

COWEN GROUP, INC.
Form 10-Q/A
December 07, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q/A

Amendment No. 1

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-34516

Cowen Group, Inc.

(formerly LexingtonPark Parent Corp.)
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

27-0423711
(I.R.S. Employer Identification No.)

599 Lexington Avenue
New York, New York
(Address of Principal Executive Offices)

10022
(Zip Code)

(212) 845-7900

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of November 23, 2009, there were 56,397,411 shares of the registrant's common stock outstanding.

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EXPLANATORY NOTE TO AMENDMENT NO. 1 ON FORM 10-Q/A

This Amendment No. 1 on Form 10-Q/A amends the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 of Cowen Group, Inc. (the "Company"), originally filed with the Securities and Exchange Commission on November 25, 2009 (the "Original Form 10-Q"), and is being filed to correct typographical errors in "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Original Form 10-Q contained typographical errors with respect to (i) Ramius's exposure to certain Lehman Brothers entities, (ii) the period-to period change in the Consolidated Statement of Operations under "Total other income (loss)" for the three-month periods ended September 30, 2009 and 2008, (iii) the period-to period changes in the Consolidated Statement of Operations under each of "Total other income (loss)" and "Income (loss) before income taxes" for the nine-month periods ended September 30, 2009 and 2008 and (iv) the narrative disclosure regarding investor inflows during 2009 and cash and cash equivalents as of September 30, 2009.

Except as described above, no other revisions have been made to the Original Form 10-Q and all other items of the Original Form 10-Q are unaffected by these revisions. This Amendment does not reflect events occurring after November 25, 2009 or modify or update the disclosure contained in the Original Form 10-Q in any way other than to reflect the revisions discussed above. However, for the convenience of the reader, this Amendment No. 1 includes the entirety of the Original Form 10-Q, as amended.

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EXPLANATORY NOTE

As of September 30, 2009, LexingtonPark Parent Corp. (n/k/a Cowen Group, Inc., "Cowen Group" or the "Company"), had not conducted any material activities other than those incidental to its formation, the matters contemplated by the Transaction Agreement and the Agreement and Plan of Merger, dated as of June 3, 2009 (which we refer to as the Transaction Agreement), by and among the Company, Ramius LLC (f/k/a Park Exchange LLC, "Ramius"), RCG Holdings LLC (f/k/a Ramius LLC, "RCG"), Lexington Merger Corp. and Cowen Holdings, Inc. (f/k/a Cowen Group, Inc., "Cowen Holdings"), and the submission of certain required regulatory filings. The Company was jointly formed on June 1, 2009 by Cowen Holdings and RCG in connection with the transactions contemplated by the Transaction Agreement (the "Transactions"). Following the completion of the Transactions on November 2, 2009, the Company became the holding company of Cowen Holdings, the former Cowen Group, Inc., and Ramius LLC, which was known at the time as Park Exchange LLC, a holding company formed in connection with the Transactions, which has acquired substantially all the assets of RCG and has assumed substantially all of RCG's liabilities. At that time, the Company changed its name to Cowen Group, Inc., Park Exchange changed its name to Ramius LLC, RCG changed its name to RCG Holdings LLC and Cowen Holdings, the former Cowen Group, Inc., changed its name to Cowen Holdings, Inc.

As a result of the fact that the combination was consummated during the fourth quarter of 2009, in this Form 10-Q for the quarterly period ended September 30, 2009, we are providing standalone results for both the Company and Ramius. Under the acquisition method of accounting, RCG Holdings LLC was treated as the accounting acquirer in the combination. As such, Ramius (the business of which was operated by RCG prior to the consummation of the Transactions) is the predecessor reporting entity of the Company. The results of operations of Cowen Holdings will be included in the Company's consolidated results of operations from November 2, 2009.

The diagram below shows the structure of the Company following completion of the Transactions:

-
- (1) Members of our senior management control the managing member of RCG. RCG members also include BA Alpine Holdings, Inc., an affiliate of HVB.
 - (2)

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Of the 37,536,826 shares of our Class A common stock held by RCG, (i) 8,518,685 shares are attributable to BA Alpine Holdings, Inc. and (ii) 9,527,596 are attributable to our directors and executive officers.

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Special Note Regarding Forward-Looking Statements

We have made statements in this Quarterly Report on Form 10-Q (including in "Management's Discussion and Analysis of Financial Condition and Results of Operations") that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking terms such as "may," "might," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "intend" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, which in some cases may be based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. In particular, you should consider the risks contained herein.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update any of these forward-looking statements after the date of this filing to conform our prior statements to actual results or revised expectations.

Unaudited Consolidated Financial Statements are presented for the three and nine months ended September 30, 2009 and 2008. The Consolidated Financial Statements as of December 31, 2008 were audited.

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Unaudited Consolidated Financial Statements****COWEN GROUP, INC. (FORMERLY LEXINGTONPARK PARENT CORP.)****Cowen Group, Inc. (formerly LexingtonPark Parent Corp.)****Consolidated Statement of Financial Condition****(Unaudited)**

	As of September 30, 2009
Assets	
Cash	\$ 0.02
Total assets	\$ 0.02
Liabilities and Stockholders' Equity	
Commitments and Contingencies	
Stockholders' Equity	
Preferred stock, par value \$0.01 per share; 10,000,000 shares authorized, no shares issued and outstanding	\$
Class A common stock, par value \$0.01 per share; 250,000,000 shares authorized, 2 shares issued and outstanding	0.02
Class B common stock, par value \$0.01 per share; 250,000,000 shares authorized, no shares issued and outstanding	
Total stockholders' equity	0.02
Total liabilities and equity	\$ 0.02

The accompanying notes are an integral part of this financial statement.

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Cowen Group, Inc. (formerly LexingtonPark Parent Corp.)

Notes to the Consolidated Statement of Financial Condition

(Unaudited)

1. Organization and Basis of Presentation

Organization

Cowen Group, Inc. (formerly LexingtonPark Parent Corp.) (the "Company"), a Delaware corporation, was formed on June 1, 2009 in connection with the Transaction Agreement and Agreement and Plan of Merger ("Transaction Agreement"), dated as of June 3, 2009, by and among Cowen Group, Inc., a Delaware corporation ("Cowen Holdings"), Lexington Merger Corp., a Delaware corporation and direct wholly owned subsidiary of LexingtonPark Parent Corp., Park Exchange LLC, a Delaware limited liability company and direct wholly owned subsidiary of LexingtonPark Parent Corp., and Ramius LLC, a Delaware limited liability company ("Ramius").

As of September 30, 2009, LexingtonPark Parent Corp. had not conducted any material activities other than those incident to its formation and the matters contemplated by the Transaction Agreement, such as the formation of Lexington Merger Corp and Park Exchange LLC and the making of certain regulatory filings.

Basis of Presentation

The accompanying financial statement is prepared in accordance with accounting principles generally accepted in the United States of America that require management to make certain estimates and assumptions. Management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates.

As of September 30, 2009, LexingtonPark had not conducted any material activities other than those incidental to its formation and those described above.

2. Subsequent Events

The transactions, as contemplated by the Transaction Agreement, were consummated on November 2, 2009. On that date, LexingtonPark Parent Corp. changed its name to Cowen Group, Inc. ("Cowen Group"), Ramius changed its name to RCG Holdings LLC ("RCG"), Park Exchange LLC changed its name to Ramius LLC and Cowen Group, Inc. changed its name to Cowen Holdings, Inc. ("Cowen Holdings"). Upon the closing of the transactions Park Exchange LLC acquired substantially all of the assets and assumed substantially all of the liabilities of RCG. At the closing of the transactions, 37,536,826 shares of Cowen Group's Class A Common Stock were issued to RCG. Under the terms of the Transaction Agreement each outstanding share of common stock of Cowen was converted into one share of Class A Common Stock of Cowen Group. Cowen Group is the parent of both Cowen Holdings and Park Exchange LLC following the consummation of the transactions.

Concurrently with the completion of the transactions described above, HVB Alternative Advisors LLC ("HVB"), received approximately 2.7 million shares of Class A Common Stock of Cowen Group and approximately \$10.4 million in exchange for transferring to Cowen Holdings the 50% interest in Ramius's fund of funds business not already owned by Ramius.

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Cowen Group, Inc. (formerly LexingtonPark Parent Corp.)

Notes to the Consolidated Statement of Financial Condition (Continued)

(Unaudited)

2. Subsequent Events (Continued)

On November 2, 2009, the Company entered into an amended collateralized revolving credit agreement with HVB AG, as lender, administrative agent and issuing bank, providing for a revolving credit facility with a \$50.0 million aggregate loan commitment amount available, with a \$7.0 million letter of credit sub-limit. At the Company election and discretion, borrowings under the collateralized revolving credit agreement bear interest per annum (based on a 360 day year) equal to either: (a) 1.5% plus the greater of (1) the lender's prime rate, (2) the overnight federal funds rate plus 0.5% and (3) the LIBOR rate plus 1.0% or (b) the LIBOR rate plus 3.5%. The Company is required to pay a quarterly commitment fee on the undrawn portion of the revolving credit facility equal to 1.0% per annum of the undrawn amount. For letters of credit, the Company will pay a fee on the stated amount of the letter of credit at a rate equal to 3.5%. \$25.0 million of the collateralized revolving credit agreement will mature on January 4, 2010; the remainder on September 29, 2011.

New guaranty agreements were executed on November 2, 2009 by the Company and Park Exchange LLC to obtain the consent of the lessor of Ramius's leased aircraft to assign the lease to the Company and Park Exchange LLC. The guaranty contains a covenant that the Company must maintain a minimum assets under management of \$6.5 billion, based on the combined assets under management of Ramius and Cowen Holdings. If the assets under management falls below \$6.5 billion, the lessor would require a cash deposit or letter of credit equal to 12 months of lease payments (\$1,759,800).

On November 2, 2009, Ramius's office leases at 599 Lexington Avenue, New York, NY, 666 Third Avenue, New York, NY, and Purchase, NY were assigned to and assumed by Park Exchange LLC. Concurrently, landlord consents for the lease assignments were obtained and guaranty agreements were executed by the Company. The guaranties provide for, among other things, the full and timely payment of rent and the full and prompt observance of other obligations set forth in the leases.

Immediately following the consummation of the transactions, Ramius transferred interests in Ramius Enterprise LP, having a value of approximately \$190 million, to the Company.

The business combination between Ramius and Cowen Holdings will be accounted for as an acquisition by Ramius of Cowen Holdings. As a result, the historical financial statements of Ramius will become the historical financial statements of Cowen Group.

The assets and liabilities of Cowen Holdings were, as of November 2, 2009, recorded at their respective fair values and added to those of Ramius. The financial statements of Cowen Group that include periods after November 2, 2009 will reflect such fair values and will not be restated retroactively to reflect the historical financial position or results of operations of Cowen Holdings. For periods after November 2, 2009, the results of operations of Cowen Holdings will be included in the results of operations of Cowen Group.

Initial accounting for the transaction is incomplete as of the date through which subsequent events have been evaluated and therefore additional information on the fair value of consideration transferred and assets and liabilities acquired is not yet available.

The Company has evaluated events that have occurred since September 30, 2009 and through November 25, 2009, and it has determined that except for what is disclosed in this note, there are no other events that have occurred that would require recognition or additional disclosures to prevent them from being misleading.

Table of Contents**Ramius LLC and Subsidiaries****Consolidated Statements of Financial Condition****(Unaudited)**

As of September 30, As of December 31,
2009 2008

(dollars in thousands)

Assets			
Cash and cash equivalents	\$	5,871	\$ 46,677
Cash collateral pledged		6,746	6,948
Securities owned, at fair value		8,205	15,309
Other investments		14,754	18,827
Receivable from brokers		16,814	25,911
Fees receivable (see Note 14)		12,118	19,330
Due from related parties (see Note 14)		19,723	25,298
Fixed assets, net of accumulated depreciation and amortization of \$15,160 and \$13,789, respectively		25,451	28,449
Goodwill		20,028	20,028
Intangible assets, net of accumulated amortization of \$3,705 and \$3,120, respectively		195	780
Other assets		4,488	4,984
<i>Consolidated Ramius Funds</i>			
Cash and cash equivalents		1,563	533
Other investments, at fair value		544,965	584,462
Other assets		974	295
Total Assets	\$	681,895	\$ 797,831
Liabilities and Redeemable Group Equity			
Securities sold under agreement to repurchase	\$		\$ 1,425
Payable to brokers		3,888	3,817
Compensation payable		29,758	44,450
Note payable and short-term borrowings		49,746	49,948
Fees payable (see Note 14)		1,872	7,781
Due to related parties (see Note 14)		8,776	10,549
Capital withdrawals payable			16,941
Accounts payable, accrued expenses and other liabilities		18,505	15,715
<i>Consolidated Ramius Funds</i>			
Note payable and short-term borrowings			10,207
Due to related parties			136
Payable to brokers			
Capital withdrawals payable		86	20,622
Accounts payable, accrued expenses and other liabilities		394	412
Total Liabilities	\$	113,025	\$ 182,003
Commitments and Contingencies (see Note 11)			
Redeemable Group Equity			
Redeemable Managing Member	\$		\$ 47,390
Redeemable Non-Managing Members		302,312	284,665
Accumulated other comprehensive loss		(684)	(1,163)
Total Redeemable Members' Capital		301,628	330,892

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Redeemable Non-controlling interests in consolidated subsidiaries		267,242		284,936
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Total Redeemable Group Equity	\$	568,870	\$	615,828
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Total Liabilities and Redeemable Group Equity	\$	681,895	\$	797,831
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The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**Ramius LLC and Subsidiaries****Consolidated Statements of Operations****(Unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	(dollars in thousands)		(dollars in thousands)	
Revenues				
Management fees	\$ 8,974	\$ 17,795	\$ 31,408	\$ 56,443
Incentive income/(loss)	177	(862)	177	
Interest and dividends	47	530	225	1,443
Reimbursement from affiliates	2,342	5,077	7,832	11,675
Other	577	2,352	2,265	4,737
<i>Consolidated Ramius Funds</i>				
Interest and dividends	4,319	11,439	12,186	24,479
Other	26	488	126	1,686
Total revenues	\$ 16,462	\$ 36,819	\$ 54,219	\$ 100,463
Expenses				
Employee compensation and benefits	\$ 22,083	\$ 15,769	\$ 50,869	\$ 67,703
Interest and dividends	435	441	1,122	1,195
Professional, advisory and other fees	4,463	3,818	13,633	10,106
Communications	228	371	755	1,151
Occupancy and equipment	2,446	2,699	7,519	8,863
Depreciation and amortization	1,129	1,351	3,563	2,955
Client services and business development	1,537	3,127	4,850	7,010
Other	1,375	3,184	6,628	6,649
<i>Consolidated Ramius Funds</i>				
Interest and dividends	2,286	11,264	6,917	22,937
Professional, advisory and other fees	2,552	451	4,259	1,513
Other	473	1,307	655	2,590
Total expenses	\$ 39,007	\$ 43,782	\$ 100,770	\$ 132,672
Other income (loss)				
Net gains (losses) on securities, derivatives and other investments	\$ 1,274	\$ (523)	\$ (2,702)	\$ 800
<i>Consolidated Ramius Funds net gains (losses):</i>				
Net realized and unrealized gains (losses) on investments and other transactions	26,891	(109,580)	59,178	(100,978)
Net realized and unrealized gains (losses) on derivatives	(5,972)	643	(30,870)	9,553
Net gains (losses) on foreign currency transactions	(1,563)	6,001	(3,040)	5,902
Total other income (loss)	\$ 20,630	\$ (103,459)	\$ 22,566	\$ (84,723)
Income (loss) before income taxes	\$ (1,915)	\$ (110,422)	\$ (23,985)	\$ (116,932)
Income tax expense (benefit)	(5,929)	554	(5,978)	738
Net income (loss)	\$ 4,014	\$ (110,976)	\$ (18,007)	\$ (117,670)
Net income (loss) attributable to non-controlling interests in consolidated	\$ 9,899	\$ (48,787)	\$ 13,888	\$ (52,176)

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subsidiaries

Special allocation to the Redeemable

Managing Members

Net loss attributable to all Redeemable

Members	\$	(5,885)	\$	(62,189)	\$	(31,895)	\$	(65,494)
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The accompanying notes are an integral part of these unaudited consolidated financial statements.

[Table of Contents](#)**Ramius LLC and Subsidiaries****Consolidated Statements of Changes in Redeemable Group Equity****(Unaudited)**

	Redeemable Managing Member	Redeemable Non-Managing Members	Accumulated Other Comprehensive Loss	Total Redeemable Members' Capital	Redeemable Non-Controlling Interests	Total Redeemable Group Equity	Total Comprehensive Income (Loss)
(dollars in thousands)							
Balance at January 1, 2008	\$ 74,184	\$ 406,086	\$ (290)	\$ 479,980	\$ 203,523	\$ 683,503	\$
Contributions		12,465		12,465	234,242	246,707	
Withdrawals		(1,976)		(1,976)	(18,654)	(20,630)	
Comprehensive income (loss)							
Net loss (see Note 7)	(9,871)	(55,623)		(65,494)	(52,176)	(117,670)	(117,670)
Special Allocation							
Defined benefit plans			68	68		68	68
Balance at September 30, 2008	\$ 64,313	\$ 360,952	\$ (222)	\$ 425,043	\$ 366,935	\$ 791,978	\$ (117,602)
Balance at January 1, 2009	\$ 47,390	\$ 284,665	\$ (1,163)	\$ 330,892	\$ 284,936	\$ 615,828	\$
Contributions		2,152		2,152	490	2,642	
Withdrawals					(32,072)	(32,072)	
Transfer of equity (see Note 7)	(47,390)	47,390					
Comprehensive income (loss)							
Net loss (see Note 7)		(31,895)		(31,895)	13,888	(18,007)	(18,007)
Special Allocation							
Defined benefit plans			479	479		479	479
Balance at September 30, 2009	\$	\$ 302,312	\$ (684)	\$ 301,628	\$ 267,242	\$ 568,870	\$ (17,528)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**Ramius LLC and Subsidiaries****Consolidated Statements of Cash Flows****(Unaudited)**

**Nine months ended
September 30,
2009 2008
(dollars in thousands)**

Cash flows from operating activities:		
Net loss	\$ (18,007)	\$ (117,670)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:		
Depreciation and amortization	3,563	2,955
Interest, custody and other expenses capitalized on the note payable balance		1,312
Net gains on sale of fixed assets	202	
Net gains (losses) on securities, derivatives and other investments	(2,335)	(2,460)
Purchases of securities owned, at fair value	(81,892)	
Proceeds from sales of securities owned, at fair value	95,711	
<i>Consolidated Ramius Funds:</i>		
Net realized and unrealized (gains) losses on investments and other transactions	(31,560)	85,049
Purchases of other investments	(2,181)	(233,233)
Proceeds from sales of other investments	73,237	63,047
(Increase) decrease in operating assets:		
Cash collateral pledged	202	9,564
Securities owned, at fair value, held at broker dealer	(6,619)	78,100
Receivable from brokers	9,097	730,241
Fees receivable	7,212	71,534
Due from related parties	5,575	(17,864)
Other assets	496	295
<i>Consolidated Ramius Funds:</i>		
Cash and cash equivalents	(1,030)	3,664
Receivable from brokers		(121)
Other assets	(606)	4,543
Increase (decrease) in operating liabilities:		
Compensation payable	(12,061)	(40,994)
Fees payable	(5,909)	(25,068)
Payable to brokers		(735,590)
Due to related parties	(1,773)	(7,641)
Accounts payable, accrued expenses and other liabilities	2,790	(4,058)
<i>Consolidated Ramius Funds:</i>		
Due to related parties	(136)	
Accounts payable, accrued expenses and other liabilities	(18)	690
Net cash provided by / (used in) operating activities	\$ 33,958	\$ (133,705)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**Ramius LLC and Subsidiaries****Consolidated Statements of Cash Flows (Continued)****(Unaudited)**

	Nine months ended September 30,	
	2009	2008
	(dollars in thousands)	
Cash flows from investing activities:		
Purchase of fixed assets	\$ (312)	\$ (18,124)
Sale of fixed assets	130	42
Purchases of other investments	(215)	(7,106)
Proceeds from sale of other investments	6,527	6,623
Net cash provided by / (used in) investing activities	\$ 6,130	\$ (18,565)
Cash flows from financing activities:		
Securities sold under agreement to repurchase	\$ (1,425)	\$ (1,860)
Borrowings on note payable		68,209
Repayments on note payable	(202)	(68,254)
Capital contributions by members		7,512
Capital withdrawals to members	(16,941)	(19,083)
Capital withdrawals to non-controlling interests in Ramius operating entities	541	
<i>Consolidated Ramius Funds:</i>		
Borrowings on note payable		14,900
Repayments on note payable	(10,207)	(44,020)
Capital contributions from non-controlling interests in consolidated Ramius Funds	490	232,921
Capital withdrawals to non-controlling interests in consolidated Ramius Funds	(53,149)	(32,345)
Net cash (used in) / provided by financing activities	\$ (80,893)	\$ 157,980
Change in cash and cash equivalents	\$ (40,806)	\$ 5,710
Cash and cash equivalents at beginning of period	46,677	17,967
Cash and cash equivalents at end of period	\$ 5,871	\$ 23,677
Supplemental information:		
Cash paid during the period for interest	\$ 1,029	\$ 2,548
Cash paid during the period for taxes	\$ 133	\$ 1,038
Supplemental non-cash information:		
Interest, custody and other expenses capitalized on the note payable balance	\$	\$ 1,312

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

1. Organization and Business

Ramius LLC ("Ramius"), a limited liability company organized under the laws of Delaware, commenced operations on July 1, 1997 for the purpose of acting as a holding and operating company for financial service activities primarily engaged in providing alternative investment management services. Its investment services and products include hedge funds, fund of funds, real estate and cash management. Ramius's managing member is C4S & Co., L.L.C. ("C4S" or the "Managing Member"), whose managing members are Peter A. Cohen, Jeffrey M. Solomon, Morgan B. Stark and Thomas W. Strauss.

On June 3, 2009, Ramius entered into a Transaction Agreement and Agreement and Plan of Merger (the "Transaction Agreement"), by and among Cowen Group, Inc. ("Cowen Holdings"), LexingtonPark Parent Corp. ("Cowen Group"), Lexington Merger Corp. and Park Exchange LLC. The transactions contemplated by the Transaction Agreement and Asset Exchange Agreement closed on November 2, 2009 (see Note 16).

2. Significant Accounting Policies

The accompanying consolidated financial statements include the accounts of Ramius and its consolidated subsidiaries, which include a broker-dealer, operating companies formed for purposes of serving as the managing members/general partners and/or investment managers to affiliated hedge fund, fund of funds, and real estate investment companies (the "Ramius Funds"), and four Ramius Funds at September 30, 2009 and December 31, 2008. Ramius and its consolidated subsidiaries are collectively referred to hereinafter as the "Group".

In the opinion of management these unaudited consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") related to interim financial statements. Results for interim periods should not be considered indicative of results for any other interim period or for the full year. These financial statements should be read in conjunction with the audited consolidated financial statements as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006, included in the Form S-4 of Cowen Group as filed with the SEC on October 2, 2009. The financial information contained herein is unaudited; however, management believes all adjustments have been made that are necessary to present fairly the results for the interim periods. All such adjustments are of a normal and recurring nature, except for the presentation of non-controlling interests in consolidated subsidiaries, as described below.

a. Non-controlling interests in consolidated subsidiaries

Non-controlling interests represent the pro rata share of the book value of the financial positions and results of operations attributable to the other owners of the consolidated subsidiaries. Non-controlling interests related to consolidated Ramius Funds are generally subject to annual, semi-annual or quarterly withdrawal or redemption by investors in these funds, sometimes following the expiration of a specified period of time (generally one year), or may only be withdrawn subject to a redemption fee (generally ranging from 1% to 5%). Likewise, non-controlling interests related to certain other consolidated entities are generally subject to withdrawal, redemption, transfer or put/call rights that permit such non-controlling investors to withdraw from the entities on varying terms and

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2. Significant Accounting Policies (Continued)

conditions. Because these non-controlling interests are redeemable at the option of the non-controlling interests, they have been classified as temporary equity in the consolidated statements of financial condition. When redeemed amounts become legally payable to investors on a current basis, they are reclassified as a liability.

In December 2007, the Financial Accounting Standards Board ("FASB") issued a new accounting standard which changes the accounting and reporting of non-controlling interests in the consolidated financial statements and requires that such non-controlling interests be accounted for and presented as equity, rather than as liabilities or mezzanine equity. This standard applies prospectively as of January 1, 2009, except for the presentation and disclosure requirements which are to be applied retrospectively for all periods presented. The Group adopted this standard effective January 1, 2009, and as a result, (a) with respect to the consolidated statements of financial condition, the redeemable non-controlling interests in consolidated subsidiaries was renamed as such and remained classified as mezzanine equity, (b) with respect to the consolidated statements of operations, net income (loss) is now presented before non-controlling interests and the consolidated statements of operations now nets to net income (loss) attributable to all redeemable members, and (c) with respect to the consolidated statements of changes in redeemable group equity, roll forward columns have now been added for each component of non-controlling interests discussed in (a) above. Ramius has revised its prior period presentation as required to conform to this new pronouncement.

b. Recently adopted accounting pronouncements

Effective September 30, 2009, the Group adopted the new FASB Accounting Standards Codification (Codification). The Codification was officially launched on July 1, 2009, and became the primary source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under the authority of Federal securities laws are also sources of authoritative GAAP for SEC registrants. The subsequent issuances of new standards will be in the form of Accounting Standards Updates that will be included in the Codification. As the Codification was not expected nor intended to change GAAP, the Group's adoption of the Codification did not have a material impact on its Consolidated Financial Statements.

The Group adopted a new accounting standard, effective January 1, 2009, which requires changes to the accounting for transaction costs, certain contingent assets and liabilities, and other balances in a business combination. In addition, in partial acquisitions, when control is obtained, the acquiring company must measure and record all of the target's assets and liabilities, including goodwill, at fair value as if the entire target company had been acquired. The Group has applied the provisions of this standard to business combinations occurring after December 15, 2008. Adoption of this standard did not affect the Group's financial condition, results of operations or cash flows, but will have an effect on accounting for business combinations occurring subsequent to the date of adoption, including the transaction as discussed in Note 16.

Effective January 1, 2009, the Group adopted a new accounting standard which is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Since this standard requires only additional disclosures

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2. Significant Accounting Policies (Continued)

concerning derivatives and hedging activities, the adoption of it did not affect the Group's financial condition, results of operations or cash flows. See Note 3 for further information regarding the Group's investments and fair value measurements.

Effective January 1, 2009, the Group adopted a new accounting standard which requires enhanced disclosures about credit derivatives and guarantees. Since this standard only requires additional disclosures concerning credit derivatives and guarantees, adoption of it does not have an effect on the Group's financial condition, results of operations or cash flows. See Note 3 for further information regarding the Group's investments and fair value measurements.

Effective June 30, 2009, the Group adopted a new accounting standard regarding determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that we have identified as not orderly. This new accounting standard does not change the objective of fair value measurement, which is to identify the price that would be received to exchange an asset or liability in an orderly transaction at the measurement date between market participants. Rather it provides additional guidance related to: (1) estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability, and (2) circumstances that may indicate that a transaction is not orderly (i.e. forced liquidation or distressed sale). This new accounting standard was effective prospectively for interim and annual reporting periods ending after June 15, 2009. The adoption of this new accounting standard did not have a material impact on the Group's financial position and results of operations. See Note 3 for further information regarding the Group's investments and fair value measurements.

Effective June 30, 2009, the Group adopted a new accounting standard regarding interim disclosures about fair value of financial instruments. This new accounting standard requires disclosures in the body or in the accompanying notes of its summarized financial information for interim reporting periods of the fair value of all financial instruments for which it is practicable to estimate fair value, whether recognized or not recognized in the balance sheet. Such disclosures were previously required only in annual financial statements. This new accounting standard also requires entities to disclose the methods and significant assumptions used to estimate the fair value of financial instruments and describe changes in methods and significant assumptions. The Group's adoption of this standard did not have an impact on its financial position or results of operations. See Note 3 for further information regarding the Group's investments and fair value measurements.

Effective June 30, 2009, the Group adopted a new accounting standard regarding subsequent events which established general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. This standard is based on the same principles as those that currently exist in auditing standards with the addition of some new terminology. The standard is effective for interim or annual periods ending after June 15, 2009. Since this standard requires only additional financial statement disclosures, the Group's adoption of it did not have an impact on its financial position or results of operations. See Note 16 for further information.

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2. Significant Accounting Policies (Continued)

c. Future adoption of accounting pronouncements

In June 2009, the FASB issued a new accounting standard which revises the accounting for variable interest entities ("VIEs") introducing a new consolidation model. This new standard changes the approach to determining the primary beneficiary of a VIE and requires companies to more frequently assess whether they must consolidate VIEs. The new model identifies two primary characteristics of a controlling financial interest: (1) the power to direct significant activities of the VIE, and (2) the obligation to absorb losses of and/or provide rights to receive benefits from the VIE. Management had recently begun to evaluate the application of it to the Group and concluded that under this new model Ramius may be required to consolidate an additional number of funds which are VIEs. In November 2009, the FASB proposed an indefinite deferral to the initial adoption of this standard by asset managers such as Ramius.

In August 2009, the FASB issued a new accounting standard which provides guidance in measuring liabilities when a quoted price in an active market for an identical liability is not available and clarifies that a reporting entity should not make an adjustment to fair value for a restriction that prevents the transfer of the liability. This standard is effective for financial statements issued for the first reporting period beginning after issuance of the standard. Because the Group's current fair value measurement policies are consistent with this, adoption will not affect the Group's financial condition, results of operations or cash flows.

In September 2009, the FASB issued a new accounting standard which provides guidance about using net asset value to measure the fair value of interests in certain investment funds and requires additional disclosures about interests in investment funds. This standard is effective for financial statements issued for reporting periods ending after December 15, 2009, with earlier application permitted. Because the Group's current fair value measurement policies are consistent with this standard, the adoption will not affect the Group's financial condition, results of operations or cash flows. The Group will adopt the standard in the fourth quarter of 2009 to comply with the disclosure requirements.

3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds

a. Ramius Operating Entities

Securities owned, at fair value

Securities owned are directly held by Ramius and considered held for trading and carried at fair value. At September 30, 2009, securities owned of \$8.2 million consisted of US government securities and corporate bonds with maturities ranging from October 22, 2009 through December 10, 2009 and interest rates ranging between 0.15% and 0.31%. At December 31, 2008, securities owned of \$15.3 million consisted of U.S. Government securities with maturities ranging from May 15, 2009 through September 15, 2009 and interest rates ranging between 0.37% and 0.53%.

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)****Other investments**

At September 30, 2009 and December 31, 2008, other investments consist of the following:

	As of September 30, 2009		As of December 31, 2008
(dollars in thousands)			
(1) Portfolio Funds, at fair value	\$ 5,390	\$	5,975
(2) Real estate investments, at fair value	1,483		1,605
(3) Equity method investments	7,672		11,038
(4) Lehman claims, at fair value	209		209
	\$ 14,754	\$	18,827

(1) Portfolio Funds, at fair value

The Portfolio Funds as of September 30, 2009 and December 31, 2008 include the following:

	As of September 30, 2009		As of December 31, 2008
(dollars in thousands)			
Tapestry Investment Co PCC Ltd	\$ 4,351	\$	2,758
Ramius Vintage Multi-Strategy FOF Ltd			1,375
Ramius Value and Opportunity Fund LP	612		1,092
RCG Special Opportunities Fund, Ltd	324		555
Other affiliated Ramius Funds	103		195
	\$ 5,390	\$	5,975

(2) Real estate investments, at fair value

Real estate investments at September 30, 2009 and December 31, 2008 are carried at estimated fair value and include real estate equity investments held by RE Manager of \$0.6 million and \$0.7 million and real estate debt investments held by Ramius of \$0.9 million and \$0.9 million, respectively.

(3) Equity method investments

Equity method investments include investments held by Ramius and RCG RE Manager, LLC in several operating companies, whose responsibilities include the day to day management of a number of real estate funds, including the portfolio management and administrative services related to the acquisition, disposition, and active monitoring of the real estate fund's underlying debt and equity investments. The Group's ownership interests in these equity method investments range from 30% to 55%. The Group holds a majority of the outstanding ownership interest (i.e., more than 50%) in three of these entities: RCG Longview Debt Fund IV Management, LLC, RCG Longview Debt Fund IV Partners, LLC and RCG Longview Partners II, LLC. The operating agreements that govern the

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)**

management of day to day operations and affairs of each of these three entities stipulate that certain decisions require support and approval from other members in addition to the support and approval of the Group. As a result, all operating decisions made in these three entities require the support of both the Group and an affirmative vote of a majority of the other managing members who are not affiliates of the Group. As the Group does not possess unilateral control over any of these entities, the presumption of consolidation has been overcome pursuant to current accounting standards and the Group accounts for these investments under the equity method of accounting. The following table summarizes equity method investments held by the Group:

	As of September 30, 2009	As of December 31, 2008
	(dollars in thousands)	
RCG Longview Debt Fund IV Management, LLC	\$ 2,060	\$ 2,624
JT Partners LLC		2,346
RCG Longview Partners, LLC	1,189	1,329
RCG Longview Louisiana Manager, LLC	885	1,183
RCG Urban American, LLC	636	691
RCG Urban American Management, LLC	620	729
RCG Longview Equity Management, LLC	1,031	497
Other	1,251	1,639
	\$ 7,672	\$ 11,038

As of September 30, 2009, the Group's share of losses in its equity method investment in RCG Longview Partners II, LLC has exceeded the carrying amount recorded in this investee. RCG Longview Partners II, LLC, as general partner to a real estate fund, has reversed previously recorded incentive income allocations and has recorded a current clawback obligation to the limited partners in the fund. This obligation is due to a change in unrealized value of the fund on which there have previously been distributed carried interest realizations; however, the settlement of a potential obligation is not due until the end of the life of the respective fund (See Note 11). As the Group is obligated to return previous distributions it received from RCG Longview Partners II, LLC, it has continued to record its share of losses in the investee including reflecting its share of the clawback obligation in the amount of \$6.2 million. All such amounts are included in accounts payable, accrued expenses and other liabilities in the consolidated statements of financial condition.

The Group's income (loss) from equity method investees was \$1.2 million and \$2.5 million for the three months ended September 30, 2009 and 2008, respectively, and (\$3.1) million and \$4.9 million for the nine months ended September 30, 2009 and 2008, respectively and is included in Net Gains (losses) on securities, derivatives and other investments on the accompanying Consolidated Statements of Operations.

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)**

At September 30, 2009, the Group has a single significant investment in RCG Longview Partners II, LLC that is accounted for using the equity method of accounting. Summarized financial information for the investment assuming a 100% ownership interest is as follows (in thousands):

	Nine months ended September 30, 2009	
Income Statement		
Revenues	\$	1,286
Loss from continuing operations before income taxes	\$	(9,793)
Net loss	\$	(9,793)

For the nine months ended September 30, 2008 the Group's comparable summarized financial information for the investment assuming a 100% ownership interest is as follows (in thousands):

	Nine months ended September 30, 2008	
Income Statement		
Revenues	\$	2,819
Income from continuing operations before income taxes	\$	1,531
Net income	\$	1,531

(4) Lehman Claims, at fair value

Lehman Brothers International (Europe) ("LBIE"), through certain affiliates, was a prime broker to Ramius, and Ramius held cash and cash equivalent balances with LBIE. On September 15, 2008, LBIE was placed into administration (the "Administration") in the United Kingdom and, as a result, the assets held by Ramius in its LBIE accounts were frozen at LBIE. The status and ultimate resolution of the assets under LBIE's Administration proceedings is uncertain. The assets of Ramius at LBIE at the time of Administration (the "Total Net Equity Claim") consist of \$1.0 million. There can be no assurance that the Total Net Equity Claim value, as determined by Ramius, will be accepted by the Administrators, nor does Ramius know the manner and timing in which such claim will be satisfied and the ultimate value that will be received.

Given the great degree of uncertainty as to the status of the assets held at LBIE and the process and prospects of the return of those assets, Ramius has decided to fair value the Total Net Equity Claim at an approximately 80% discount, which represents the Estimated Recoverable Lehman Claim (the "Estimated Recoverable Lehman Claim"), which represents management's best estimate of value that ultimately may be recovered with respect to the Total Net Equity Claim. The estimated recoverable Lehman claim was recorded at fair value considering a number of factors including the status of the assets under UK insolvency laws and the trading levels of Lehman unsecured debt. In determining the estimated value of the Total Net Equity Claim, Ramius was required to use considerable judgment and is based on the facts currently available. As additional information on the LBIE proceeding becomes available, Ramius may need to adjust the valuation of the Estimated Recoverable Lehman Claim. The

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)**

actual loss that may ultimately be incurred by Ramius with respect to the pending LBIE claim is not known and could be materially different from the estimated value assigned by Ramius.

b. Consolidated Ramius Funds**Other investments, at fair value**

As of September 30, 2009 and December 31, 2008 other investments consisted of investments in Portfolio Funds of \$541.1 million and \$580.6 million and Lehman claims of \$3.9 million and \$3.9 million, respectively.

(1) Investments in Portfolio Funds, at fair value

At September 30, 2009 and December 31, 2008, investments in Portfolio Funds, at fair value, included the following:

	September 30, 2009	December 31, 2008
	(dollars in thousands)	
Investments of Enterprise LP	\$ 443,408	\$ 423,064
Investments of consolidated fund of funds investment companies	97,676	157,517
	\$ 541,084	\$ 580,581

Consolidated investments of Enterprise LP

In January 2008, Enterprise Master began operating under a "master-feeder" structure, whereby its shareholders are Enterprise LP and RCG II Intermediate, LP. In January 2008, the interest that Ramius had in Enterprise Master was transferred to an investment in Enterprise Master's domestic feeder, Enterprise LP. The consolidated investments in Portfolio Funds recorded in other investments on the consolidated statements of financial condition includes Enterprise LP's investment in Enterprise Master as of September 30, 2009 and December 31, 2008. Enterprise Master utilizes certain strategies including merger arbitrage and small-cap value creation, investments in distressed securities, convertible hedging, capital structure arbitrage, equity market neutral, investments in private placements of convertible securities, proprietary mortgages, structured credit investments, investments in mortgage-backed securities and other structured finance products, investments in real estate and real property interests, structured private placements and other relative value strategies. Enterprise Master has broad investment powers and maximum flexibility in seeking to achieve its investment objective. It may invest in equity securities, debt instruments, options, futures, swaps, credit default swaps and other derivatives. See Note 4 for further information on the underlying investments of Enterprise Master.

[Table of Contents](#)**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)****Investments of consolidated fund of funds investment companies**

The investments of consolidated affiliated fund of funds investment companies include the accounts of Levered FOF, Multi-Strat FOF and Vintage FOF, all of which are investment companies managed by Ramius FOF. Levered FOF's and Multi-Strat FOF's investment objectives are to invest discrete pools of their capital on a leveraged basis among portfolio managers that invest through Portfolio Funds, forming a multi-strategy, diversified investment portfolio designed to achieve returns with low to moderate volatility. Vintage FOF's investment objective is to allocate its capital among portfolio managers that invest through investment pools or managed accounts thereby forming concentrated investments in high conviction portfolio managers designed to achieve attractive risk adjusted returns with moderate relative volatility. The following is a summary of the investments held by the three consolidated affiliated fund of funds, at fair value, as of September 30, 2009 and December 31, 2008:

Description	Strategy	As of September 30, 2009			Total
		Ramius Levered Multi-Strategy FOF LP	Ramius Multi-Strategy FOF LP	Ramius Vintage Multi-Strategy FOF LP	
Ramius Fixed Income Arbitrage FOF LP*	Fixed Income Arbitrage	\$	\$	\$	\$
Ramius Multi-Strategy Master FOF LP*	Multi-Strategy		43,755		43,755
Ramius Vintage Multi-Strategy Master FOF LP*	Multi-Strategy			46,334	46,334
Tapestry Pooled Account V, LLC*	Credit-Based	1,052			1,052
Externally Managed Portfolio Funds	Credit-Based	1,835			1,835
Externally Managed Portfolio Funds	Event Driven	3,019			3,019
Externally Managed Portfolio Funds	Hedged Equity	28			28
Externally Managed Portfolio Funds	Multi-Strategy	1,563			1,563
Externally Managed Portfolio Funds	Fixed Income Arbitrage	60			60
Externally Managed Portfolio Funds	Others	30			30
		\$ 7,587	\$ 43,755	\$ 46,334	\$ 97,676

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)**

(Unaudited)

3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)

Description	Strategy	As of December 31, 2008			Total
		Ramius Levered Multi-Strategy FOF LP	Ramius Multi-Strategy FOF LP	Ramius Vintage Multi-Strategy FOF LP	
(dollars in thousands)					
Ramius Fixed Income Arbitrage FOF LP*	Fixed Income Arbitrage	\$ 3,937	\$	\$	\$ 3,937
Ramius Hedged Equity FOF LP*	Hedged Equity	\$ 1,083	\$	\$	\$ 1,083
Ramius Multi-Strategy Master FOF LP*	Multi-Strategy		72,762		72,762
Ramius Vintage Multi-Strategy Master FOF LP*	Multi-Strategy			57,794	57,794
Tapestry Pooled Account V, LLC*	Credit-Based	1,492			1,492
Externally Managed Portfolio Funds	Credit-Based	5,570			5,570
Externally Managed Portfolio Funds	Event Driven	8,649			8,649
Externally Managed Portfolio Funds	Hedged Equity	1,214			1,214
Externally Managed Portfolio Funds	Multi-Strategy	4,471			4,471
Externally Managed Portfolio Funds	Other	545			545
		\$ 26,961	\$ 72,762	\$ 57,794	\$ 157,517

*

These Portfolio Funds are affiliates of Ramius.

Multi-Strat FOF and Vintage FOF operate under a "master-feeder" structure, whereby Multi-Strat FOF and Vintage FOF are feeder funds that make their investments primarily through their master funds, Ramius Multi-Strategy Master FOF LP and Ramius Vintage Multi-Strategy Master FOF LP, respectively. These master funds are not consolidated by the Group. See Note 4 for further information on the underlying investments of Ramius Multi-Strategy Master FOF LP and Ramius Vintage Multi-Strategy Master FOF LP.

(2) Lehman Claims, at fair value

With respect to the aforementioned Lehman claims, the Total Net Equity Claim of Enterprise Master consists of \$16.7 million. As a result of Enterprise Master and certain of the Ramius Funds having assets they held at LBIE frozen in their LBIE prime brokerage account and the degree of uncertainty as to the status of those assets and the process and prospects of the return of those assets, Enterprise Master and the Ramius Funds decided that only the investors who were invested at the time of the Administration should participate in any profit or loss relating to the Estimated Recoverable Lehman Claim. As a result, Enterprise Master and certain of the Ramius Funds with assets held at

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)

LBIE granted a 100% participation in the Estimated Recoverable Lehman Claims to Special Purpose Vehicles (the "SPVs" or "Lehman Segregated Funds") incorporated under the laws of the Cayman Islands on September 29, 2008, whose shares were distributed to each of their investor funds. Fully redeeming investors of Enterprise LP will not be paid out on the balance invested in the SPV until the claim with LBIE is settled and assets are returned by LBIE.

In addition, Lehman Brothers, Inc. ("LBI") was a prime broker to Enterprise Master and it holds cash balances of \$1.7 million. On September 19, 2008, LBI was placed in a Securities Investor Protection Corporation ("SIPC") liquidation proceeding after the filing for bankruptcy of its parent Lehman Brothers Holdings, Inc. The status of the assets under LBI's bankruptcy proceedings has not been determined. The amount that will ultimately be recovered from LBI will depend on the amount of assets available in the fund of customer property to be established by the trustee appointed under the Securities Investor Protection Act (the "SIPA Trustee") as approved by the bankruptcy court as well as the total amount of customer claims that seek recovery from the fund of customer property. Based on recent court filings by the SIPA Trustee, we now understand that the total amount of customer claims exceeds the assets that are likely to be in the fund of customer property. In addition, the court filings also indicate that Barclays plc has submitted a substantial claim against LBI relating to an asset purchase agreement entered into by Barclays with LBI near the time of the SIPC liquidation proceeding that could affect the amount of assets that are included in the fund of customer property. As a result of these uncertainties and the timing of any distributions from LBI in respect of our customer claims, we have estimated our recovery with respect to our LBI exposure at 65%, which represents the present value of the mid point between what we believe are reasonable estimates of the low side and high side potential recovery rates with respect to our LBI exposure. The estimated recoverable amount by the Group may differ from the actual recoverable amount of the pending LBI claim, and the differences may be material.

Indirect Concentration of the Underlying Investments Held by Consolidated Ramius Funds

From time to time, through its investments in the consolidated Ramius Funds, the Group may indirectly maintain exposure to a particular issue or issuer (both long and/or short) which may account for 5% or more of the consolidated Ramius Funds' net assets (on an aggregated basis). Based on information that is available to the Group at September 30, 2009 and December 31, 2008, the Group identified consolidated Ramius Funds that had interests in an issuer, for which the Group's pro-rata share exceeds 5% of the Ramius Funds' net assets (on an aggregated basis). The following table presents such interests which represent the aggregate of (i) the gross amount of exposure that

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)**

consolidated Ramius Funds have through their investments held directly and (ii) the gross amount of exposure held indirectly through their investments in any Unconsolidated Master Funds:

Description	As of September 30, 2009	
	Shares/Principal Amount	Fair Value
	(amounts in thousands)	
Common stock, Wyeth	1,214	\$ 58,971
Common stock, Schering-Plough Corp.	1,653	46,695
Corporate bond, Sprint Nextel Corp. 7.625%-8.375% due January 2011-August 2017	19,088	19,424
Corporate bond, Sprint Nextel Corp. floating rate due June 2010	19,500	18,915
U.S. Treasury notes, 1.0%-4.0%, due September 2011-August 2019	103,880	105,108
U.S. Treasury notes, 1.00%-3.625%, due June 2011-August 2019	(187,363)	(187,888)

Description	As of December 31, 2008	
	Shares/ Principal/ Contract Amount	Fair Value
	(amounts in thousands)	
German treasury notes, 3.75%, due January 2017	€ 39,100	\$ 57,978
U.S. Treasury bills, 0.0%, due June 25, 2009-September 15, 2009	\$ 137,500	137,187
U.S. Treasury notes, 0.875%-4.125%, due 2010-2015	71,024	71,768
Buoni Poliennali del Tesero, 4.0%, due February 1, 2017	€ 41,926	(58,323)
U.S. Treasury notes, 0.875%-4.75%, due 2010-2018	\$ 266,720	(269,010)
February 2009 Puts on S&P 500 Index	13	228
January 2009 Puts on S&P 500 Index	393	9,171
March 2009 Puts on S&P 500 Index	156	5,691
February 2009 Calls on S&P 500 Index	16	505
January 2009 Calls on S&P 500 Index	213	5,690
March 2009 Calls on S&P 500 Index	276	15,014
February 2009 Puts on S&P 500 Index	116	(2,202)
January 2009 Puts on S&P 500 Index	177	(1,957)
March 2009 Puts on S&P 500 Index	164	(5,943)
February 2009 Calls on S&P 500 Index	73	(7,034)
January 2009 Calls on S&P 500 Index	520	(17,973)
March 2009 Calls on S&P 500 Index	118	(6,591)
Fannie Mae, 3.25%-3.875%, due August 2010-July 2013	54,000	57,156
Freddie Mac, 3.25%-4.125%, due July 2010-September 2013	48,000	51,108
Federal Home Loan Mortgage Corporation TBA, 5.5%, due February 2035	24,000	24,510
Federal Home Loan Mortgage Corporation TBA, 4.5%-5.5%, due February 2038-February 2039	76,000	77,064

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)****Fair value measurements**

The following table presents the financial instruments recorded at fair value on the consolidated statements of financial condition by caption and by level within the valuation hierarchy as of September 30, 2009 and December 31, 2008:

Ramius Operating Entities**Assets at Fair Value as of September 30, 2009**

	Level 1	Level 2	Level 3	Total
(dollars in thousands)				
Securities owned				
U.S. government securities	\$ 8,205	\$	\$	\$ 8,205
Other investments				
Portfolio Funds	4,351	675	364	5,390
Real estate investments			1,483	1,483
Lehman claims			209	209
	\$ 12,556	\$ 675	\$ 2,056	\$ 15,287

Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
(dollars in thousands)				
Securities owned				
US government securities	\$ 15,309	\$	\$	\$ 15,309
Other investments				
Portfolio Funds	2,758	1,256	1,970	5,984
Real estate investments			1,605	1,605
Lehman claims			209	209
Other assets				
Derivative contracts		480		480
	\$ 18,067	\$ 1,736	\$ 3,784	\$ 23,587

Consolidated Ramius Funds**Assets at Fair Value as of September 30, 2009**

	Level 1	Level 2	Level 3	Total
(dollars in thousands)				
Other investments				
Portfolio Funds	\$ 443,408	\$ 97,676	\$	\$ 541,084
Lehman claims			3,881	3,881
	\$ 443,408	\$ 101,557	\$	\$ 544,965

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****3. Investments and Fair Value Measurements for Ramius Operating Entities and Consolidated Ramius Funds (Continued)****Assets at Fair Value as of December 31, 2008**

	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Other investments				
Portfolio Funds	\$	\$ 423,068	\$ 157,513	\$ 580,581
Lehman claims			3,881	3,881
	\$	\$ 423,068	\$ 161,394	\$ 584,462

The following table includes a roll forward of the amounts for the three months and nine months ended September 30, 2009 and 2008 for financial instruments classified within level 3. The classification of a financial instrument within level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

Ramius Operating Entities

	Three months ended,		Nine months ended,	
	September 30,	September 30,	September 30,	September 30,
	2009	2008	2009	2008
	(dollars in thousands)		(dollars in thousands)	
Beginning Balance	\$ 3,614	\$ 4,687	\$ 3,784	\$ 3,358
Net purchases and sales	(1,458)	680	(1,546)	2,198
Realized gains/(losses)				7
Unrealized gains/(losses)	(100)	(395)	(182)	(591)
Ending Balance	\$ 2,056	\$ 4,972	\$ 2,056	\$ 4,972

Consolidated Ramius Funds

	Three months ended,		Nine months ended,	
	September 30,	September 30,	September 30,	September 30,
	2009	2008	2009	2008
	(dollars in thousands)		(dollars in thousands)	
Beginning Balance	\$ 129,253	\$ 243,997	\$ 161,394	\$ 276,881
Net purchases and sales	(30,853)	(23,897)	(68,169)	(49,612)
Realized gains/(losses)	3,595	6,964	4,367	14,074
Unrealized gains/(losses)	(438)	(22,575)	3,965	(36,854)
Ending Balance	\$ 101,557	\$ 204,489	\$ 101,557	\$ 204,489

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****4. Underlying Investments of Unconsolidated Master Funds Held by Consolidated Ramius Funds****Enterprise Master**

As discussed in Note 3, Enterprise LP's investment in Enterprise Master is equal to Enterprise LP's proportional share of Enterprise Master's net assets; as a result, the investment balances of Enterprise Master reflected below exceed the net investment which Enterprise LP has recorded. The following tables present summarized investment information for the underlying investments and derivatives held by Enterprise Master, at fair value, as of September 30, 2009 and December 31, 2008:

Securities owned and securities sold, but not yet purchased by Enterprise Master

Description	September 30, 2009		December 31, 2008	
	Securities owned	Securities sold, but not yet purchased	Securities owned	Securities sold, but not yet purchased
	(dollars in thousands)		(dollars in thousands)	
Agency Bond	\$ 10,017	\$	\$	\$
Asset backed securities	31			
Bank debt	1,646		5,853	
Commercial mortgage backed securities	2,681			
Common stock	243,487	(126,252)	72,473	(37,303)
Convertible debt	85,003		20,393	(223)
Convertible preferred stock				
Corporate bonds	275,034		107,593	
Discount note				
Distressed debt securities	17,736		2,501	
Exchange traded funds	2,398	(4,509)	33,331	(32,460)
Government debt	6,090	(6,212)	57,978	(58,323)
Government-sponsored enterprise debt			209,838	
Loans	827		655	
Municipal bonds	7,762		16,538	
Options put	3,988	(214)	24,519	(26,075)
Options call	2,760	(2,096)	40,551	(35,364)
OTC fx call option	33	(12)		
Preferred stock	440	(32)	1,953	(28)
Restricted stock	6,869		4,994	
Rights	1,775		1,640	
Trade claims	128		128	
US Treasury Bills			137,187	
US Treasury Notes	105,108	(187,890)	71,768	(269,010)
Warrants	4,103		1,185	
	\$ 777,916	\$ (327,217)	\$ 811,078	\$ (458,786)

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****4. Underlying Investments of Unconsolidated Master Funds Held by Consolidated Ramius Funds (Continued)****Derivative contracts, owned by Enterprise Master, net**

Description	As of	As of
	September 30, 2009	December 31, 2008
	(dollars in thousands)	
Contract for difference long exposure	\$	\$ 9
Contract for difference short exposure		(1)
Asset swaps	245	
Credit default swaps put swaption	38	
Credit default swaps call swaption	(12)	
Credit default swaps protection purchased	(291)	(354)
Credit default swaps protection sold	407	(9)
Currency forwards	25	797
Equity swaps long exposure	(63)	659
Equity swaps short exposure	(53)	199
Futures	(268)	1,206
Index swaps long exposure	(5)	(1,338)
Index swaps short exposure	311	
Interest rate call swaption long exposure	311	633
Interest rate call swaption short exposure	(76)	
Interest rate swaps long exposure	(72)	1,655
Interest rate swaps short exposure		2,661
	\$ 497	\$ 6,117

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****4. Underlying Investments of Unconsolidated Master Funds Held by Consolidated Ramius Funds (Continued)****Portfolio Funds, owned by Enterprise Master**

Description	Strategy	September 30, 2009		December 31, 2008	
		Fair Value			
(dollars in thousands)					
624 Art Holdings, LLC*	Artwork	\$	2,059	\$	2,401
QREX, LLC*	Life Settlements		1,775		2,883
Q Capital Strategies, LLC*	Life Settlements		779		778
RCG Longview Equity Fund, LP*	Real Estate		8,328		5,580
RCG Longview II, LP*	Real Estate		2,570		2,821
RCG Longview Debt Fund IV, LP*	Real Estate		8,455		13,185
RCG Longview, LP*	Real Estate		206		231
RCG Soundview, LLC*	Real Estate		4,275		4,649
RCG Urban American Real Estate Fund, L.P.*	Real Estate		3,679		3,404
RCG International Sarl*	Multi-Strategy		6,147		4,350
Portside Growth & Opportunity Fund*	Multi-Strategy		11,167		25,380
RCG Special Opportunities Fund, Ltd*	Multi-Strategy		109,256		99,880
Ramius Credit Opportunities Fund Ltd*	Distressed Debt		705		2,370
RCG Endeavour, LLC*	Multi-Strategy		200		591
Ramius Leveraged Multi-Strategy Fund Ltd*	Multi-Strategy				2,816
RCG Renegys, LLC*	Energy		3		3
Energy Investments	Energy		18,209		16,687
	Small-Cap Value				
Externally Managed Small-Cap Value Creation	Creation				918
Other Private Investments	Various		18,308		16,452
Real Estate Investments	Real Estate		23,107		32,624
		\$	219,228	\$	238,003

*

These Portfolio Funds are affiliates of Ramius.

Ramius Multi-Strategy Master FOF LP and Ramius Vintage Multi-Strategy Master FOF LP

As discussed in Note 3, Multi-Strat FOF and Vintage FOF's investments in their respective master funds are equal to their proportional share of their master funds' net assets; as a result, the investments in Portfolio Funds of the master funds reflected below exceed the net investment which Multi-Strat FOF and Vintage FOF have recorded. The following table presents summarized investment information

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****4. Underlying Investments of Unconsolidated Master Funds Held by Consolidated Ramius Funds (Continued)**

for the underlying Portfolio Funds held by Ramius Multi-Strategy Master FOF LP and Ramius Vintage Multi-Strategy Master FOF LP at fair value, as of September 30, 2009 and December 31, 2008:

Description	Strategy	As of September 30, 2009		December 31, 2008	
		Ramius Multi-Strategy Master FOF LP	Ramius Vintage Master FOF LP	Ramius Multi-Strategy Master FOF LP	Ramius Vintage Master FOF LP
		(dollars in thousands)		(dollars in thousands)	
Ramius Fixed Income Arbitrage FOF LP*		\$	\$	\$ 5,743	\$
Ramius Hedged Equity FOF LP*	Hedged Equity	6,600		15,772	
Ramius Vintage Multi-Strategy Master FOF LP*	Multi Strategy	5,261		7,243	
Tapestry Pooled Account I, LLC*	Multi-Strategy				5,708
Tapestry Pooled Account II, LLC*	Hedged Equity				4,152
Tapestry Pooled Account V, LLC*	Credit-Based	2,168		3,076	3,281
Externally Managed Funds	Credit-Based	3,991	3,398	5,302	2,233
Externally Managed Funds	Event Driven	9,076	13,076	13,994	26,088
Externally Managed Funds	Fixed Income Arbitrage	87		4,096	6,018
Externally Managed Funds	Hedged Equity	393	8,830	436	4,078
Externally Managed Funds	Multi Strategy	13,712	14,033	18,799	10,503
Externally Managed Funds	Other	122	1,544	46	
Externally Managed Funds	Global Macro	1,075	5,217		
Externally Managed Funds	Opportunistic Equity		2,719		
		\$ 42,485	\$ 48,817	\$ 74,507	\$ 62,061

*

These Portfolio Funds are affiliates of Ramius.

5. Goodwill

All of Ramius's goodwill as of September 30, 2009 and December 31, 2008 resulted from the 2004 business combination with HVB AG. Goodwill is reviewed for possible impairment at least annually, consistent with current accounting valuation methodologies. There were no additions to goodwill and no impairment losses during the nine months ended September 30, 2009.

6. Redeemable Non-controlling Interests in Consolidated Subsidiaries

The non-controlling interests in consolidated subsidiaries on the consolidated statements of financial condition as of September 30, 2009 and December 31, 2008 were \$267.2 million and \$284.9 million, respectively. The income (loss) attributable to non-controlling interests on the

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consolidated statements of operations was \$9.9 million and (\$48.8) million for the three months ended September 30, 2009 and 2008, respectively, and was \$13.9 million and (\$52.2) million for the nine months ended September 30, 2009 and 2008, respectively.

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****7. Income/Loss Allocation, Withdrawals and Rights of Ramius's Investors**

In accordance with the Ramius operating agreement, the Managing Member is entitled to receive a special allocation equal to 35% of the net profits (the "Special Allocation") in any fiscal year that Ramius has net income. Net income (after Special Allocation) or net loss is allocated pro rata in accordance with the Ramius operating agreement. In general, revenues and expenses are allocated among the members (including the Managing Member) in proportion to each member's capital interest. There was no Special Allocation during the nine months ended September 30, 2009 and 2008 due to Ramius's net loss.

Effective January 1, 2009, the Managing Member transferred the respective ownership interest in the Managing Member to each of the individuals who owned the Managing Member (the "C4S Owners"). As a result, the balance in the Managing Member's capital account of \$47.4 million at December 31, 2008 was transferred to the capital accounts of the C4S Owners and is reflected in redeemable non-managing members' capital. The Managing Member retains no economic interest in the Group effective January 1, 2009.

Investors in Ramius commit to a minimum two-year lock-up for each capital contribution made; provided, however, that upon the withdrawal, such capital will be withdrawn and paid to the investor by Ramius over a period of three years. Members' capital is presented as redeemable as any member may withdraw from Ramius on at least 90 days' notice prior to the end of any fiscal year.

8. Defined Benefit Plans

The following amounts relate to the defined benefit plans in aggregate for the three months and nine months ended September 30, 2009 and 2008.

Components of net periodic benefit cost included in employee compensation and benefits

	Three months ended,		Nine months ended,					
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008				
	(dollars in thousands)		(dollars in thousands)					
Service cost	\$	\$	52	\$	\$	156		
Interest cost		81	111	248		332		
Expected return on plan assets		(83)	(99)	(245)		(298)		
Amortization of loss			17			50		
Amortization of prior service cost		5	6	16		19		
Settlement		1		28				
Net periodic benefit cost	\$	4	\$	87	\$	47	\$	259

During the nine months ended September 30, 2009, the Group made a contribution to its defined benefit plans of \$962,000 out of total expected contributions for the year ended December 31, 2009 of approximately \$1.0 million. The Group recorded a settlement loss of approximately \$28,000 during the nine months ended September 30, 2009 in connection with terminations and related payouts occurring during the period.

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****8. Defined Benefit Plans (Continued)**

The Group is currently in the process of winding down the operations of Ramius GmbH ("GmbH"), and as a result, a defined benefit plan for employees of GmbH (the "GmbH Plan") will cease. During the three months ended September 30, 2009 the Group recorded additional compensation expense of \$57,828 related to the GmbH Plan and made payments of \$622,342. As of September 30, 2009, Ramius has recorded a liability of \$425,375 related to the GmbH Plan for payments it expects to make during the remainder of 2009 to settle its remaining liabilities relating to this plan.

9. Income Taxes

Ramius and certain consolidated subsidiaries are subject to New York City Unincorporated Business Tax ("NYC UBT") on the portion of their operating income (after certain adjustments) and investment income allocated to New York City, at a statutory rate of 4%. Also, certain subsidiaries of Ramius are subject to income tax of the foreign countries in which they conduct business. Taking into account these taxes, Ramius's effective income tax rate was approximately 309.6% and (0.5%) for the three months ended September 30, 2009 and 2008, respectively and 24.9% and (0.6%) for the nine months ended September 30, 2009 and 2008, respectively. The Group's effective tax rate differs from the NYC UBT statutory rate of 4% due to income subject to taxation in foreign jurisdictions and loss carryforwards against which Ramius records a full valuation allowance. Further, Ramius recorded a deferred tax benefit of approximately \$6.0 million as a result of deferred tax assets generated against deferred tax liabilities acquired during the third quarter of 2009 as part of a service program that provides reinsurance coverage to Enterprise Master. Under this program, in order to receive reinsurance services for certain of its risks, Enterprise Master acquired reinsurance companies in Luxembourg through a local subsidiary. The reinsurance companies carried deferred tax liabilities and, upon their purchase, the local subsidiary generated deferred tax assets that fully offset these liabilities, resulting in the recognition of a deferred tax benefit.

The provision for income taxes consists of the following:

Provision for income taxes:	Nine months ended September 30, 2009	Nine months ended September 30, 2008
	(dollars in thousands)	(dollars in thousands)
Local current income tax expense (benefit)	\$ (336)	\$ 109
Foreign current income tax expense (benefit)	343	629
Total current income tax expense (benefit)	7	738
Local deferred income tax expense (benefit)		
Foreign deferred income tax expense (benefit)	(5,985)	
Total deferred income tax expense (benefit)	(5,985)	
Total income tax expense (benefit)	\$ (5,978)	\$ 738

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****9. Income Taxes (Continued)**

	Three months ended September 30, 2009	Three months ended September 30, 2008
	(dollars in thousands)	(dollars in thousands)
Local current income tax expense (benefit)	\$ 13	\$ 35
Foreign current income tax expense (benefit)	43	519
Total current income tax expense (benefit)	56	554
Local deferred income tax expense (benefit)		
Foreign deferred income tax expense (benefit)	(5,985)	
Total deferred income tax expense (benefit)	(5,985)	
Total income tax expense (benefit)	\$ (5,929)	\$ 554

There were no changes to Ramius's unrecognized tax benefit balance of \$0.5 million in the three and nine months ended September 30, 2009.

10. Note Payable and Short-Term Borrowings

As of December 31, 2008, Ramius had a \$50.0 million line of credit with a major financial institution. As of December 31, 2008, Ramius had borrowings of \$49.9 million under this line. The line of credit portion of \$43 million accrued interest at the LIBOR rate plus 2.5%. The letter of credit portion of \$6.9 million accrued interest at a net rate of 1.25%. Due to the variable interest rate on these borrowings, the carrying value approximates fair value. Ramius also bears a commitment fee of 0.05% of the unfunded loan balance. The loan matured on June 30, 2009. The financial institution had membership interests of \$87.9 million as of December 31, 2008 in Ramius which exclude withdrawals of \$4.8 million effective January 1, 2009. Ramius also serves as the investment manager to certain accounts managed on behalf of the financial institution.

On June 3, 2009, Ramius entered into a collateralized revolving credit agreement with HVB AG, as lender, administrative agent and issuing bank, providing for a revolving credit facility with a \$50.0 million aggregate loan commitment amount available, with a \$7.0 million letter of credit sub-limit. As of September 30, 2009, Ramius had borrowings of \$43 million under the line of credit portion and \$6.7 million under the letter of credit portion. At Ramius's election and discretion, borrowings under the 2009 collateralized revolving credit agreement bear interest per annum (based on a 360 day year) equal to either: (a) 0.5% plus the greater of (1) the lender's prime rate, (2) the overnight federal funds rate plus 0.5% and (3) the LIBOR rate plus 1.0% or (b) the LIBOR rate plus 2.75%. Due to the variable interest rate on these borrowings, their carrying values approximate fair value. Ramius is required to pay a quarterly commitment fee on the undrawn portion of the revolving credit facility equal to 1.0% per annum of the undrawn amount. For letters of credit, Ramius will pay a fee on the stated amount of the letter of credit at a rate equal to 2.75%. The 2009 collateralized revolving credit agreement matured on November 2, 2009 (See note 16). The 2009 collateralized revolving credit agreement contained financial and other restrictive covenants that limited Ramius' ability to incur additional debt and engage in other activities. As of and during the nine months ended September 30, 2009, Ramius was in compliance with these covenants.

Interest incurred on Ramius's line of credit (in combination with the previous line of credit) was \$0.4 million and \$0.3 million for the three months ended September 30, 2009 and 2008, respectively,

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****10. Note Payable and Short-Term Borrowings (Continued)**

and was \$1.1 million and \$0.9 million for the nine months ended September 30, 2009 and 2008, respectively.

Cash collateral pledged, on the consolidated statements of financial condition, represents collateral that was required to be posted for obligations or potential obligations under the letter of credit discussed above pursuant to the lease agreement for the Group's premises in New York City. Ramius's investment in Enterprise Master through Enterprise LP has been pledged as collateral under the line of credit portion of the revolving credit agreement discussed above.

Levered FOF had a \$100.0 million line of credit with a major financial institution with a minimum borrowing amount of \$20.0 million. Levered FOF could borrow on this line of credit up to 72% of the amount of collateral pledged. In accordance with the loan agreement, interest accrued on the loan as well as custodian and other fees incurred by Levered FOF in connection with the loan was capitalized and added to the total outstanding balance of the loan. As of December 31, 2008 the outstanding balance on this line of credit was \$10.0 million. This loan bears interest at LIBOR plus 1.35% per annum. Due to the floating rate of interest, its carrying value approximates fair value. As of December 31, 2008, all investments owned by Levered FOF have been pledged as collateral in connection with this line of credit. Interest incurred on Levered FOF's line of credit during the three and nine months ended September 30, 2008 was \$.3 million and \$1.3 million, respectively. Levered FOF's line of credit was repaid in full as of February 5, 2009 and was discontinued on that date.

11. Commitments and Contingencies

The Group has entered into non-cancellable leases for office space. These leases contain escalation clauses for operating expenses and real estate taxes. The Group records rent expense on a straight-line basis over the lease term, including any rent holiday periods. Net rent expense was \$2.0 million and \$2.2 million for the three months ended September 30, 2009 and 2008, respectively and was \$6.4 million and \$7.6 million for the nine months ended September 30, 2009 and 2008, respectively. At September 30, 2009, future minimum annual lease payments for Ramius and its affiliates were as follows:

	Minimum Lease Payments	
	Equipment Leases	Facility Leases
	(dollars in thousands)	
Remainder of 2009	\$ 440	\$ 2,411
2010	1,760	8,565
2011	1,760	7,311
2012	1,760	7,292
2013	1,760	7,630
Thereafter	146	66,859
	\$ 7,626	\$ 100,068

Ramius has entered into agreements to sublease certain of the premises for which the lease commitments are included in the above table. These subleases expire in May 2010. Ramius recorded sublease income related to these leases of \$478,692 and \$417,331 during the three months ended September 30, 2009 and 2008, respectively and \$1.4 million and \$620,930 during the nine months ended September 30, 2009 and 2008, respectively.

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

11. Commitments and Contingencies (Continued)

Ramius has a requirement through the lease contract for the Group's premises in New York City to maintain minimum assets under management of no less than \$5 billion. As of, and during, the nine months ended September 30, 2009, Ramius was in compliance with this minimum requirement.

The Group serves as the general partner/managing member and/or investment manager to the Ramius Funds. As such, the Group is contingently liable for obligations for those entities. The Group believes, however, that the assets in the Ramius Funds are sufficient to discharge any liabilities.

As of September 30, 2009, Enterprise Master had unfunded commitments of \$43.8 million pertaining to capital commitments in 12 investments held by Enterprise Master. Of such commitments, \$30.9 million pertained to related party investments. Ramius LLC had unfunded commitments of \$8.4 million pertaining to capital commitments in 3 investments held by Ramius LLC, all of which were related parties. Such commitments can be called at any time, subject to advance notice.

In connection with the Group's investment in the general partner of one of its real estate funds, the general partner is entitled to receive certain carried interest distributions based on the performance of the fund. Amounts received as carried interest are subject to clawback to the extent that the carried interest received to date exceeds the amount due to the general partner based on cumulative results. At September 30, 2009, pursuant to a hypothetical liquidation of the fund at fair value, the amount of carried interest subject to potential clawback would be \$6.2 million, on an after-tax basis (see Note 3 (a) (3)). This amount is the maximum obligation associated with this carried interest based on the Group's estimates at September 30, 2009.

The Group has entered into certain side letter agreements with a related party in connection with investments made in the Group's managed real estate funds. In these side letter agreements, the Group has agreed to indemnify and hold harmless from, and reimburse for, any diminution in value resulting from that related party's investment in the general partner of certain real estate funds. Those funds are subject to side letter agreements with a lead investor and require the establishment of holdback accounts, into which distributions from the general partner are to be paid, until such amounts equal 10% of the lead investor's capital contributions. Upon dissolution and final liquidation of the funds, the lead investor is entitled to receive amounts by which their aggregate capital contributions actually paid to the funds exceed the cumulative amount of distributions received over the life of the funds, including all liquidating distributions, but limited to the amounts in the holdback account and the fair value of the general partner's capital account.

On July 13, 2009, FINRA sent written notification to Ramius that it intends to recommend an enforcement action against Ramius Securities's pertaining to finder fees which were paid by another party in connection with certain transactions executed by Ramius Securities's former securities lending business in 2003 and 2004, in violation of marketplace rules. This inquiry is ongoing and Ramius is unable to determine what impact it may have on the Group's business and consolidated financial statements. A loss contingency will be recorded when it is probable and can be reasonably estimated. As Ramius is unable to make this determination at this time, no amount has been accrued related to this inquiry.

Various claims against Ramius may exist in the ordinary course of business. Management of Ramius does not believe that any such matter will have a material adverse effect on Ramius's consolidated statements of financial condition, consolidated statements of operations and consolidated statements of cash flows.

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

12. Segment Reporting

Ramius conducts all of its operations through the Investment Management segment primarily in the United States and substantially all of its revenues are generated domestically. The performance measure for the Investment Management segment is Economic Income, which management uses to evaluate the financial performance of and make operating decisions for the segment including determining appropriate compensation levels.

The chief operating decision maker uses Economic Income to assess the performance of the Investment Management segment. Economic Income is a pre-tax measure that (i) presents the segment's results of operations without the impact resulting from the consolidation of any of the Ramius Funds and (ii) excludes goodwill impairment.

The performance measure for the Investment Management segment is Economic Income, which management uses to evaluate financial performance and to make operating decisions for the segment. As further stated below, one major difference between Economic Income and US GAAP income is that Economic Income presents the segment's results of operations without the impact resulting from the full consolidation of any of the Ramius Funds. Consolidation of these funds results in including in income the pro rata share of the income or loss attributable to other owners of such entities being included in Ramius's income or loss. This pro rata share has no effect on the overall financial performance for the Investment Management segment, as ultimately, this income or loss is not income or loss for the Investment Management segment itself. Included in Economic Income is the actual pro rata share of the income or loss attributable to Ramius as an investor in such entities, which is relevant in management making operating decisions and evaluating financial performance.

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

12. Segment Reporting (Continued)

The following tables set forth operating results for Ramius's Investment Management segment and other operational and related adjustments necessary to reconcile the Investment Management Economic Income measure to arrive at Ramius's combined GAAP income before income taxes:

	Three months ended September 30, 2009			
	Investment Management Economic Income	Adjustments		Ramius Group Consolidated
		Funds Consolidation	Other Adjustments	
(dollars in thousands)				
Revenues				
Management fees	\$ 12,035	\$ (968)	\$ (2,093)(a)	\$ 8,974
Incentive income	(1,293)		1,470(a)	177
Investment Income	13,675		(13,675)(c)	
Interest and dividends			47(c)	47
Reimbursement from affiliates		(216)	2,558(b)	2,342
Other Revenue	63		514(c)	577
<i>Consolidated Ramius Funds</i>		4,345		4,345
Total revenues	24,480	3,161	(11,179)	16,462
Expenses				
Employee compensation and benefits	22,083			22,083
Interest and dividends	430		5(c)	435
General, Administrative and Other Expenses	10,322		856(c)	11,178
Reimbursement from affiliates	(2,558)		2,558(b)	
<i>Consolidated Ramius Funds</i>		5,311		5,311
Total expenses	30,277	5,311	3,419	39,007
Other income (loss)				
Net gains (losses) on securities, derivatives and other investments			1,274(c)	1,274
<i>Consolidated Ramius Funds</i>		9,728	9,628	19,356
Total other income (loss)		9,728	\$ 10,902	20,630
Income (loss) before income taxes and non-controlling interests	(5,797)	7,578	(3,696)	(1,915)
Income taxes		(2,289)	(3,640)(b)	(5,929)
Economic Income (Loss) / Net income (loss) before non-controlling interests	(5,797)	9,867	(56)	4,014
Less: Income (loss) attributable to non-controlling interests	32	9,867		9,899
Economic Income (Loss) / Net income (loss) available to all Members	\$ (5,829)	\$	\$ (56)	\$ (5,885)

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

12. Segment Reporting (Continued)

Three months ended September 30, 2008

	Investment Management Economic Income	Adjustments		Ramius Group Consolidated
		Funds Consolidation	Other Adjustments	
(dollars in thousands)				
Revenues				
Management fees	\$ 21,125	\$ (1,448)	\$ (1,882)(a)	\$ 17,795
Incentive income	(3,857)		2,995(a)	(862)
Investment Income	(56,661)		56,661(c)	
Interest and dividends			530(c)	530
Reimbursement from affiliates		(536)	5,613(b)	5,077
Other Revenue	1,952		400(c)	2,352
<i>Consolidated Ramius Funds</i>		11,927		11,927
Total revenues	(37,441)	9,943	64,317	36,819
Expenses				
Employee compensation and benefits	15,769			15,769
Interest and dividends	330		111(c)	441
General, Administrative and Other Expenses	14,985		(435)(c)	14,550
Reimbursement from affiliates	(5,613)		5,613(b)	
<i>Consolidated Ramius Funds</i>		13,022		13,022
Total expenses	25,471	13,022	5,289	43,782
Other income (loss)				
Net gains (losses) on securities, derivatives and other investments			(523)(c)	(523)
<i>Consolidated Ramius Funds</i>		(44,431)	(58,505)	(102,936)
Total other income (loss)		(44,431)	(59,028)	(103,459)
Income (loss) before income taxes and non-controlling interests	(62,912)	(47,510)	0	(110,422)
Income taxes			554(b)	554
Economic Income (Loss) / Net income (loss) before non-controlling interests	(62,912)	(47,510)	(554)	(110,976)
Less: Income (loss) attributable to non-controlling interests	(1,277)	(47,510)		(48,787)
Economic Income (Loss) / Net income (loss) available to all Members	\$ (61,635)	\$	\$ (554)	\$ (62,189)

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

12. Segment Reporting (Continued)

Nine months ended September 30, 2009

	Investment Management Economic Income	Adjustments		Ramius Group Consolidated
		Funds Consolidation	Other Adjustments	
(dollars in thousands)				
Revenues				
Management fees	\$ 40,494	\$ (3,015)	\$ (6,071)(a)	\$ 31,408
Incentive income	(11,840)		12,017(a)	177
Investment Income	16,644		(16,644)(c)	
Interest and dividends			225(c)	225
Reimbursement from affiliates		(482)	8,314(b)	7,832
Other Revenue	652		1,613(c)	2,265
<i>Consolidated Ramius Funds</i>		12,312		12,312
Total revenues	45,950	8,815	(546)	54,219
Expenses				
Employee compensation and benefits	50,869			50,869
Interest and dividends	1,103		19(c)	1,122
General, Administrative and Other Expenses	33,223		3,725(c)	36,948
Reimbursement from affiliates	(8,314)		8,314(b)	
<i>Consolidated Ramius Funds</i>		11,831		11,831
Total expenses	76,881	11,831	12,058	100,770
Other income (loss)				
Net gains (losses) on securities, derivatives and other investments			(2,702)(c)	(2,702)
<i>Consolidated Ramius Funds</i>		13,658	11,610	25,268
Total other income (loss)		13,658	8,908	22,566
Income (loss) before income taxes and non-controlling interests	(30,931)	10,642	(3,696)	(23,985)
Income taxes		(2,289)	(3,689)(b)	(5,978)
Economic Income (Loss) / Net income (loss) before non-controlling interests	(30,931)	12,931	(7)	(18,007)
Less: Income (loss) attributable to non-controlling interests	957	12,931		13,888
Economic Income (Loss) / Net income (loss) available to all Members	\$ (31,888)	\$	\$ (7)	\$ (31,895)

Table of Contents**Ramius LLC and Subsidiaries****Notes to Consolidated Financial Statements (Continued)****(Unaudited)****12. Segment Reporting (Continued)**

Nine months ended September 30, 2008

	Investment Management Economic Income	Adjustments		Ramius Group Consolidated
		Funds Consolidation	Other Adjustments	
(dollars in thousands)				
Revenues				
Management fees	\$ 65,614	\$ (4,120)	\$ (5,051)(a)	\$ 56,443
Incentive income	(3,249)	(1,316)	4,565(a)	
Investment Income	(42,423)		42,423(c)	
Interest and dividends			1,443(c)	1,443
Reimbursement from affiliates		(677)	12,352(b)	11,675
Other Revenue	2,731		2,006(c)	4,737
<i>Consolidated Ramius Funds</i>		26,165		26,165
Total revenues	22,673	20,052	57,738	100,463
Expenses				
Employee compensation and benefits	67,703			67,703
Interest and dividends	923		272(c)	1,195
General, Administrative and Other Expenses	33,896		2,838(c)	36,734
Reimbursement from affiliates	(12,352)		12,352(b)	
<i>Consolidated Ramius Funds</i>		27,040		27,040
Total expenses	90,170	27,040	15,462	132,672
Other income (loss)				
Net gains (losses) on securities, derivatives and other investments			800(c)	800
<i>Consolidated Ramius Funds</i>		(42,447)	(43,076)	(85,523)
Total other income (loss)		(42,447)	(42,276)	(84,723)
Income (loss) before income taxes and non-controlling interests	(67,497)	(49,435)	0	(116,932)
Income taxes			738(b)	738
Economic Income (Loss) / Net income (loss) before non-controlling interests	(67,497)	(49,435)	(738)	(117,670)
Less: Income (loss) attributable to non-controlling interests	(2,741)	(49,435)		(52,176)
Economic Income (Loss) / Net income (loss) available to all Members	\$ (64,756)	\$	\$ (738)	\$ (65,494)

The following is a summary of the adjustments made to US GAAP net income (loss) for the segment to arrive at Economic Income:

Funds Consolidation: The impacts of consolidation and the related elimination entries of the Ramius Funds are not included in Economic Income. Adjustments include elimination of incentive income and management fees earned from the consolidated Ramius Funds and addition of fund expenses excluding management fees paid, fund revenues and investment income (loss).

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

12. Segment Reporting (Continued)

Other Adjustments:

- (a) Economic Income recognizes revenues (i) net of distribution fees paid to agents and (ii) our proportionate share of revenues of certain real estate operating companies for which the investments are recorded under the equity method of accounting for investments.
- (b) Economic Income excludes income taxes as management does not consider this item when evaluating the performance of the segment. Also, reimbursement from affiliates is shown as a reduction of Economic Income Expenses, but for US GAAP is shown as part of revenues.
- (c) Economic Income Revenues include investment income that represents the income Ramius has earned in investing its own capital, including realized and unrealized gains and losses, interest and dividends, net of associated investment related expenses. For US GAAP purposes, these items are included in other income (loss).

13. Regulatory Requirements

Ramius Securities is subject to the SEC's Uniform Net Capital Rule 15c3-1 (the "Rule"), which requires the maintenance of minimum net capital. Ramius Securities has elected to use the alternative method, permitted by the Rule, which requires that Ramius Securities maintain net capital in an amount not less than \$2,500 for each security in which it makes a market based on the average number of such markets made by such broker or dealer during the 30 days immediately preceding the computation date. Since Ramius Securities has elected not to be subject to the Aggregate Indebtedness Standard (a)(1)(i) of the Rule and Ramius Securities has not made a market in any securities since January 2006, Ramius Securities shall not permit its net capital to be less than \$250,000. At September 30, 2009, Ramius Securities had net capital of \$4.34 million, which was \$4.09 million in excess of its required minimum net capital of \$250,000. As of December 31, 2008, Ramius Securities had net capital of \$8.2 million, which was \$7.9 million in excess of its required minimum net capital of \$250,000.

Ramius Securities is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as Ramius Securities' activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

14. Related Party Transactions

The Group acts as managing member, general partner and/or investment manager to the Ramius Funds and certain managed accounts. Management fees and incentive income are primarily earned from affiliated entities. Fees receivable from related parties represents the management fees and incentive income owed to the Group from these Ramius Funds and certain affiliated managed accounts.

The Group may, at its discretion, waive certain of the fees charged to the Ramius Funds to avoid duplication of fees when such funds have an underlying investment in another affiliated investment fund. The Group reimbursed the Ramius Funds for management fees of \$0.8 million and \$6.0 million, and incentive income (loss) of \$0.3 and (\$2.5) million, respectively for the three months ended September 30, 2009 and 2008. The Group reimbursed the Ramius Funds for management fees of

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

14. Related Party Transactions (Continued)

\$3.2 million and \$20.7 million, and incentive income of \$0.3 and \$2.5 million for the nine months ended September 30, 2009 and 2008, respectively. During the periods ended September 30, 2009 and 2008, these reimbursements have been recorded net in management fees and incentive income in the consolidated statements of operations, respectively.

Included in due from related parties at September 30, 2009 and December 31, 2008 were approximately \$3.3 million and \$7.5 million related to principal advances, respectively. These amounts are generally short term in nature and may have various interest rates but no less than the applicable federal rate of interest as required by the Internal Revenue Service. Ramius may also make loans to employees or other affiliates. These loans are interest bearing and settle pursuant to the agreed-upon terms with such employees or affiliates and are included in due from related parties in the consolidated statements of financial condition. As of September 30, 2009 and December 31, 2008, loans to employees were \$1.1 million and \$0.8 million and were included in due from related parties on the consolidated statements of financial condition. Interest was charged for these loans and advances of \$34,467 and \$92,268 for the three months ended September 30, 2009 and 2008, respectively and \$79,577 and \$201,860 for the nine months ended September 30, 2009 and 2008.

As of September 30, 2009 and December 31, 2008, included in payments due to related parties are reimbursement obligations of \$4.6 million and \$1.8 million, respectively, related to certain letter agreements with a related party due to changes in unrealized value of certain managed real estate funds. The settlement of these potential reimbursement obligations is not due until the end of the life of the respective fund (see Note 11).

15. Guarantees

Ramius discloses information about its obligations under certain guarantee arrangements. Guarantees are contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying security (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. Guarantees are contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

In the normal course of its operations, the Group enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Group's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Group that have not yet occurred. However, based on experience, the Group expects the risk of loss to be remote.

The Group indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Group or its affiliates. The Group also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including sub-custodians and third-party brokers, improperly execute transactions. The maximum potential amount of future payments that the Group could be required to make under these indemnifications

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

15. Guarantees (Continued)

cannot be estimated. However, the Group believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the consolidated financial statements for these indemnifications.

The Group also provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Group may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Group could be required to make under these indemnifications cannot be estimated. However, the Group believes it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the consolidated financial statements for these indemnifications.

16. Subsequent Events

The transactions, as contemplated by the Transaction Agreement (see Note 1), were consummated on November 2, 2009. On that date, Ramius changed its name to RCG Holdings LLC ("RCG"), LexingtonPark Parent Corp. changed its name to Cowen Group, Inc ("Cowen Group"), Park Exchange LLC changed its name to Ramius LLC and Cowen Group, Inc changed its name to Cowen Holdings, Inc ("Cowen Holdings"). Upon the closing of the transactions Park Exchange LLC acquired substantially all of the assets and assumed substantially all of the liabilities of RCG. At the closing of the transactions, 37,536,826 shares of the Cowen Group's Class A Common Stock were issued to RCG Holdings. Under the terms of the Transaction Agreement each outstanding share of common stock of Cowen Holdings was converted into one share of Class A Common Stock of Cowen Group. Cowen Group is the parent of both Cowen Holdings and Park Exchange LLC following the consummation of the transactions.

Concurrently with the completion of the transactions described above, HVB Alternative Advisors LLC ("HVB"), received approximately 2.7 million shares of Class A Common Stock of Cowen Group and approximately \$10.4 million in exchange for transferring to Cowen Holdings the 50% interest in Ramius's fund of funds business not already owned by Ramius.

The business combination between Ramius and Cowen Holdings was accounted for as an acquisition by Ramius of Cowen Holdings. As a result, the historical financial statements of Ramius have become the historical financial statements of Cowen Group. Accordingly, the financial statements of Cowen Group are Ramius's historical financial statements and do not reflect the historical financial position or results of operations of Cowen Holdings.

Initial accounting for the transaction is incomplete as of the date through which subsequent events have been evaluated and therefore additional information on the fair value of consideration transferred and assets and liabilities acquired is not yet available.

In connection with the transactions completed on November 2, 2009, as stated in the Transaction Agreement (see Note 1), the Special Allocation to the Managing Member has been discontinued. Additionally, in connection with this transaction Ramius awarded \$25.0 million in equity REOP awards

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Ramius LLC and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

16. Subsequent Events (Continued)

to certain key employees. Such award grants are a one-time award which will vest over a three-year period, with 50% of the awards vesting on each of the second and third anniversaries of the closing of the transactions. The compensation expense related to these award grants will be recognized by Cowen Group over the requisite service period in relation to the services provided by the employees.

On November 2, 2009, Cowen Group entered into an amended collateralized revolving credit agreement with HVB AG, as lender, administrative agent and issuing bank, providing for a revolving credit facility with a \$50.0 million aggregate loan commitment amount available, with a \$7.0 million letter of credit sub-limit. At Cowen Group's election and discretion, borrowings under the collateralized revolving credit agreement bear interest per annum (based on a 360 day year) equal to either: (a) 1.5% plus the greater of (1) the lender's prime rate, (2) the overnight federal funds rate plus 0.5% and (3) the LIBOR rate plus 1.0% or (b) the LIBOR rate plus 3.5%. Cowen Group is required to pay a quarterly commitment fee on the undrawn portion of the revolving credit facility equal to 1.0% per annum of the undrawn amount. For letters of credit, Cowen Group will pay a fee on the stated amount of the letter of credit at a rate equal to 3.5%. \$25.0 million of the collateralized revolving credit agreement will mature on January 4, 2010; the remainder on September 29, 2011.

Immediately following the consummation of the transactions, Ramius transferred interests in Ramius Enterprise LP, having a value of approximately \$190 million, to Cowen Group. In addition, Ramius has submitted a redemption request to Ramius Enterprise LP to withdraw up to \$75 million from the fund as of December 31, 2009, but has not yet determined the amount of capital that it will actually withdraw.

New guaranty agreements were executed on November 2, 2009 by Cowen Group and Park Exchange LLC to obtain the consent of the lessor of Ramius's leased aircraft to assign the lease to Cowen Group and Park Exchange LLC. Cowen Group's guaranty contains a covenant that the entity must maintain a minimum assets under management of \$6.5 billion, based on the combined assets under management of Ramius and Cowen Holdings. If the assets under management at Cowen Group falls below \$6.5 billion, the Lessor would require a cash deposit or letter of credit equal to 12 months of lease payments (\$1,759,800).

On November 2, 2009, Ramius's office leases at 599 Lexington Avenue, New York, NY, 666 Third Avenue, New York, NY, and Purchase, NY were assigned to and assumed by Park Exchange LLC. Concurrently, landlord consents for the lease assignments were obtained and guaranty agreements were executed by Cowen Group. The guaranties provide for, among other things, the full and timely payment of rent and the full and prompt observance of other obligations set forth in the lease.

During the period from October 1, 2009 to November 25, 2009, there were no capital contributions or withdrawals to/from Ramius LLC. There were no capital contributions or withdrawals to/from the consolidated Ramius Funds for the same period.

The Group has evaluated events that have occurred since September 30, 2009 and through November 25, 2009, and it has determined except for what is disclosed in this note, there are no other events that have occurred that would require recognition or additional disclosures in these interim unaudited consolidated financial statements to prevent them from being misleading.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion contains forward-looking statements, which involve numerous risks and uncertainties, including, but not limited to, those described in the section titled "Risk Factors" in this document. This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the consolidated financial statements and related notes of Cowen Group, Inc. (formerly LexingtonPark Parent Corp.) and RCG (formerly Ramius LLC, the Company's accounting predecessor) included elsewhere in this quarterly report. Actual results may differ materially from those contained in any forward-looking statements.

Recently Completed Transactions

LexingtonPark Parent Corp. ("LexingtonPark", n/k/a Cowen Group, Inc.), a Delaware corporation, was formed on June 1, 2009 in connection with the Transaction Agreement and Agreement and Plan of Merger (the "Transaction Agreement"), dated as of June 3, 2009, by and among Cowen Holdings, Inc. (f/k/a Cowen Group, Inc.), a Delaware corporation, LexingtonPark, Lexington Merger Corp., a Delaware corporation and direct wholly owned subsidiary of Lexington Park, Ramius LLC (formerly Park Exchange LLC), a Delaware limited liability company and direct wholly owned subsidiary of LexingtonPark and RCG Holdings LLC (formerly Ramius LLC, the Company's accounting predecessor), a Delaware limited liability company (the "Transaction Agreement"). As of September 30, 2009, LexingtonPark had not conducted any material activities other than those incidental to its formation.

Cowen Group, Inc. is a new holding company formed in connection with the business combination of Ramius and Cowen Holdings. On November 2, 2009, the Transactions 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 was converted into one share of 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 issuance by the Company to RCG of 37,536,826 shares of Class A common stock of the Company. Following the consummation of the Transactions, Cowen Group is the parent company of both Ramius and Cowen Holdings and RCG held approximately 66.56% of the Company's Class A common stock as of November 2, 2009. RCG's managing member is controlled by certain members of the Company's senior management team. Prior to the consummation of the Transactions, the Company did not conduct any material activities other than those incidental to its formation and the matters contemplated by the Transaction Agreement. Concurrently with the completion of the Transactions described above, HVB received 2,713,882 shares of Class A common stock of the Company and approximately \$10.4 million in cash in exchange for transferring to Cowen Holdings the 50% interest in Ramius Alternative Solutions, Ramius's fund of funds business, not already owned by Ramius.

The business combination between Ramius and Cowen Holdings was accounted for as an "acquisition" by Ramius of Cowen Holdings, as that term is used under generally accepted accounting principles in the U.S., for accounting and financial reporting purposes. As a result, the historical financial statements of Ramius (the business of which was operated by RCG, the Company's accounting predecessor, prior to the consummation of the Transactions) have become the historical financial statements of Cowen Group. Accordingly, the financial statements of Cowen Group included in this document as of September 30, 2009 and for the three and nine month periods ending September 30, 2009 are Ramius's historical financial statements and do not reflect the historical financial position or results of operations of Cowen Holdings. Similarly, the discussion in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" relate to Ramius's financial condition and results of operations and do not reflect the financial condition or results of operations of Cowen Holdings.

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The assets and liabilities of Cowen Holdings were, as of November 2, 2009, recorded at their respective fair values and added to those of Ramius. The financial statements of the Company that include periods after November 2, 2009 will reflect such fair values and will not be restated retroactively to reflect the historical financial position or results of operations of Cowen Holdings. For periods after November 2, 2009, the results of operations of Cowen Holdings will be included in the results of operations of the Company.

COWEN GROUP, INC (formerly known as LexingtonPark Parent Corp.)

Results of Operations

As of September 30, 2009, the Company had not conducted any material activities other than those incidental to its formation and those matters contemplated by the Transaction Agreement.

Under the terms of the Transaction Agreement, on November 2, 2009, each outstanding share of common stock of Cowen Holdings was converted into one share of Class A Common Stock and 37,536,826 shares of the Company's Class A Common Stock were issued to RCG Holdings LLC. The Company is the parent of both Cowen Holdings, Inc. and Ramius LLC following the consummation of the transactions.

Liquidity and Capital Resources

As of September 30, 2009, the Company had no outstanding short-term or long-term debt.

RAMIUS LLC AND SUBSIDIARIES

Business Overview

Prior to the consummation of the Transactions, the Company conducted its operations through one reportable segment, the alternative investment management segment, which provides management services to its hedge funds, fund of funds, real estate and other investment platforms. After the combination of Ramius and Cowen Holdings, the Company conducts its operations through two segments: an alternative investment management segment and an investment banking segment. The Company's alternative investment management business is conducted primarily through Ramius, its wholly owned subsidiary (the business of which was operated by RCG, the Company's accounting predecessor, prior to the consummation of the Transactions). For purposes of this historical discussion of the business of the Company as of September 30, 2009 and for prior periods, the Company's business is that of Ramius, the business of which was operated by RCG, the Company's accounting predecessor.

We operate our alternative investment management business primarily through Ramius, our wholly owned subsidiary. Our alternative investment management business had approximately \$7.9 billion of assets under management as of October 1, 2009, after giving pro forma effect to the consummation of the Transactions. The predecessor to this business was founded in 1994 and, through one of its subsidiaries, has been a registered investment adviser under the Investment Advisers Act since 1997. Our alternative investment management products and services include hedge funds, fund of funds, real estate, health care royalty funds and cash management services. Our institutional investors include pension funds, insurance companies, banks, foundations and endowments, wealth management organizations and family offices.

Ramius's hedge fund and fund of funds platforms have historically sought to deliver consistent, risk-adjusted returns throughout a market cycle (which Ramius generally views as approximately three to five years). In these platforms, Ramius seeks positive performance with minimal correlation to directional market indices. Risk-adjusted returns refer to positive returns with lower volatility as compared to traditional asset classes such as equities.

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Factors Affecting Our Alternative Investment Management Business

Our alternative investment management business and results of operations are impacted by the following factors:

Assets under management. Ramius's revenues from management fees are directly linked to assets under management. As a result, its future performance will depend on, among other things, its ability to retain assets under management and to grow assets under management from existing and new products. In addition, positive performance increases assets under management which results in higher management fees.

Investment performance. Ramius's revenues from incentive income are linked to the performance of the funds and accounts that Ramius manages. Performance also affects assets under management because it influences investors' decisions to invest assets in, or withdraw assets from, the funds and accounts managed by Ramius.

Fee and allocation rates. Ramius's management fee revenues are linked to the management fee rates it charges as a percentage of assets under management. Its incentive income revenues are linked to the incentive allocation rates Ramius charges as a percentage of performance driven asset growth. Ramius's incentive allocations are subject to "high-water marks," whereby incentive income is generally earned by Ramius only to the extent that the net asset value of a fund at the end of a measurement period exceeds the highest net asset value as of the end of the preceding measurement period for which Ramius earned incentive income. Ramius's incentive allocations are also subject, in some cases, to performance hurdles.

Investment performance of Ramius's own capital. We invest our own capital and the performance of such invested capital affects our revenues. As of September 30, 2009, Ramius had an investment of approximately \$276 million in Enterprise, an entity which invests its capital in Enterprise Fund. The Enterprise Fund is a multi-strategy fund that invests in all of Ramius's alternative investment strategies, with additional exposure to certain less liquid investments including real estate, private equity, private debt, and energy investments. Immediately following the consummation of the Transactions, Ramius transferred interests in Enterprise having a value of approximately \$190 million to Cowen Group. The discussion in this section does not reflect this transfer. Most of Ramius's return on its own invested capital is derived from its investment in the Enterprise Fund, with such income directly dependent on the performance of the Enterprise Fund.

Personnel, systems, controls and infrastructure. Ramius's ability to grow assets under management and produce positive performance depends on its ability to attract, retain and motivate investment and other professionals. Its business requires significant investment in its fund management platform, including infrastructure and back-office personnel.

In addition, our alternative investment management business and results of operations may be affected by a number of external market factors. These include global asset allocation trends, regulatory developments and overall macroeconomic activity. Due to these and other factors, its operating results may reflect significant volatility from period to period. Ramius was affected by the conditions impacting the global financial markets and the hedge fund industry during 2008, which was characterized by substantial declines in investment performance and unanticipated levels of requested redemptions. Investors sought liquidity wherever it could be obtained, often due to liquidity constraints within their own organizations. As was generally the case on an industry-wide basis, during 2008 Ramius's funds experienced negative investment performance and increased redemptions. Ramius's assets under management declined from \$12.9 billion as of December 31, 2007 to \$7.1 billion as of October 1, 2009. After a very challenging period during the first quarter of 2009, market conditions subsequently stabilized and then began to improve. While there have been net redemptions in the industry for much

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of the year, investors' need for capital has become less acute. Although we remain cautious, we believe the pace of redemptions may be slowing with calendar 2009 coming to a close, as investors adjust their asset allocations looking forward to 2010. The variability of redemptions affects our alternative investment management business, and it is always possible that Ramius could intermittently experience redemptions above historical levels, regardless of fund performance. These conditions will continue to affect our alternative investment management business, and as other alternative investment managers continue to restrict fund investor liquidity, it is possible that we could continue to experience elevated redemptions relative to historic levels, regardless of fund performance. However, we believe the diversity of our alternative investment management products and services as well as the strength of our institutional platform, supported by our own capital, should benefit us throughout this period.

Understanding Our Results

Assets Under Management and Investment Performance

The principal drivers of the results of our alternative investment management business are assets under management and investment performance. Delivering positive fund performance that is consistent with its investors' objectives is the principal determinant of the long-term success of our alternative investment management business as it enables us to grow assets under management organically, generate investment returns on our own invested capital, should enable us to attract new capital and minimize redemptions by our fund investors. Conversely, poor investment performance decreases our assets under management, can result in investor redemptions from its funds, generates losses on our own capital and impairs the marketability of our alternative investment management products and services.

The ability of investors to contribute capital to and redeem capital from Ramius's funds can cause assets under management to fluctuate considerably from period to period. Such fluctuations also result from investment performance due to the retention and reinvestment of fund profits as well as the impact of fund losses. All of these factors impact the revenues we earn from management fees, incentive income and returns on its own capital. The need of Ramius's clients to satisfy their own liquidity requirements (especially if other managers have instituted redemption restrictions) may cause some investors to redeem investments in Ramius's funds for reasons unrelated to Ramius's performance.

Most of the Company's return on its own invested capital is derived from Ramius's investment in the Enterprise Fund, with such income directly dependent on the performance of the Enterprise Fund. As of September 30, 2009, Ramius had \$276 million of its own capital invested in the Enterprise Fund. As such, the investment performance of the Enterprise Fund may have a material impact on our performance. Following the consummation of the Transactions, Ramius transferred interests in Enterprise having a value of approximately \$190 million to the Company. The discussion in this section does not reflect this transfer.

Revenues

Our alternative investment management business generates revenue through three principal sources: management fees, incentive income and investment income from our own capital. The amount of revenues earned from those sources is directly related to the amount of its assets under management and the investment performance of its funds. Management fees are directly impacted by any increase or decrease in our assets under management, while incentive income is impacted by its funds' performance and any increase or decrease in assets under management. Investment income from our own capital is impacted by the performance of the funds in which its capital is invested, which is principally the Enterprise Fund.

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As of September 30, 2009, Ramius owned 50% of Ramius Alternative Solutions, the Ramius fund of funds business. Although 100% of the revenues from the fund of funds business were included as revenue in Ramius's consolidated financial statements, 50% of the net income was allocated to a non-controlling interest. As described above, following the closing of the Transactions on November 2, 2009, the Company became the sole indirect owner of Ramius Alternative Solutions. Furthermore, the general partners of Ramius's real estate funds are owned jointly by Ramius and third parties with Ramius's ownership interest in the general partners of the real estate funds ranging from 30% to 55%. Accordingly, the management fees, incentive income and investment income generated by the real estate funds are split between us and the other owners of the general partners. We do not possess unilateral control over the general partners. Pursuant to GAAP, the management fees, incentive income and investment income received by the general partners are accounted for under the equity method and are reflected under other income instead of management fees, incentive income and investment income.

Management Fees. Ramius earns management fees based on its assets under management. The actual management fees received can vary depending on distribution fees or fee splits paid to third parties either in connection with raising the assets or structuring the investment. Management fees are generally paid on a quarterly basis, in arrears, at the beginning of each quarter and are prorated for capital inflows and redemptions. Accordingly, changes in Ramius's management fee revenues each quarter are influenced by changes in the applicable opening balances of assets under management, changes in average management fee rates and the relative magnitude and timing of inflows and redemptions during the respective periods. While some investors with significant investments in separately managed accounts may have separately negotiated fees, in general the management fees are as follows:

Hedge Funds. Management fees for Ramius's hedge funds are generally charged at an annual rate of up to 2% of assets under management. Management fees are generally calculated monthly based on assets under management at the end of each month before incentive allocations.

Fund of Funds. Management fees for the fund of funds are generally charged at an annual rate of up to 2% of assets under management. Management fees are generally calculated monthly based on assets under management at the beginning or end of each month before incentive allocations. The fund of funds group also takes on advisory assignments where it is typically paid a flat fee upon commencement of the assignment and an ongoing fee for the duration of the project. In each case these advisory assignment fees are negotiated directly with the client.

Real Estate Funds. Management fees from the real estate funds are generally charged by their general partners at an annual rate between 1% and 1.5% of total capital commitments during the investment period and of invested capital or net asset value of the applicable fund after the investment period has ended. Management fees are typically paid to the general partners on a quarterly basis, at the beginning of the quarter, in arrears, and are prorated for changes in capital commitments throughout the investment period and invested capital after the investment period.

Other. Management fees from Ramius's cash management services business range from annual rates of 0.08% to 0.20% of assets, based on the average daily balances of the assets under management. Ramius also provides mortgage advisory services where Ramius manages collateralized debt obligations (which we refer to as CDOs) and liquidates CDOs that were historically managed by others. Since the fourth quarter of 2007, Ramius has rebated the management fees in connection with managing CDOs and Ramius's advisory fees from liquidating CDOs are usually negotiated fixed fees.

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Incentive Income. Ramius earns incentive income based on the performance of the Ramius funds, fund of funds, real estate funds and managed accounts. Incentive allocations are typically between 10% and 20% for hedge funds and 10% for fund of funds, in each case based on the net realized and unrealized profits, including investment income earned for the full year that are attributable to each investor. However, many fund of funds products and some other products have no incentive allocation. Incentive income on real estate investments is earned in the year of the sale or realization of a private investment, subject to a clawback to the extent that the applicable minimum return is not generated upon the winding up of the fund. The real estate funds have incentive allocations of 20%. In order for the real estate funds to receive incentive allocations, investors in these funds must first receive a minimum return on their investments of approximately 8%. For most of Ramius's existing funds with an incentive allocation, there is a perpetual high-water mark. As a result of negative investment performance in 2008, Ramius entered 2009 with high-water marks in many hedge funds. These high-water marks require the Ramius funds to recover cumulative losses before Ramius can begin to earn incentive income in 2009 and beyond until the high-water marks are reached with respect to the investments of the fund investors who suffered losses last year. For example, the net asset value of Ramius Multi-Strategy Fund Ltd decreased by 26.76% net of management fees in 2008. This assumes no further recovery from the 80% discount that Ramius has valued the net equity claim for assets held at Lehman Brothers International (Europe) (which we refer to as LBIE). In order for Ramius to earn an incentive fee from an investor who had participated fully in this loss, the fund will have to increase net asset value by 36.5%, net of management fees (the fund has increased its net asset value 5.64% through the first nine months of 2009). Based on performance in the Ramius Multi-Strategy Fund Ltd. through the first nine months of 2009, net asset value must now increase by 29.25% before incentive fees will be earned on assets that participated fully in the 2008 loss. Such analysis applies to each fund which incurred 2008 losses. Current market conditions make it difficult to predict when Ramius may exceed these high-water marks. New capital is, however, eligible for incentive allocations based solely on performance after the investment is made. The industry is currently evolving in that many new hedge funds are being created with modified high-water marks that do not prohibit the manager from receiving an incentive allocation for an indeterminate period of time. Ramius plans to introduce modified high-water marks or other benchmarks as Ramius creates new products.

Reimbursements from Affiliates. Ramius incurs certain expenses on behalf of its operating subsidiaries, such as the real estate businesses. The expenses relate to the administration of such subsidiaries. In addition, pursuant to the funds' offering documents, Ramius charges certain allowable expenses to the funds, including charges and personnel costs for legal, compliance, accounting, tax compliance, marketing, risk and technology expenses that directly relate to administering the assets of the funds.

Other Revenue. Ramius periodically receives other revenue which is unrelated to its own invested capital or its activities on behalf of the Ramius funds. Historical sources of such other revenue primarily include certain placement fee income received by a non-wholly owned subsidiary of Ramius that engaged in the private placement of interests in the real estate funds. Ramius exited the placement agent business in the third quarter of 2009.

Consolidated Ramius Funds and Certain Real Estate Entities Revenues. Certain Ramius funds and real estate entities are consolidated with Ramius pursuant to GAAP. As such, Ramius's consolidated financial statements reflect the other revenues of these consolidated entities, and the portions that are attributable to other investors are allocated to a non-controlling interest. The realized and unrealized trading income from these consolidated entities is recognized in other income (loss) as described below.

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Expenses

The expenses for our alternative investment management business consist of compensation and benefits, interest expense and general, administrative and other expenses. In 2008, Ramius decided to focus on its larger products and rationalize or eliminate those products, strategies and businesses that were less likely to attract significant assets under management or were marginal to its business. This decision has resulted in a reduction in expenses (including a reduction in compensation expenses as a result of headcount reductions of both investment professionals and support staff). Such expense reductions began in the fourth quarter of 2008 and Ramius continues to evaluate its expenses on an ongoing basis.

Compensation and Benefits. Compensation and benefits is comprised of salaries, benefits, discretionary cash bonuses and equity-based compensation. Annual incentive compensation is variable, and the amount paid is generally based on a combination of employees' performance, their contribution to the funds and separately managed accounts, and Ramius's net income. Generally, compensation and benefits comprise a significant portion of total expenses, with annual incentive compensation comprising a majority of total compensation and benefits expenses. This annual compensation expense historically has been funded by revenues, including incentive income earned at the end of a calendar year and investment returns on Ramius's own capital. As of September 30, 2008, prior to beginning headcount reductions, Ramius had 241 employees and as of September 30, 2009, Ramius had 147 employees.

Interest and Dividends. Amounts included within interest and dividend expense primarily relates to interest paid on Ramius's revolving line of credit.

General, Administrative and Other. General, administrative and other expenses are primarily related to professional services, occupancy and equipment, business development expenses, communications, insurance and other miscellaneous expenses. These expenses may also include certain one-time charges and non-cash expenses.

Consolidated Ramius Funds and Certain Real Estate Entities Expenses. Certain Ramius funds and real estate entities are consolidated with Ramius pursuant to GAAP. As such, Ramius's consolidated financial statements reflect the expenses of these consolidated entities and the portion attributable to other investors is allocated to a non-controlling interest.

Other Income (Loss)

Ramius's other income (loss) primarily consists of realized and unrealized gains or losses from the investment of its own capital and from its consolidated funds and certain non-wholly owned operating subsidiaries.

Income Taxes

Historically, Ramius operated as a limited liability company and was not subject to U.S. federal or state income taxes. However, Ramius is subject to unincorporated business income tax (which we refer to as UBT), on its trade and business activities conducted in New York, New York. The effective UBT rates vary significantly between the effective rate applicable to income from business activities and the effective rate applicable to income from investment activities. Ramius is also subject to foreign taxation on income it generates in certain countries. In the third quarter of 2009, one of the consolidated Ramius funds had an investment in reinsurance companies that generated a significant tax benefit, which is explained in more detail below. See GAAP Quarterly Comparison Income Taxes."

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Non-controlling Interests

Non-controlling interests represent the pro rata share of the income or loss of the non-wholly owned consolidated entities attributable to the other owners of such entities.

Special Allocation to Ramius's Managing Member

In accordance with Ramius's operating agreement in effect prior to the consummation of the Transactions, Ramius's managing member was historically entitled to receive a special allocation equal to 35% of Ramius's net profits. Following the closing of the Transactions as of November 2, 2009, Ramius no longer allocates a portion of its profits to its managing member, and the principals of the managing member, in their capacities as officers of Cowen Group, instead receive compensation in the form of salaries and discretionary bonuses.

Changes in Connection with the Transactions

The changes discussed below occurred as of November 2, 2009 upon the closing of the Transactions. The impact of these changes are not reflected in the results of operations for the third quarter of 2009 discussed in this document as they had not yet occurred.

Fund of Funds Business

Prior to November 2, 2009, Ramius Alternative Solutions was operated as a joint venture between Ramius and HVB. As a result, for all periods prior to November 2, 2009 the net income with respect to the fund of funds business was distributed equally to Ramius and HVB. On November 2, 2009, we purchased HVB's interest in Ramius Alternative Solutions in exchange for approximately 2.7 million shares, or 4.9%, of the Company's outstanding Class A common stock and approximately \$10.4 million of cash. As a result, Cowen Group is now, indirectly, the sole owner of Ramius Alternative Solutions, the fund of funds business, and HVB will no longer participate directly in the fund of funds net income.

Special Allocation to the Managing Member

As described above, following the closing of the Transactions as of November 2, 2009, Ramius no longer allocates a portion of its profits to its managing member.

Employee Ownership Program

Ramius sponsors an employee ownership plan (which we refer to as the REOP program) for certain key employees at Ramius. The REOP program provides for the granting of equity interests in Ramius to certain participants, or equity REOP. Other participants have been granted non-equity awards which track the returns of an equity interest in Ramius, or phantom REOP. The equity REOP and phantom REOP awards which were awarded prior to the Transactions (other than the transaction REOP grants discussed below) vested upon the closing of the Transactions. More specifically, upon the closing of the Transactions, \$3.3 million in outstanding equity and phantom REOP vested, of which \$0.8 million will be paid out in cash with respect to equity REOP to fund certain tax withholding requirements, \$1.8 million in outstanding equity REOP was converted to ownership interests in Ramius and \$0.8 million in outstanding phantom REOP vested, and which was paid out in cash.

Ramius Alternative Solutions also sponsors an employee profit participation plan (which we refer to as the RAPP program) for certain key employees at Ramius Alternative Solutions. The RAPP program provides for the granting of equity interests in related entities with the initial grant values based on a certain percentage of profits of the fund of funds business. In years that awards are granted, one half of the amount granted represents equity units in one of the consolidated fund of funds

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products managed by Ramius Alternative Solutions chosen by senior management and the other half of the amount granted represents equity units of Ramius. Upon the closing of the Transactions, \$2.8 million in outstanding RAPP awards vested, of which \$0.7 million was paid out in cash to fund certain tax withholding requirements, \$1.0 million was converted to ownership interests in Ramius and \$1.0 million was converted to ownership interests in certain fund of funds platforms.

In connection with the Transactions, Ramius awarded equity REOP (which corresponded to an aggregate of 2,859,426 of the shares of Class A common stock RCG received in the Transactions) to certain key employees, or the "transaction REOP." The transaction REOP is a one-time award which will vest over a three-year period, with 50% of the awards vesting on each of the second and third anniversaries of the closing of the transactions. The Company will recognize the transaction REOP as compensation expense each year in relation to the services received over the requisite service period.

Income Taxes

As of the closing of the Transactions, the Company is subject to U.S. federal, state and local income tax on its income. The Company's carrying value of the Ramius business is higher for income tax purposes than for financial reporting purposes. The net deferred tax asset that will be recognized for this difference will be limited to the tax benefit expected to be realized in the foreseeable future. This benefit will be estimated based on a number of factors, especially the amount of unrealized gains in all of the net assets of the combined company existing for tax purposes at the date of the transaction that are actually expected to be realized, for tax purposes, in the foreseeable future. If the unrealized gains at the date of the closing of the Transactions that will be realized in the future increase or decrease, deferred income tax expense or benefit will be recognized accordingly.

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The following table sets forth assets under management as of October 1, 2009:

Platform	Total Assets under Management	Primary Strategies
	(dollars in millions)	
Hedge Funds	\$ 1,919(3)	Multi-Strategy Single Strategy
Fund of Funds(1)	2,017	Ramius Multi-Strategy Ramius Vintage Multi-Strategy Ramius Customized Solutions
Real Estate(2)	1,628(4)	Debt Equity
Other	1,526	Cash Management Mortgage Advisory
Total	\$ 7,090	

- (1) As discussed above, for all periods prior to November 2, 2009, HVB owned 50% of the fund of funds business. In connection with the transactions, the Company acquired HVB's interest in Ramius Alternative Solutions as described above.
- (2) As discussed above, Ramius owns between 30% and 55% of the general partners in the real estate business. We do not possess unilateral control over any of these general partners.
- (3) This amount includes our own invested capital of approximately \$276 million as of September 30, 2009.
- (4) This amount reflects committed capital.

Ramius typically accepts new investors and additional investments from existing investors into its funds on a monthly basis. Investors in Ramius's hedge funds and fund of funds, but not cash management or real estate, generally have the right to redeem their interests on a quarterly basis, after providing the required advanced notice which typically ranges from thirty to 120 days. However, depending on the investment strategy, some products have less frequent redemption periods, such as annual or semi-annual. The funds generally have a lock-up period of one year or more from the date of investment during which time redemptions can only be made upon payment of a fee ranging from 1% to 5% of the amount being redeemed. Investors in the Enterprise Fund, however, only have the right to redeem their interests after a two-year period upon providing 120 days' notice. If an investor in the Enterprise Fund does not provide notice, the investor would then be subject to another two-year lock-up period with respect to investments in the Enterprise Fund. Investors in Ramius's real estate funds are required to meet capital calls over a designated investment period to the extent of their previously agreed capital commitments and redemptions are generally not permitted. Investors in Ramius's cash management accounts may freely withdraw capital from such accounts.

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The following table sets forth the changes to our alternative investment management business's assets under management, which, since 2007, has included Ramius's investment in the Enterprise Fund:

	Year ended December 31, 2008	Three months ended October 1, 2009	Nine months ended October 1, 2009
Beginning Assets under Management	\$ 12,900,355	\$ 7,394,095	\$ 9,765,230
Net subscriptions (Redemptions)	(1,066,714)	(484,624)	(2,947,067)
Net Performance(1)	(2,068,411)	180,956	272,264