between Ramius and Cowen.

Setting Compensation

The Compensation Committee is responsible for approving the compensation paid to our named executive officers as well as certain other highly compensated employees. In making compensation determinations, the Compensation Committee reviews information presented to them by the Company's management, compensation peer group information, external compensation surveys for both investment banking and alternative asset management firms and the recommendations of a compensation consultant engaged by the Committee. The Compensation Committee reviews our compensation and benefits expense to revenue ratio on a quarterly basis and may adjust the targeted compensation and benefits expense to revenue ratio in order to maintain the Company's compensation philosophy of aligning the interests of our executive officers and our stockholders.

As a newly formed company, our compensation program includes certain legacy components of compensation that were previously paid or promised to our named executive officers by Ramius and Cowen prior to the consummation of the Transactions. As the integration of Ramius and Cowen continues, we intend to revisit these legacy elements to determine whether they are consistent with our compensation philosophy and objectives.

Involvement of Executive Officers

Our Chief Executive Officer, in consultation with our Chief Operating Officer, our General Counsel and employees in our Human Resources department, assists the Compensation Committee with its work. These individuals assist the Compensation Committee by presenting information to the Compensation Committee and making recommendations for the Compensation Committee's review and consideration. Such information and recommendations include, among other things, the compensation that should be received by the executive officers and certain other highly compensated employees; performance evaluations by the Chief Executive Officer; financial information regarding the Company that should be reviewed in connection with compensation decisions; the firms to be included in a compensation peer group; and the evaluation and compensation process to be followed by the Compensation Committee. Our Chief Executive Officer is often invited to participate in Compensation Committee meetings; however, he recuses himself from all discussions regarding his own compensation.

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Compensation Consultant

In 2009, the Compensation Committee engaged Compensation Advisory Partners LLC, or CAP, as a compensation consultant to provide peer group analyses, competitive assessments and advice. At the request of the Compensation Committee, CAP assisted in the preparation of and reviewed certain Compensation Committee presentation materials (including the peer group data described below) during 2009 and 2010 and advised the Compensation Committee as to the competitiveness of the base salary and bonus recommendations presented by our Chief Executive Officer, and the competitiveness of the ultimate compensation levels approved by the Compensation Committee for each executive officer (including the Chief Executive Officer) and certain other highly compensated employees.

The Impact of the Transactions on Compensation Determinations

Although the Compensation Committee reviewed the peer group data discussed below to assist with their determinations of appropriate compensation levels for our named executive officers in 2009, the Compensation Committee also determined that compensation decisions must reflect the impact of the Transactions and the importance of retention of our senior employees to the success of the Company. The awareness of the need to retain key executive staff following the Transactions was a significant component of the Compensation Committee's determinations with respect to 2009 compensation. Therefore, the Compensation Committee's determinations regarding 2009 total compensation were primarily focused on the named executive officers' respective contributions to the businesses of Ramius and Cowen in 2009 and the need to retain these key executives during and after the integration process. The Compensation Committee was also sensitive to historical differences between the compensation programs of the two legacy firms following the completion of the Transactions in November 2009, including, for example, the fact that certain of the executives were historically compensated by Ramius as members, not employees.

Compensation Peer Group

In making compensation decisions for 2009, our Compensation Committee reviewed two sets of peer group data. One set of data included a compensation peer group of firms identified by management with which we compete for executive talent. For 2009, our compensation peer group consisted of Greenhill & Co., Inc., Jefferies Group, Inc., Lazard LLC, Broadpoint Gleacher Securities, JMP Securities, Keefe Bruyette & Woods, Inc., Knight Capital Group, Piper Jaffray & Co., Thomas Weisel Partners Group, LLC, The Blackstone Group, Fortress Investment Group and GLG Partners. Management, together with CAP, gathered and provided information to the Compensation Committee relating to the compensation of the executive officers of these peer firms, including annual base salary, annual cash bonus, equity awards and all other compensation. The Compensation Committee considered this data when determining named executive officers' 2009 annual bonuses to ensure that our compensation levels were competitive relative to the compensation paid by our peer group.

The other set of peer group data consisted of external market surveys provided by MGMC, Inc. and McLagen, compensation advisory firms. The MGMC Survey primarily addresses broker-dealer activities and the McLagen Survey primarily addresses alternative asset management activities. These market surveys allowed the Compensation Committee to benchmark each executive officer's total compensation against that of certain boutique investment banks and global investment banks. For 2009, the boutique investment banks included the following firms: Broadpoint Gleacher, CIBC, Evercore, FBR, Greenhill, Jefferies Group, Inc., Leerink Swann, Wachovia Securities, BNP Paribas, Dresdner, Jefferies Group, Inc., JMP Securities, Knight Securities, Lazard LLC, Piper Jaffray & Co. and Thomas Weisel Partners Group, LLC. The global investment banks included the following firms: Bank of America, Barclays Capital, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS. The McLagen asset management firm survey included 140 asset management firms. We use these external market surveys because we compete with companies of various sizes for executive officers and other senior employees. Each executive officer's total compensation for 2008 at Ramius or Cowen, as applicable, the performance of his respective business unit and his compensation recommendation by management to the Compensation Committee for 2009, were compared to: (i) the 2008 average, 25^{th}, 50^{th} and 75^{th} percentile of total compensation of a similarly positioned executive officer at a boutique investment bank; and (ii) the 2008 average, 25^{th}, 50^{th} and 75^{th} percentile of total compensation of an officer with similar functions (but not necessarily the same title) at a global investment bank or asset management firm. The Compensation Committee reviewed such composite market data to determine the market median compensation paid to similarly situated executives. Market data are some of the many factors considered by the Compensation Committee when setting compensation, and the amount paid to each executive officer may be more or less than the composite market median based on the roles and responsibilities of the executive officer, experience level and other factors.

Compensation Program and Payments

Our executive compensation consists of base salary, an annual bonus paid in the form of cash and deferred equity awards, certain legacy pension arrangements and certain limited perquisites and benefits. Mr. Strauss is also eligible to participate in our RAPP Program described in more detail below. In addition, certain of our named executive officers are eligible to receive certain payments upon a termination or change in control.

Base Salary

The purpose of base salary is to provide a set amount of cash compensation for each executive officer that is not variable in nature and is generally competitive with market practices. We seek to limit the base salaries of our named executive officers such that a significant amount of their total compensation is contingent upon the performance of the Company and the named executive officer during the fiscal year. This was consistent with standard practice within the securities and asset management industries and we believe this allowed us to reward performance.

The base salary for each named executive officer, other than Mr. Lasota, whose base salary is $300,000 per year, is set out in his respective employment agreement and is described below. We anticipate that fiscal 2010 base salaries for our other named executive officers will remain the same as their fiscal 2009 base salaries. The Compensation Committee will continue to examine developing trends in base pay as the year progresses.

Annual Bonus and Other Incentive Compensation

The majority of total compensation our named executive officers are eligible to receive is in the form of a discretionary annual bonus. This is consistent with our view that a significant portion of compensation paid is to be based on the performance of the Company and of each executive officer. The annual bonus is paid partially in cash and partially in deferred equity in accordance with a distribution grid established by the Compensation Committee. In prior years, Cowen's senior management developed, and the Cowen compensation committee approved, an equity distribution grid that set forth the percentage of total compensation an employee would receive in the form of equity awards, in lieu of, not in addition to, a cash payment. The equity component of the annual bonus is subject to vesting schedules as discussed below. The equity distribution grid proposed by management for 2009 was discussed and ultimately approved by the Compensation Committee. For fiscal 2009, the equity distribution grid was set such that any employee, regardless of title, earning total compensation in excess of $250,000 would, with rare exception, receive a percentage of his or her compensation over $250,000 in the form of an equity award. According to the equity distribution grid approved by the

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Compensation Committee, the percentage of total compensation that must be paid in equity increases as total compensation increases. For example, according to the fiscal 2009 deferred equity grid, an employee earning in excess of $300,000 in total compensation would receive at least 2.5% of his or her total compensation in the form of an equity award, while an employee earning $1 million or more in total compensation would receive at least 31% of his or her total compensation in the form of an equity award. The Compensation Committee intends to evaluate the deferred compensation formula every year and makes necessary changes both to remain competitive with our peer companies and to continue aligning the interests of our executive officers' with the interests of our stockholders. The Compensation Committee believes that paying a meaningful portion of each such named executive officer's compensation in the form of deferred equity properly aligns management's long-term interests with the interests of our stockholders.

Equity awards relating to fiscal 2009 bonuses were approved in 2010 in the form of restricted stock units vesting as follows: 10% on May 15, 2010, 15% on August 15, 2010, 10% on May 15, 2011, 15% on August 15, 2011, 25% on August 15, 2012 and 25% on August 15, 2013. Management recommended, and the Compensation Committee approved, this vesting schedule, in part, to allow employees, including Ramius employees who were receiving restricted equity for the first time, the opportunity to sell some portion of the equity award into cash during 2010 in order to satisfy potential cash needs. The restricted stock units granted to our named executive officers are contingent upon shareholder approval of the proposed 2010 Equity and Incentive Plan and will not be granted until such approval is received. Accordingly, the vesting schedule for these awards was modified so that the portion of the restricted stock units that would have vested on May 15, 2010, will be immediately vested upon the date of shareholder approval.

At meetings held on January 20, January 27 and February 5, 2010, the Compensation Committee considered and discussed management's compensation recommendations for our named executive officers and certain other highly compensated employees. Following the February 5 meeting, Mr. Cohen had individual follow-up conversations with certain of the Compensation Committee members. On February 10, 2010, the Compensation Committee approved management's recommendations. All cash bonuses relating to fiscal 2009 were paid in February 2010. Restricted stock units to our named executive officers will be awarded in June 2010, provided that shareholders approve the proposed 2010 Equity and Incentive Plan at the annual meeting of shareholders. To eliminate the impact that a significant price change in the market value of our Class A common stock may have on the number of restricted stock units that are intended to be delivered to an employee, the Compensation Committee approved valuing the restricted stock units using the volume-weighted average price for a five trading day period ending on a date in early January, which equaled $5.58 per share.

RAPP Program

Pursuant to the terms of his employment agreement, Mr. Strauss is eligible to participate in the employee profit participation plan of Ramius Alternative Solutions, LLC, a subsidiary of Ramius, known as the RAPP Program, which is offered to certain key employees of Ramius Alternative Solutions, LLC. Pursuant to the RAPP Program employees may be granted a deferred compensation award with a value that is initially determined as a percentage of profits of Ramius Alternative Solutions LLC. Following the initial grant, the value of the deferred amounts is deemed invested in certain products of Ramius Alternative Solutions, LLC, as determined by Ramius Alternative Solutions, LLC. No amounts were earned by Mr. Strauss under the RAPP Program in respect of 2009 performance. The terms of Mr. Strauss's RAPP award for 2010 have not yet been determined.

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Perquisites

Prior to the Transactions, Ramius provided certain perquisites, including reimbursement of group term life and long-term disability insurance and tax and financial planning expenses, and the Company continues to provide these perquisites to certain members of senior management, including Messrs. Cohen, Stark, and Strauss. In addition, Mr. Cohen and Mr. Strauss are provided with a car and driver for business use.

Fiscal-Year Compensation

No portion of the bonuses awarded in restricted stock units to our named executive officers for their fiscal 2009 performance is included in the Summary Compensation Table because the equity awards will be made in 2010. The table below sets forth the total compensation awarded to the named executive officers for their fiscal 2009 performance. These amounts include base salary information for November and December only, following the completion of the Transactions and the grant date fair market value of the entire amount of the equity awards granted to the named executive officer in February 2010 (contingent upon shareholder approval of the 2010 Equity and Incentive Plan) but do not include any amounts for the restricted stock or cash paid to the named executive officers in connection with the Transactions (which are included in the Summary Compensation Table). We believe this information is helpful to understanding how our compensation program rewarded our executive officers for their performance during fiscal 2009, and it reflects the way in which our Compensation Committee views aggregate compensation for our named executive officers on a fiscal-year basis.

Name	Base Salary(1) ($)	Cash Bonus ($)	Restricted Stock Units(2) ($)	Other Compensation(3) ($)	Total Compensation ($)
Peter A. Cohen	83,333	60,242	339,761 (60,889 shares)	22,262	505,598
Stephen A. Lasota	50,000	365,000	295,003 (52,868 shares)(4)		710,003
Christopher A. White	66,666	370,192	179,810 (32,224 shares)		616,668
David M. Malcolm	75,000	351,923	148,082 (26,538 shares)		575,005
Morgan B. Stark	83,333	59,299	290,701 (52,097 shares)	9,613	442,946
Thomas W. Strauss	75,000	146,970	203,034 (36,386 shares)	21,765	446,769

(1) The Base Salary amount reflected in the table represents the salary paid to each named executive officer in November and December, following the completion of the Transactions.

(2) The restricted stock units awarded to our named executive officers in connection with 2009 performance are contingent upon the approval of the proposed 2010 Equity and Incentive Plan and will be awarded on June 7, 2010 if the Plan is approved by the Company's shareholders.

(3) The amounts shown in the "Other Compensation" column are attributable to perquisites and other personal benefits or compensation not reported elsewhere in the table. Perquisites for November and December 2009 for each of Messrs. Cohen, Stark and Strauss include company-provided group term life and long-term disability insurance. Additionally, Mr. Cohen was reimbursed $7,375 and

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Mr. Stark was reimbursed $9,278 for tax and financial planning expenses reimbursed by the Company. Mr. Cohen was reimbursed $14,763 representing 60% of the total cost of a car and driver provided to him for business use and Mr. Strauss was reimbursed $10,549 representing 50% of the total cost of a car and driver provided to him for Company use. The cars and drivers used by Messrs. Cohen and Strauss for business use were available for use by Company personnel at other times for business purposes. "Other Compensation" reported for Mr. Strauss also included an $11,000 company match under the 401(k) plan.

(4) Mr. Lasota received an award of 43,907 restricted stock units in connection with 2009 performance and an award of 8,961 restricted stock units for retention purposes which are contingent upon the approval of the proposed 2010 Equity and Incentive Plan and will be awarded on June 7, 2010 if the Plan is approved by the Company's shareholders.

Determination of Annual Bonuses for 2009

When determining the amount of annual bonus to be paid for fiscal 2009, the Compensation Committee reviewed and considered the following information:

- each named executive officer's contributions to the successful completion of the Transactions;
- historical compensation information for each executive officer at Ramius or Cowen, as applicable;
- the Company's desire to retain certain key employees following the Transactions;
- recommendations of the Chief Executive Officer regarding total compensation of our named executive officers and certain other senior employees, which the Compensation Committee discussed with the Chief Executive Officer;
- the financial performance of the Company (including the legacy companies) during 2009 compared to comparable public companies and other companies in the securities industry;
- external market surveys of total compensation paid by certain boutique investment banks, global investment banks and alternative asset management companies; and
- base salary, cash bonus, equity awards and all other compensation paid by the compensation peer group.

Employment Agreements

Each of our named executive officers, with the exception of Mr. Lasota, entered into an employment agreement with the Company on June 3, 2009 in connection with the Transactions. The agreements provide for base salary, annual bonus opportunities, and other benefits, contain customary restrictive covenants, and provide for benefits upon certain qualifying terminations of employment and, for Messrs. Malcolm and White, a change in control. Pursuant to his employment agreement, Mr. Cohen is entitled to a minimum base salary of $500,000 and a minimum annual performance-based bonus of $250,000; Mr. Malcolm is entitled to a minimum base salary of $450,000 and a minimum annual performance-based bonus of $200,000; Mr. Stark is entitled to a minimum base salary of $500,000 and a minimum annual performance-based bonus of $250,000; and Mr. Strauss is entitled to a minimum base salary of $450,000 and a minimum annual performance based bonus of $500,000. Mr. White is entitled to a minimum base salary of $400,000. The severance and change in control arrangements provided by these employment agreements were offered to the executive officers in contemplation of the Transactions in order to induce the named executive officers to accept and continue employment with the Company following the completion of the Transactions. Additionally, the

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severance and change in control arrangements are intended to retain our named executive officers and to provide consideration for certain restrictive covenants that apply following a termination of employment. These agreements were negotiated prior to the Transactions and the formation of the Compensation Committee and were ratified by our Board of Directors at a meeting held on November 5, 2009. For more information, please see the section below titled "Potential Payments Upon a Termination or Change in Control."

Tax Deductibility under Section 162(m) of the Internal Revenue Code

The Internal Revenue Service, pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction for compensation in excess of $1.0 million paid to our Chief Executive Officer and to certain other executive officers whose compensation is required to be reported to our stockholders pursuant to the Exchange Act by reason of being among our four most highly paid executive officers. Our 2007 Equity and Incentive Plan is designed to qualify compensation awarded under our annual incentive program as "qualified performance based compensation" to ensure that the tax deduction is available to the Company. Our proposed 2010 Equity and Incentive Plan is also designed to ensure that compensation awarded under our annual incentive program as "qualified performance based compensation" to ensure that the tax deduction is available to the Company.

2009 Compensation in Connection with the Transactions

Compensation reported in the Summary Compensation Table and elsewhere in this proxy statement reflects several actions taken by the Company, Ramius, or Cowen before or in connection with the Transactions which closed on November 2, 2009. These actions were negotiated prior to the Transactions and the formation of the Compensation Committee and were ratified by our Board of Directors at a meeting held on November 5, 2009. We describe compensation actions before and in connection with the Transactions since they significantly affect the amounts reported in this item. The most significant actions are summarized briefly in this section to provide context.

Management of Ramius and Cowen determined that restricted stock was generally the optimal Transaction-related compensation vehicle to align the long-term and short-term goals of the Company and our other stockholders. The number of shares to be awarded to each named executive officer was determined prior to the completion of the Transactions. As a result, the Compensation Committee was not involved in these determinations.

In connection with the Transactions, RCG allocated to a pool (which we refer to as the REOP Pool) 2,859,426 of the 37,536,826 shares of Class A common stock of the Company received by RCG as consideration in the Transactions. RCG then granted interests in RCG, which represent the right to receive a number of shares of Class A common stock of the Company, to a number of Ramius employees and members including Messrs. Cohen, Stark, and Strauss (who, in connection with the Transactions, waived their ongoing contractual rights to receive a portion of the net profits earned by RCG) and to Mr. Lasota for retention purposes. We refer to these awards as the REOP awards. The REOP awards will vest in two equal installments, subject to continued employment through the applicable vesting date, on each of the second and third anniversaries of the completion of the Transactions, subject to earlier vesting in the event of certain qualifying terminations of employment from the Company. These grants were awarded to Messrs. Cohen, Stark, and Strauss to reflect the overall change in structure of their compensation packages from equity holders of RCG to employees of the Company and represent the right to receive distributions of the Company's Class A common stock pursuant to the provisions of RCG's operating agreement. The interests in RCG are subject to transfer restrictions pursuant to the RCG operating agreement.

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Pursuant to the REOP grants, Messrs. Cohen, Stark, Strauss and Lasota received RCG interests representing 423,195, 423,195, 263,067 and 34,313 shares, respectively, of Class A common stock of the Company. After accounting for their respective deemed contributions to the REOP Pool as members in RCG, the RCG interests received by Messrs. Cohen, Stark, Strauss and Lasota pursuant to the REOP resulted in their being allocated respectively 158,656, 195,791, 112,128 and 31,594 additional shares of Class A common stock of the Company that would not have otherwise been allocated to them if the REOP Pool had not been established. The number of shares of Class A common stock of the Company underlying each REOP award is subject to change in the event that any employee forfeits RCG interests.

Additionally, in connection with the Transactions, certain members of Cowen's senior management, including Messrs. Malcolm and White, received restricted stock awards which were granted under the 2007 Cowen Group, Inc. Equity and Incentive Plan, as amended. Mr. Malcolm's restricted stock award and cash payment were granted in exchange for the waiver of certain contractual rights under his then-existing employment agreement with Cowen. Mr. White's restricted stock award was granted for retention purposes, as he did not have an employment agreement with Cowen at the time of the Transactions.

Mr. Malcolm received a grant of 288,832 restricted shares of the Company's Class A common stock and a cash payment of $1.5 million upon the completion of the Transactions, in lieu of any change in control related payments under his previous employment agreement with Cowen. The restricted stock grant will vest in two equal installments on each of the second and third anniversaries of the completion of the Transactions, subject to earlier vesting if Mr. Malcolm is terminated under specified circumstances or if there is a change in control of the Company.

The Company granted Mr. White 115,533 restricted shares of the Company's Class A common stock upon completion of the Transactions, with the same vesting and other terms as those described above for Mr. Malcolm. In addition, the Company granted Mr. White an additional 68,682 restricted shares of Class A common stock of the Company as a retention award in connection with the consummation of the Transactions. This restricted stock grant will vest in two equal installments on each of the second and third anniversaries of the grant date, December 2, 2009, subject to earlier vesting if Mr. White is terminated under specified circumstances.

The Transaction-related compensation is viewed by the Company as one-time merger-related consideration and therefore is excluded from the computation of our compensation and benefits expense to revenue ratio as well as the Compensation Committee's view of the named executive officers' aggregate fiscal-year compensation as described above.

Under the terms of their employment agreements, Messrs. Malcolm and White agreed not to sell any shares held by them as of the completion of the Transactions or received in respect of equity awards granted prior to the completion of the Transactions until the one-year anniversary of the Transactions, with exceptions for qualifying terminations of their employment, a change in control of the Company, and the payment of taxes. The Company insisted on the inclusion of this provision to promote retention of Messrs. Malcolm and White during a transition period.

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COMPENSATION COMMITTEE REPORT

The Compensation and Benefits Committee has reviewed and discussed the Compensation Discussion and Analysis with management and has recommended to the Board of Directors the inclusion of the Compensation Discussion and Analysis in this proxy statement.

Compensation and Benefits Committee of the Board of Directors of Cowen Group, Inc.
Jerome S. Markowitz, *Chairperson*
Jules B. Kroll
Edoardo Spezzotti
John E. Toffolon, Jr.
Charles W.B. Wardell, III

Summary Compensation Table

The following table sets forth compensation information for our named executive officers for services performed for the Company and its subsidiaries during 2009.

Name & Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Change in Pension Value	Other Compensation	Total ($)
Peter A. Cohen *Chairman, Chief Executive Officer and President*	2009	83,333	60,242	3,089,324	22,303	22,262(4)	3,277,464
Stephen A. Lasota *Chief Financial Officer*	2009	50,000	365,000	250,485	3,018		668,503
Christopher A. White *Former Chief Financial Officer Chief of Staff*	2009	66,666	370,192	1,282,269			1,719,127
David M. Malcolm *Chief Executive Officer and President Cowen and Company, LLC*	2009	75,000	351,923	2,108,474		1,500,000(5)	4,035,397
Morgan B. Stark *Chairman of Ramius Alternative Investments and Head of Macro Trading Strategies, member of the Company's Executive and Operating Committees*	2009	83,333	59,299	3,089,324	26,240	9,613(6)	3,267,809
Thomas W. Strauss *Chief Executive Officer and President of Ramius Alternative Investments, member of the Company's Executive and Operating Committees*	2009	75,000	146,970	1,920,389	27,927	21,765(7)	2,192,051

(1) The salary amount reflected in the table represents salary paid to each named executive officer in November and December, following the completion of the Transactions. From January 1, 2009 through November 1, 2009, Mr. Cohen and Mr. Stark received guaranteed payments with respect to their respective ownership interests in RCG equal to $525,561 and $519,268, respectively, in lieu of salary. From January 1, 2009 through November 1, 2009, Mr. White and Mr. Malcolm were each paid $211,539 in base salary by Cowen. From January 1, 2009 through November 1, 2009, Mr. Lasota was paid $250,000 in base salary by RCG and Mr. Strauss was paid $411,024 in base salary by RCG.

(2) The amounts in this column reflect discretionary cash bonuses paid to the named executive officers in 2010 in respect of performance during the 2009 year.

(3) The entries in the stock awards column reflect the aggregate grant date value of the awards granted in 2009 in connection with the Transactions computed in accordance with FASB ASC 718. For information on the valuation assumptions with respect to awards made, refer to the Company's Share-Based Compensation and Employee Ownership Plans Note it its financial statements included in its Form 10-K for 2009, as filed with the SEC.

(4) Other compensation for Mr. Cohen include company-provided group term life and long-term disability insurance; a $7,375 company reimbursement for tax and financial planning and $14,763 representing 60% of the total cost of a car and driver provided to him for Company use.

(5) Other compensation for Mr. Malcolm included a payment of $1,500,000 upon the close of the Transactions, in lieu of any change in control related payments under his previous employment agreement.

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(6) Other compensation for Mr. Stark includes company-provided group term life and long-term disability insurance; and a $9,278 company reimbursement for tax and financial planning.

(7) Other compensation for Mr. Strauss include company-provided group term life and long-term disability insurance; $10,549 representing 50% of the total cost of a car and driver provided to him for Company use; and an $11,000 company match under the 401(k) plan.

2009 Grants of Plan-Based Awards

The following table provides information regarding grants of plan-based awards made to the named executive officers during fiscal year 2009.

	Grant Date	Corporate Action Date	All Other Stock Awards: Number of Shares of Stock or Units (#)(1)	Grant Date Fair Value of Stock and Option Awards ($)(2)
Peter A. Cohen	11/2/2009	10/30/2009	423,195	3,089,324
Stephen A. Lasota	11/2/2009	10/30/2009	34,313	250,485
Christopher A. White	11/2/2009	6/3/2009	115,533	843,391
	12/2/2009	11/5/2009	68,682	438,878
David M. Malcolm	11/2/2009	6/3/2009	288,832	2,108,474
Morgan B. Stark	11/2/2009	10/30/2009	423,195	3,089,324
Thomas W. Strauss	11/2/2009	10/30/2009	263,067	1,920,389

(1) The entries in the stock awards column reflect the aggregate grant date value of the REOP awards granted in 2009 to Messrs. Cohen, Lasota, Stark and Strauss and the shares of restricted stock granted to Messrs. White and Malcolm following the close of the Transactions computed in accordance with FASB ASC 718. REOP awards and restricted stock awarded in connection with the Transactions will vest in two equal installments on each of November 2, 2011 and November 2, 2012, in each case as long as the award recipient remains employed by the Company and otherwise complies with the terms and conditions of the applicable award agreements. With respect to the award of 68,682 restricted shares of the Company's Class A common stock to Mr. White, this award will vest in two equal installments on each of the second and third anniversaries of the grant date, December 2, 2009.

(2) The entries in the stock awards column reflect the aggregate grant date value of the awards granted in 2009 in connection with the Transactions computed in accordance with FASB ASC 718. For information on the valuation assumptions with respect to awards made, refer to the Company's Share-Based Compensation and Employee Ownership Plans Note it its financial statements included in its Form 10-K for 2009, as filed with the SEC.

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Outstanding Equity Awards at 2009 Fiscal Year End

The following table contains certain information regarding equity awards held by the named executive officers as of December 31, 2009.

Option Awards			Stock Awards
Number of Securities Underlying Uncercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares that have Not Vested (#)