

LexingtonPark Parent Corp  
Form S-4/A  
September 30, 2009

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As filed with the Securities and Exchange Commission on September 30, 2009

Registration No. 333-160525

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 3  
TO  
FORM S-4**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**LEXINGTONPARK PARENT CORP.**

(Exact Name of Registrant as Specified in its Charter)

<b>Delaware</b> (State or other jurisdiction of incorporation)	<b>6211</b> (Primary Standard Industrial Classification Code Number)	<b>27-0423711</b> (I.R.S. Employer Identification No.)
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**Corporation Trust Center  
1209 Orange Street  
Wilmington, Delaware 19801  
(646) 562-1000**

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

**J. Kevin McCarthy  
General Counsel  
Cowen Group, Inc.  
1221 Avenue of Americas  
New York, New York 10020  
(646) 562-1000**

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

*With copies to:*

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David Shapiro, Esq.  
Wachtell, Lipton, Rosen &  
Katz  
51 West 52nd Street  
New York, New York 10019  
(212) 403-1000

Owen S. Littman  
General Counsel  
Ramius LLC  
599 Lexington Avenue,  
20<sup>th</sup> Floor  
New York, New York 10022  
(212) 845-7900

David K. Boston, Esq.  
Laura L. Delanoy, Esq.  
Willkie Farr &  
Gallagher LLP  
787 Seventh Avenue  
New York, New York 10019  
(212) 728-8000

**Approximate date of commencement of the proposed sale of the securities to the public:**

As soon as practicable after this Registration Statement becomes effective and on completion of the transactions described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 the 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

(Do not check if a  
smaller reporting  
company)

Smaller reporting company

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the SEC, acting pursuant to said Section 8(a), may determine.**

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The information in this proxy statement/prospectus is not complete and may be changed. The securities offered by this proxy statement/prospectus may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

**PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER 30, 2009**

**1221 Avenue of the Americas  
New York, New York 10020**

**BUSINESS COMBINATION PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholder:

The Board of Directors of Cowen Group, Inc. has unanimously approved a transaction agreement that provides for Cowen and Ramius LLC to combine into a new holding company. The new company will ultimately retain the Cowen Group, Inc. name, and its shares are expected to continue to trade on the NASDAQ Global Select Market under the ticker symbol "COWN" when the transactions are completed. Cowen and Company, LLC will continue as the principal broker-dealer subsidiary of the new company.

When the transactions are completed, Cowen stockholders will receive one share of Class A common stock of the new company for each share of Cowen common stock held immediately prior to the completion of the transactions. Ramius will receive 37,536,826 shares of Class A common stock of the new company in exchange for transferring substantially all of the assets and liabilities of Ramius to the new company. In addition, HVB Alternative Advisors LLC, an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius, or its designee (which we refer to collectively with HVB Alternative Advisors as HVB) will receive 2,713,882 shares of Class A common stock of the new company, and approximately \$10.4 million in cash or in the form of a note, in exchange for transferring to a subsidiary of the new company the 50% of the interest in Ramius's fund of funds business not already owned by Ramius. At completion of the transactions, on a fully diluted basis, former Cowen stockholders will collectively hold approximately 28.76% (including shares to be issued in conjunction with the transactions), Ramius will hold approximately 66.44% and HVB will hold approximately 4.80% of the outstanding shares of Class A common stock of the new company, and the new company will be a majority-owned subsidiary of Ramius.

The market value of the shares provided to Ramius and to HVB will fluctuate with the market price of Cowen common stock. The following table shows the closing sale price of Cowen common stock as reported on the NASDAQ Global Select Market on June 3, 2009, the last trading day before public announcement of the transactions, and on September 29, 2009, the last practicable trading day before the distribution of this document. This table also shows the implied value of the shares proposed to be provided to Ramius and to HVB, which was calculated by multiplying the closing price of Cowen common stock on those dates by 40,250,708, the total number of shares to be provided to Ramius and HVB.

	<b>Cowen Common Stock</b>	<b>Implied Value of Shares Provided to Ramius and HVB</b>
At June 3, 2009	\$4.84	\$194,813,426.72
At September 29, 2009	\$7.50	\$301,880,310.00

Cowen will hold a special meeting of stockholders at 1221 Avenue of the Americas (2nd Floor Conference Room), New York, New York on October 30, 2009, at 10:00 a.m. local time, to consider and vote on this proposal and other related proposals. Approval and adoption of the transaction agreement and the transactions it contemplates requires the affirmative vote of a majority of the outstanding shares of Cowen common stock entitled to vote at the special meeting. Whether or not you plan to attend the special meeting, please take the time to submit a proxy by following the instructions on your proxy card.

**The Cowen Board of Directors unanimously recommends that Cowen stockholders vote "FOR" the proposal to approve and adopt the transaction agreement and the transactions it contemplates.**



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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

Cowen Group, Inc. will hold a special meeting of stockholders at 1221 Avenue of the Americas (2nd Floor Conference Room), New York, New York at 10:00 a.m., local time, on October 30, 2009, to consider and vote on the following matters:

a proposal to approve and adopt the Transaction Agreement and Agreement and Plan of Merger, dated as of June 3, 2009 (which we refer to as the transaction agreement), by and among Cowen, LexingtonPark Parent Corp. (which we refer to as New Parent), Lexington Merger Corp., Park Exchange LLC and Ramius LLC, and approve the issuance of 37,536,826 shares of New Parent Class A common stock to Ramius as contemplated by the transaction agreement;

a proposal to approve an amendment to the Cowen Group, Inc. 2007 Equity and Incentive Plan (which we refer to as the Amended 2007 Equity and Incentive Plan); and

a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals.

The Cowen Board of Directors has fixed the close of business on September 24, 2009 as the record date for the special meeting. Only Cowen stockholders of record at that time are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting. Approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius requires the affirmative vote of a majority of the outstanding shares of Cowen common stock entitled to vote at the special meeting. Approval of the Amended 2007 Equity and Incentive Plan requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal. Approval of the Amended 2007 Equity and Incentive Plan is not a condition to closing of the transactions contemplated by the transaction agreement. In addition, if approved, the amendment will only become effective if and when the transactions are completed.

**Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible by accessing the internet site listed on the Cowen proxy card, by calling the toll-free number listed on the Cowen proxy card or by submitting your proxy card by mail.** If you hold your stock in "street name" through a bank or broker, you must direct your bank or broker to vote in accordance with the instruction form included with these materials and forwarded to you by your bank or broker. Voting by one of the foregoing methods will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Cowen common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

**The Cowen Board of Directors, by unanimous vote at a meeting duly called, approved and adopted the transaction agreement and approved the issuance of New Parent Class A common stock to Ramius and has approved the Amended 2007 Equity and Incentive Plan and unanimously recommends that Cowen stockholders vote "FOR" the proposal to approve and adopt the transaction agreement and to approve the issuance of New Parent Class A common stock to Ramius, "FOR" the proposal to approve the Amended 2007 Equity and Incentive Plan and "FOR" the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies.**

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**Please do not send any stock certificates to Cowen.**

BY ORDER OF THE BOARD OF DIRECTORS,

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J. Kevin McCarthy  
*General Counsel and Corporate Secretary*

[            ], 2009

**YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS  
OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This document incorporates by reference important business and financial information about Cowen from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document, other than specific exhibits to those documents, by requesting them in writing or by telephone at the following address:

**Cowen Group, Inc.**  
1221 Avenue of the Americas  
New York, New York 10020  
Attention: J. Kevin McCarthy, General  
Counsel and Corporate Secretary  
Telephone: (646) 562-1000

**You will not be charged for any of these documents that you request. Cowen stockholders requesting documents should do so by October 23, 2009 to receive them before the special meeting.**

*For more information, see the section titled "Where You Can Find More Information" beginning on page 195.*

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], 2009, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such information. Neither the mailing of this document to Cowen stockholders nor the issuance by the new company of common shares in connection with the transactions will create any implication to the contrary.

Information on the websites of Cowen and Ramius or any of their respective subsidiaries is not part of this document. You should not rely on that information in deciding how to vote.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding Cowen has been provided by Cowen, and information contained in this document regarding Ramius and its affiliates has been provided by Ramius and its affiliates.**

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#### APPENDICES

<b><u>APPENDIX A</u></b>	<u>Transaction Agreement and Agreement and Plan of Merger, dated as of June 3, 2009, by and among Cowen Group, Inc., LexingtonPark Parent Corp., Lexington Merger Corp., Park Exchange LLC and Ramius LLC</u>	A-1
<b><u>APPENDIX B</u></b>	<u>Asset Exchange Agreement, dated as of June 3, 2009, by and among Ramius LLC, HVB Alternative Advisors LLC, Bayerische Hypo- und Vereinsbank AG, Cowen Group, Inc., LexingtonPark Parent Corp. and Lexington Merger Corp., as amended by the First Amendment to Asset Exchange Agreement, dated as of July 9, 2009</u>	B-1
<b><u>APPENDIX C</u></b>	<u>Proposed Amendment to the Cowen Group, Inc. 2007 Equity and Incentive Plan</u>	C-1
<b><u>APPENDIX D</u></b>	<u>Amended and Restated Certificate of Incorporation of New Parent</u>	D-1
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**QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES FOR THE SPECIAL MEETING**

*The following are some questions that you, as a stockholder of Cowen Group, Inc., may have regarding the stockholders' meeting and the answers to those questions. Cowen urges you to read the remainder of this document carefully because the information in this section does not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference into, this document.*

**Q: Why am I receiving this document?**

**A:** You are receiving this document because you were a stockholder of record of Cowen on the record date for the Cowen special meeting. The Cowen Board of Directors has unanimously approved a Transaction Agreement and Agreement and Plan of Merger, dated as of June 3, 2009 (which we refer to as the transaction agreement) for Cowen and Ramius LLC to combine into a new holding company (which we refer to as New Parent). The transaction agreement has been approved by Ramius's managing member and by members of Ramius who hold in the aggregate more than a majority of the percentage interests of Ramius and accordingly no other vote or further company action by Ramius is required to approve the transaction agreement or authorize the transactions. The terms of the transaction agreement are described in this document, and a copy of the transaction agreement is attached to this document as Appendix A. To complete the transactions, Cowen stockholders must vote to approve the following proposal:

to approve and adopt the transaction agreement and approve the issuance of Class A common stock of New Parent to Ramius as contemplated by the transaction agreement.

Cowen stockholders will also consider and vote on a proposal to approve an amendment to the Cowen Group, Inc. 2007 Equity and Incentive Plan (which we refer to as the Amended 2007 Equity and Incentive Plan) and a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals. Approval of the Amended 2007 Equity and Incentive Plan is not a condition to closing of the transactions contemplated by the transaction agreement. In addition, if approved, the amendment will only become effective if and when the transactions are completed.

This document contains important information about the transactions and the Cowen special meeting of stockholders, and you should read it carefully. The enclosed proxy card and instructions allow you to vote your shares without attending the special meeting in person.

Your vote is important. You are encouraged to vote as soon as possible.

**The Cowen Board of Directors unanimously recommends that you vote to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius, to approve the Amended 2007 Equity and Incentive Plan and to approve the adjournment of the special meeting, if necessary, to solicit additional proxies.**

**Q: What do I need to do now?**

**A:** After carefully reading this document and deciding how you want to vote your shares, please vote your shares. If you are a stockholder of record of Cowen as of the record date for the Cowen special meeting, you may vote in person by attending the special meeting or, to ensure your shares are represented at the meeting, you may vote by:

accessing the internet site listed on the proxy card;

calling the toll-free number listed on the proxy card; or

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signing and returning the enclosed proxy card by mail.

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If you hold your shares in street name, you can vote your shares in the manner prescribed by your broker, bank, trust company or other nominee. Your broker, bank, trust company or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing such broker, bank, trust company or other nominee how to vote your shares. Without instructions from you, your broker, bank, trust company or other nominee cannot vote your shares, which will have the effect described below.

If you would like to attend the special meeting, see "Can I attend the special meeting and vote my shares in person?" below.

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

A: If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust company or other nominee, then the broker, bank, trust company or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In the latter case, your shares are said to be held in "street name."

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, it is recommended that you also submit your proxy as described above, so your vote will be counted if you later decide not to attend the meeting. If you submit your vote by proxy and later decide to vote in person at the meeting, the vote you submit at the meeting will override your proxy vote. If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the meeting a signed letter or other form of proxy from your broker, bank, trust company or other nominee giving you the right to vote the shares at the meeting.

**Q: How can I attend the meeting?**

A: All of Cowen's stockholders are invited to attend the special meeting. You may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name, you also may be asked to present proof of ownership to be admitted to the meeting. A brokerage statement or letter from your broker, bank, trust company or other nominee proving ownership of the shares on September 24, 2009, the record date, are examples of proof of ownership.

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

**Q: Which stockholders are entitled to vote at the meeting?**

A: The Cowen Board of Directors has set September 24, 2009 as the record date for the special meeting. If you were a stockholder of record at the close of business on September 24, 2009, you are entitled to vote at the meeting. As of the record date, 15,043,922 shares of common stock, representing all of Cowen's voting stock, were issued and outstanding and, therefore, eligible to vote at the meeting.

**Q: What are my voting rights?**

A: Holders of Cowen common stock are entitled to one vote per share. Therefore, a total of 15,043,922 votes are entitled to be cast at the meeting.

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**Q: How many shares must be present to hold the meeting?**

A: In accordance with Cowen's by-laws, shares equal to a majority of Cowen's capital stock issued and outstanding and entitled to vote as of the record date must be present at the special meeting to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the meeting if:

you are present and vote in person at the meeting; or

you have properly and timely submitted your proxy as described above under "What do I need to do now?"

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

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

**Q: Why is my vote as a Cowen stockholder important? What happens if I don't vote or abstain from voting?**

A. If you do not vote, it will be more difficult for Cowen to obtain the necessary quorum to hold the special meeting and it will have the same effect as if you had voted against the proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius. The proposals which are being submitted to you for consideration at the special meeting require the following votes in order to be approved:

approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius requires the affirmative vote of the majority of the outstanding shares of Cowen common stock entitled to vote at the special meeting;

approval of the Amended 2007 Equity and Incentive Plan requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal; and

approval of any necessary adjournment of the special meeting requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal, even if less than a quorum.

You may vote "FOR," "AGAINST" or "ABSTAIN" on each of the proposals. If you choose to abstain from voting on any proposal, your abstention will be counted for purposes of determining a quorum. However, if you are the stockholder of record, and you fail to vote by proxy or by ballot at the special meeting, or if you hold your shares in street name and do not submit voting instructions to your broker, and your broker, bank, trust company or other nominee also does not vote your shares (we refer to this as a broker non-vote), your shares will not be counted as present at the special meeting for purposes of determining a quorum. Abstentions, failures to submit a proxy card or vote in person and broker non-votes will be treated in the following manner with respect to determining the votes received for each of the proposals:

an abstention, failure to submit a proxy card or vote in person or broker non-vote will be treated as a vote against the proposal to approve and adopt the transaction agreement and to approve the issuance the issuance of New Parent Class A

common stock to Ramius;

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an abstention, failure to submit a proxy card or vote in person or broker non-vote will not count as a vote for or against the proposal to approve the Amended 2007 Equity and Incentive Plan; and

an abstention, failure to submit a proxy card or vote in person or broker non-vote will not count as a vote for or against the proposal to approve the any adjournment of the special meeting.

**Q: What will happen if I return my proxy card without indicating how to vote?**

**A:** If you are a stockholder of record and you submit your proxy by internet, telephone or mail but do not specify how you want to vote your shares on a particular proposal, Cowen will vote your shares:

**FOR** the proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius as contemplated by the transaction agreement;

**FOR** the proposal to approve the Amended 2007 Equity and Incentive Plan; and

**FOR** the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals.

If you are a street name holder and fail to instruct the broker, bank, trust company or other nominee that is the stockholder of record how you want to vote your shares on a particular proposal, those shares are considered to be "uninstructed." Under the rules applicable to broker-dealers, stockholders of record have the discretion to vote uninstructed shares on specified routine matters. However, stockholders of record do not have the authority to vote uninstructed shares on non-routine matters, such as those being considered at the special meeting, and therefore, if you do not provide instructions as to how you want your shares voted, these shares will be considered broker non-votes and will be treated as described in the section titled "Why is my vote as a Cowen stockholder important?" above.

**Q: Can I change or revoke my vote?**

**A:** Yes. If you are a stockholder of record, you may revoke your proxy and change your vote at any time before your proxy is voted at the special meeting, in any of the following ways:

by submitting a later-dated proxy by internet or telephone before the deadline stated on the enclosed proxy card;

by submitting a later-dated proxy card to the Corporate Secretary of Cowen, which must be received by Cowen before the time of the special meeting;

by sending a written notice of revocation to the Corporate Secretary of Cowen, which must be received by Cowen before the time of the special meeting; or

by voting in person at the special meeting.



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

Any Cowen common stockholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but simply attending the special meeting will not constitute revocation of a previously given proxy.

**Q:**

**Who pays for the cost of proxy preparation and solicitation?**

**A:**

In accordance with the terms of the transaction agreement, Cowen will bear the entire cost of proxy solicitation for the Cowen special meeting, except that Cowen and Ramius will share equally all expenses incurred in connection with the filing of the registration statement of which this

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document forms a part with the Securities and Exchange Commission and the printing and mailing of this document. If necessary, Cowen may use several of its regular employees, who will not be specially compensated, to solicit proxies from Cowen stockholders either personally or by telephone, facsimile, letter or other electronic means. Cowen will also request that banks, brokers and other record holders forward proxies and proxy materials to the beneficial owners of Cowen common stock and secure their voting instructions and will provide customary reimbursement to such firms for the cost of forwarding these materials.

**Q: Will Cowen be required to submit the transaction agreement to its stockholders even if the Cowen Board of Directors has withdrawn, modified or qualified its recommendation?**

A: *Yes.* Cowen is required to submit the transaction agreement to its stockholders even if the Cowen Board of Directors has withdrawn, modified or qualified its recommendation, consistent with the terms of the transaction agreement.

**Q: Do I have dissenters' appraisal rights?**

A: *No.* Under Delaware law, holders of Cowen common stock are not entitled to dissenters' appraisal rights in connection with these transactions.

**Q: Is the transaction expected to be taxable to holders of Cowen common stock?**

A: *Generally, no.* The Cowen merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of Cowen common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Cowen common stock for shares of New Parent Class A common stock in the Cowen merger. You should read the section titled "Material U.S. Federal Income Tax Consequences of the Cowen Merger" beginning on page 115 for a more complete discussion of the U.S. federal income tax consequences of the transaction. Tax matters can be complicated, and the tax consequences of the transaction to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the transactions to you.**

**Q: If I am a stockholder with shares represented by stock certificates, should I send in my stock certificates now?**

A: *No.* You do not need to send in your Cowen common stock certificates at this time, or at any other time in connection with this business combination transaction. Cowen stockholders do not need to send in or exchange their Cowen common stock certificates for New Parent Class A common stock certificates, because if the transactions are approved, Cowen common stock will automatically convert into New Parent Class A common stock, and any Cowen common stock certificates you may hold will automatically be deemed to represent shares of New Parent Class A common stock. Please do not send in your stock certificates with your proxy card.

**Q: When do you expect to complete the transactions?**

A: The transactions are subject to Cowen stockholder approval, regulatory approvals that are described below in the section titled "Proposal 1: The Transactions Regulatory Approvals Required for the Transactions" beginning on page 86 and other customary closing conditions that are described below in the section titled "The Transaction Agreement Conditions to Complete the Transactions" beginning on page 103. Assuming these conditions are met, the transactions are expected to close in the fourth quarter of 2009. However, there can be no assurances as to when or if the transactions will close.

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**Q: Whom should I call with questions?**

**A:** Cowen stockholders who have questions about the transactions or the other matters to be voted on at the stockholder meeting or desire additional copies of this document or additional proxy cards should contact:

**Innisfree M&A Incorporated**  
501 Madison Avenue, 20th Floor  
New York, New York 10022  
Stockholders may call toll-free: (888) 750-5835  
Banks and brokers may call collect: (212) 750-5833

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**SUMMARY**

*This summary highlights material information from this document. It may not contain all of the information that is important to you. You are urged to carefully read the entire document and the other documents to that are referred to in this document in order to fully understand the transaction agreement and the related transactions. See the section titled "Where You Can Find More Information" beginning on page 195. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.*

**The Companies**

**Cowen Group, Inc. (See page 48)**

Cowen is an established provider of investment banking, equity research, sales and trading and alternative asset management services to companies and institutional investor clients. The company is a sector expert in secular growth industries, including the healthcare, technology, consumer, telecommunications, alternative energy and aerospace and defense sectors. As of June 30, 2009, Cowen had total consolidated assets of approximately \$186 million and total Cowen Group, Inc. stockholders' equity of approximately \$138 million. The principal executive offices of Cowen are located at 1221 Avenue of the Americas, New York, New York 10020, and its telephone number is (646) 562-1000.

Additional information about Cowen and its subsidiaries is included in documents incorporated by reference in this document. See the section titled "Where You Can Find More Information" beginning on page 195.

**Ramius LLC (See page 48)**

Ramius is an alternative investment management firm founded in 1994 with over \$7 billion of assets under management as of July 1, 2009. Ramius, through one of its subsidiaries, has been a registered investment adviser under the Investment Advisers Act since 1997 and operates through its offices in New York, London, Tokyo, Hong Kong, Munich and Luxembourg. Ramius's investment services and products include hedge funds, fund of funds, real estate and cash management. Its institutional investors include pension funds, insurance companies, banks, foundations and endowments, wealth management organizations and family offices. The principal executive offices of Ramius are located at 599 Lexington Avenue, New York, New York 10022, and its telephone number is (212) 845-7900.

Ramius's hedge fund and fund of funds platforms have historically sought to deliver consistent, risk-adjusted returns throughout a market cycle. In these platforms, Ramius seeks positive performance with minimal correlation to directional market indices.

Ramius believes that the following attributes are central to its business model and position it to capitalize on the opportunities Ramius believes should arise from changing industry conditions:

*Ramius is a well established alternative investment manager with experienced senior leadership. Once investors return to allocating capital to alternative investments, Ramius believes that they will likely gravitate toward more experienced managers with lengthy track records and a history of producing absolute returns.*

*Ramius has a diversified alternative investment platform. Ramius offers investment expertise across strategies and platforms that allows it to cross-sell products. In Ramius's experience, larger institutions often favor consolidation of their manager relationships, preferring to deal with providers that can offer more than one investment product. Moreover, Ramius can offer customized solutions to fund of funds clients due to Ramius's in-house trading expertise.*

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*Ramius has a strong institutional infrastructure.* Ramius has the operational capability to address, in a client-specific way, increasing investor needs for transparency, liquidity and customization.

*Ramius's own capital has given the firm stability.* Ramius's own capital allows the firm to think and invest for the long term, and also enables Ramius to attract investment talent from within the industry due to its stability and culture.

As part of the transactions, all of Ramius's assets (including its subsidiaries) will be transferred to Park Exchange LLC, a subsidiary of the newly formed holding company, with the exception of (i) \$500,000 in cash which it is retaining in order to pay ongoing administrative expenses, such as audit fees, and (ii) any recovery in excess of \$7.0 million from a pending arbitration Ramius had initiated against a securities underwriter. At the closing of the transactions, Park Exchange LLC will change its name to "Ramius LLC," and Ramius LLC will change its name to "RCG LLC" or another name that does not contain the word "Ramius." Immediately following the closing of the transactions, Park Exchange LLC will transfer to New Parent a portion of the investments previously held by Ramius. The transaction agreement has been approved by Ramius's managing member and by members of Ramius who hold in the aggregate more than a majority of the percentage interests of Ramius and accordingly no other vote or further company action by Ramius is required to approve the transaction agreement or authorize the transactions.

**New Parent (See page 50)**

LexingtonPark Parent Corp. (which we refer to as New Parent), a Delaware corporation, was jointly formed on June 1, 2009 in connection with the transactions and is owned by Cowen and Ramius. When the transactions are completed, New Parent will become the holding company of both Cowen and Park Exchange LLC, which will hold substantially all of the assets of Ramius and will have assumed substantially all of Ramius's liabilities. At that time, New Parent will change its name to "Cowen Group, Inc." The principal executive offices of New Parent are currently located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and its telephone number is (646) 562-1000. After completion of the transactions, the principal executive offices of New Parent will be in New York, New York.

Cowen stockholders, Ramius and HVB Alternative Advisors LLC, an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius, or its designee (which we refer to collectively with HVB Alternative Advisors as HVB) will receive New Parent Class A common stock in connection with the transactions and will become New Parent stockholders. Their rights as stockholders will be governed by the post-closing certificate of incorporation and by-laws of New Parent and the laws of Delaware. The certificate of incorporation and by-laws that will govern New Parent after the transactions are completed will be substantially as set forth in Appendix D and Appendix E to this document, respectively. For information on how these documents differ from the current certificate of incorporation and by-laws governing Cowen, see the section titled "Comparison of Stockholders' Rights" beginning on page 136.

New Parent has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement, including the formation of each of Lexington Merger Corp. and Park Exchange LLC as wholly owned subsidiaries, and the preparation of this document and the registration statement of which it forms a part. New Parent does not intend to directly undertake any operating activities other than the management of its operating subsidiaries, which will be primarily engaged in financial services activities. After the closing of the transactions, the Ramius subsidiary is intended to undertake the primary alternative investment management activities of the combined company, and the Cowen subsidiary is intended to undertake the primary sales and trading and investment banking operations of the combined company. A common infrastructure is intended to support both subsidiaries. In connection with the management of its operating subsidiaries, New Parent will employ senior management personnel. Additionally, New Parent may hold its own

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investments and immediately following the consummation of the transactions will hold certain of the limited partnership interests of Ramius Enterprise LP previously held by Ramius.

**Merger Sub (See page 51)**

Lexington Merger Corp. (which we refer to as Merger Sub) is a Delaware corporation formed on June 1, 2009 and is a wholly owned subsidiary of New Parent. Merger Sub was formed solely for the purpose of completing the Cowen merger and the fund of funds asset exchange in connection with the transactions. At the completion of the transactions, Merger Sub will merge with and into Cowen and Merger Sub will not survive the merger. The principal executive offices of Merger Sub are located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

Merger Sub has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement and the asset exchange agreement (described below), and the preparation of this document and the registration statement of which it forms a part.

**Exchange Sub (See page 51)**

Park Exchange LLC (which we refer to as Exchange Sub) is a Delaware limited liability company formed on June 1, 2009 and is a wholly owned subsidiary of New Parent. At completion of the transactions, Exchange Sub will hold substantially all of the assets of Ramius and will have assumed substantially all of Ramius's liabilities. After completion of the transactions, Exchange Sub will change its name to "Ramius LLC." The principal executive offices of Exchange Sub are located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

Exchange Sub has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement, and the preparation of this document and the registration statement of which it forms a part.

**Risk Factors**

In addition to other information included and incorporated by reference into this document, you should carefully read and consider the risks related to completion of the transactions, to the combined company following the transactions and the risks associated with each of the businesses of Cowen and Ramius, before deciding whether to vote for the proposals presented in this document. Some of the most important risks are summarized below.

**Risks Related to Completion of the Transactions (See page 23)**

The transactions are subject to conditions, including certain conditions that may not be satisfied, and may not be completed on a timely basis, or at all. Failure to complete the transactions could have a material adverse effect on Cowen.

Some of Cowen's current directors and executive officers have interests in the transactions that may differ from the interests of other stockholders, and these persons may have conflicts of interest in supporting or recommending that you approve the proposals set forth in this document.

The opinion obtained by Cowen from its financial advisor will not reflect changes in circumstances between the signing of the transaction agreement and the completion of the transactions.

Because the date that the transactions will be completed will be later than the date of the stockholder meeting, at the time of the stockholder meeting you will not know the market value of the Cowen common stock that Ramius and HVB will receive when the transactions are completed.



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**Risks Related to the Combined Company Following the Transactions (see page 25)**

The combined company is expected to incur substantial expenses related to the integration of Cowen and Ramius.

Although Cowen and Ramius expect that Cowen's combination with Ramius will result in benefits to Cowen, Cowen and Ramius may not realize those benefits because of integration difficulties and other challenges.

Current Cowen stockholders will have a reduced ownership and voting interest after the transactions and will exercise less influence over management.

New Parent will be a "controlled company" within the meaning of the NASDAQ rules and, as a result, may qualify for, and rely on, exemptions from certain corporate governance standards, which may limit the presence of independent directors on the board of directors or board committees of New Parent.

The market price of New Parent's common stock after the transactions will be affected by factors different from those currently affecting the market price of Cowen's common stock.

The unaudited pro forma financial data and internal earnings estimates for both Cowen and Ramius included in this document are preliminary, and the combined company's actual financial position and operations after the transactions may differ materially from the unaudited pro forma financial data included in this document.

BA Alpine Holdings, Inc. and its designee on New Parent's board of directors and Ramius may have interests that conflict with your interests.

**Risks Related to Ramius's Business (See page 31)**

Difficult market conditions, market disruptions and volatility have adversely affected and may in the future continue to adversely affect Ramius's business, results of operations and financial condition.

Investors in the Ramius funds and investors with managed accounts can generally redeem investments with prior notice. The rate of redemptions has recently accelerated and could continue to further accelerate. Redemptions have, and may continue to, create difficulties in managing the liquidity of the Ramius funds and managed accounts, reduce assets under management and adversely affect Ramius's revenues.

Ramius may suffer losses in connection with the insolvency of prime brokers, custodians, administrators and other agents whose services Ramius uses and who may hold assets of Ramius funds.

Certain of the Ramius funds may invest in relatively high-risk, illiquid assets, and Ramius may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal amounts of these investments.

Risk management activities may materially adversely affect the return on the Ramius funds' investments if such activities do not effectively limit a fund's exposure to decreases in investment values or if such exposure is overestimated.



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Ramius and its funds may become subject to additional regulations which could increase the costs and burdens of compliance or impose additional restrictions which could have a material adverse effect on Ramius's business and the performance of the Ramius funds.

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**Reasons for Transactions**

**Cowen's Reasons for the Transactions (See page 70)**

In reaching its conclusion to approve the transactions and to recommend that Cowen stockholders approve the transaction agreement and issuance of shares of New Parent Class A common stock to Ramius, the Cowen Board of Directors considered a number of positive, negative and other factors, including, among others:

its view that the transactions bring together businesses with complementary operations and capabilities and the expected diverse revenues streams of the combined company;

its view that the combined company will have increased financial scale through an increased capital base to provide greater financial stability and public market capitalization, which will increase stockholder value, enhance value to its customers and maximize cost efficiencies;

the expected cost synergies and savings opportunities resulting from the transactions;

the current and historical financial condition, results of operations, prospects, earnings generation ability and risks of each of Ramius, Cowen and the combined company;

the expertise and relationships of the Ramius management team; and

the transaction consideration and the fact that Cowen stockholders will own approximately 28.76% of the combined company on a fully diluted basis after completion of the transactions.

**Ramius's Reasons for the Transaction (See page 84)**

Ramius's managing member consulted with Ramius's legal and financial advisors and determined that the transactions are in the best interests of Ramius and its members. In reaching its conclusion to approve the transaction agreement, Ramius's managing member considered the following:

its view that Cowen is an established investment bank with a long history and strong culture and the transactions provide Ramius with an opportunity to build a financial services firm with asset management, investment banking, research and brokerage capabilities;

the fact that the transactions would provide the combined company with an expanded and permanent capital base;

the fact that the combined company is expected to have more diverse revenue streams;

its view that, as part of a public company, the combined company will be better able to attract and retain talent; and

the fact that following the completion of the transactions, members of Ramius should have improved liquidity as a result of the combined company being a public company.

**The Transactions and the Transaction Agreement**

A copy of the Transaction Agreement and Agreement and Plan of Merger, dated as of June 3, 2009 (which we refer to as the transaction agreement), by and among Cowen, New Parent, Merger Sub, Exchange Sub and Ramius is attached as Appendix A to this document. You are encouraged to read the entire transaction agreement carefully because it is the principal document governing the transactions.

**Structure of the Transactions (See page 91)**

Cowen and Ramius have jointly formed and own New Parent. New Parent, in turn, has organized two wholly owned subsidiaries, Merger Sub and Exchange Sub. Subject to the terms and conditions of the transaction agreement, at the completion of the transactions, Merger Sub will merge with and into Cowen (which we refer to as the Cowen merger), with Cowen surviving the merger. In addition,

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Exchange Sub will assume substantially all of Ramius's liabilities, with the exception of certain liabilities related to Ramius's Employee Ownership Program, liabilities relating to the portion of awards outstanding under the Ramius Fund of Funds Group LLC Participation Program representing a right to receive percentage interests in Ramius and a \$500,000 secured revolving credit facility that may be made available to Ramius by HVB at closing, and Ramius will transfer to Exchange Sub all of Ramius's assets with the exception of (i) \$500,000 in cash which it is retaining in order to pay ongoing administrative expenses, such as audit fees, and (ii) any recovery in excess of \$7.0 million from a pending arbitration Ramius had initiated against a securities underwriter. Cowen will become a wholly owned subsidiary of New Parent, and Exchange Sub will remain a wholly owned subsidiary of New Parent. New Parent will then change its name to "Cowen Group, Inc.," and Exchange Sub will change its name to "Ramius LLC."

The diagram below shows the structure of New Parent following completion of the transactions (all percentages in this document relating to the ownership of New Parent following the consummation of the transactions are based on the number of shares of Cowen common stock outstanding on June 3, 2009, the date of the transaction agreement):

The common stock of former Cowen will be deregistered after completion of the transactions.

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- (1) Including BA Alpine Holdings, Inc.
- (2) Approximately 8.5 million shares of New Parent common stock held by Ramius will be attributable to BA Alpine Holdings, Inc.



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**Consideration to Be Received in the Transactions (See page 91)**

At the completion of the transactions, Exchange Sub will assume substantially all of the liabilities of Ramius and New Parent will issue 37,536,826 shares of New Parent Class A common stock to Ramius in exchange for Ramius transferring substantially all of its assets to Exchange Sub. At the same time, each share of Cowen common stock issued and outstanding immediately prior to the completion of the transactions will automatically be converted into the right to receive one share of New Parent Class A common stock. As of the date of the transaction agreement, 15,134,637 shares of Cowen common stock were outstanding (including freely tradable shares, restricted shares and shares underlying restricted stock units), and thus, subject to changes in the number of shares of Cowen common stock outstanding, it is expected that approximately 15,134,637 shares of New Parent Class A common stock will be issued to current Cowen stockholders in connection with the transactions. Certificates representing outstanding Cowen common stock and any uncertificated shares held in book entry form will automatically be deemed to represent the equivalent number of shares of New Parent Class A common stock when the transactions are completed.

Pursuant to the Asset Exchange Agreement, dated as of June 3, 2009 (which we refer to as the asset exchange agreement), by and among Ramius, HVB, Bayerische Hypo- und Vereinsbank AG (an affiliate of BA Alpine Holdings, Inc. (a third party investor in Ramius), which we refer to as HVB AG), Cowen, New Parent and Merger Sub, as amended by the First Amendment to Asset Exchange Agreement, dated as of July 9, 2009, HVB will receive 2,713,882 shares of Class A common stock of New Parent, and approximately \$10.4 million in cash or in the form of a promissory note in exchange for transferring to Merger Sub the remaining 50% of the interest in Ramius's fund of funds business not already owned by Ramius. The asset exchange agreement is summarized below and more fully described in the section titled "Other Agreements Related to the Transactions Asset Exchange Agreement" beginning on page 106.

**Treatment of Cowen Equity-Based Awards (See page 92)**

The transaction agreement specifies how equity compensation awards issued by Cowen prior to the completion of the transactions will be treated in the transactions. When the transactions are completed, except where an individual's employment agreement specifies a different treatment, outstanding equity compensation awards of Cowen will be treated as follows:

each outstanding option issued by Cowen to purchase Cowen common stock under a Cowen stock plan will vest in full and be automatically converted into an option to purchase the equivalent number of shares of New Parent Class A common stock, at an exercise price per share equal to the exercise price per share of the option immediately prior to the completion of the transactions;

each outstanding restricted share of Cowen common stock will vest in full and automatically be converted into the right to receive one share of New Parent Class A common stock; and

each outstanding restricted share unit of Cowen will vest in full and be automatically converted into a restricted share unit with respect to the number of shares of New Parent Class A common stock equal to shares of Cowen common stock subject to the Cowen restricted stock unit immediately prior to the closing of the transactions.

When the transactions are complete, New Parent will assume the rights and obligations of Cowen under the Cowen stock plans with respect to the assumed stock options and assumed restricted stock units.

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**Material U.S. Federal Income Tax Consequences of the Cowen Merger (See page 115)**

The Cowen merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of Cowen common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Cowen common stock for shares of New Parent Class A common stock in the Cowen merger. Tax matters can be complicated, and the tax consequences of the transaction to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the transactions to you.**

**Opinion of Cowen's Financial Advisor (See page 73)**

Sandler O'Neill + Partners, L.P. delivered its opinion to the Cowen Board of Directors that, as of the date of the written fairness opinion, and based upon and subject to the factors and assumptions set forth therein, that the transaction consideration to be paid to Ramius and to HVB pursuant to the transactions was fair from a financial point of view to Cowen stockholders. The full text of the written opinion of Sandler O'Neill, dated June 4, 2009, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix F to this document. Sandler O'Neill provided its opinion for the benefit and use of the Cowen Board of Directors in connection with its consideration of the transactions. The Sandler O'Neill opinion addresses only the fairness to Cowen stockholders of the payment of the transaction consideration to Ramius and to HVB and is not a recommendation as to how any holder of shares of Cowen common stock should vote with respect to the transactions or any other matter.

**Interests of Certain Persons in the Transactions (See page 87)**

Cowen's executive officers and directors have financial interests in the transactions that are different from, or in addition to, their interests as Cowen stockholders. The independent members of Cowen's Board of Directors were aware of and considered these interests, among other matters, in evaluating and negotiating the transaction agreement and the transactions, and in recommending to the stockholders that the transaction agreement be approved and adopted.

Cowen's executive officers, including each of its named executive officers, are either parties to employment agreements that provide severance and other benefits in the case of qualifying terminations of employment, or, following the transactions, may be eligible to receive severance benefits upon termination of employment no less favorable than the terms established in a severance schedule agreed to in connection with the transactions. In addition, stock-based awards (other than those held by Messrs. Malcolm and White, who have waived accelerated vesting of stock-based awards upon completion of the transactions in connection with their entry into new employment agreements with Cowen and New Parent) and deferred cash awards held by Cowen's executive officers will vest upon completion of the transactions. Executive officers and directors of Cowen also have rights to indemnification and directors' and officers' liability insurance that will survive completion of the transactions.

**Governance Following Completion of the Transactions (See page 93)**

Immediately after the completion of the transactions, the board of directors of New Parent will have ten directors. Four directors will have been appointed by Cowen, and six directors will have been appointed by Ramius. Pursuant to the asset exchange agreement, Ramius has given BA Alpine Holdings, Inc., a third party investor in Ramius and an affiliate of HVB, the right to appoint one of its six directors. Six of the ten directors will be independent under NASDAQ rules. Peter A. Cohen will serve as Chairman of the board of directors and Chief Executive Officer of New Parent, and John E. Toffolon, Jr. will serve as Lead Director of the board of directors.

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**Efforts of Cowen to Obtain the Required Stockholder Vote (See page 98)**

Cowen has agreed to use its reasonable best efforts to hold a meeting of its stockholders as soon as is reasonably practicable for the purpose of Cowen stockholders voting on the approval and adoption of the transaction agreement and approval of the issuance of shares of New Parent Class A common stock to Ramius and the approval of an amendment to the Cowen Group, Inc. 2007 Equity and Incentive Plan. Cowen will use its reasonable best efforts to obtain such stockholder approval. The transaction agreement requires Cowen to submit the transaction agreement to a stockholder vote even if its Board of Directors no longer recommends approval and adoption of the transaction agreement and the transactions it contemplates.

**Regulatory Approvals Required for the Transactions (See page 86)**

Cowen and Ramius have each agreed to use reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the transaction agreement. These approvals include approval from or notices to the Securities and Exchange Commission (or the SEC), the Financial Industry Regulatory Authority (or FINRA), the Financial Services Administration in the United Kingdom, the Securities and Futures Commission of Hong Kong, the Financial Services Agency of Japan, the Commission of the Surveillance of the Financial Sector in Luxembourg, the NASDAQ, the Commodities Future Trading Commission, the Department of Justice, the Federal Trade Commission and various other federal, state and foreign regulatory authorities and self-regulatory organizations.

Cowen and Ramius have completed, or will shortly complete, the filing of applications and notifications to obtain the required regulatory approvals. Although Cowen believes that the transactions do not raise substantial regulatory concerns and that Cowen and Ramius can obtain all requisite regulatory approvals on a timely basis, Cowen cannot be certain when or if these approvals will be obtained.

**Conditions to Completion of the Transactions (See page 103)**

It is expected that the transactions will close in the fourth quarter of 2009. However, as more fully described in this document and in the transaction agreement, whether or when the transactions will be completed depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

the approval and adoption of the transaction agreement by Cowen stockholders;

the approval of the listing of the New Parent Class A common stock on NASDAQ, subject to official notice of issuance;

the termination or expiration of any waiting periods applicable to the transactions and the receipt of all other approvals required under any relevant antitrust or competition laws;

the registration statement with respect to the New Parent Class A common stock having become effective under the Securities Act of 1933 and no stop order or proceedings for that purpose having been initiated or threatened by the SEC;

the absence of any legal prohibition on the completion of the transactions; and

the satisfaction of all other conditions precedent to the completion of the transactions under the asset exchange agreement.



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Separately, Cowen's obligation to complete the transactions is subject to the satisfaction or waiver by Cowen of several conditions including:

the accuracy of the representations and warranties of Ramius in the transaction agreement, subject to the materiality standard set forth in the transaction agreement, and the material performance by Ramius of its obligations under the transaction agreement;

the receipt of a customary tax opinion as to certain U.S. federal income tax consequences of the Cowen merger; and

the receipt and effectiveness of all governmental and other approvals.

Ramius's obligation to complete the transactions is also separately subject to the satisfaction or waiver by Ramius of several conditions including:

the accuracy of the representations and warranties of Cowen in the transaction agreement, subject to the materiality standard set forth in the transaction agreement, and the material performance by Cowen of its obligations under the transaction agreement;

the receipt and effectiveness of all governmental and other approvals;

the execution by New Parent of the registration rights agreement (summarized below and more fully described in the section titled "Other Agreements Relating to the Transactions Registration Rights Agreement" beginning on page 109); and

the receipt of a copy of any certificates of officers of Cowen relied upon by counsel in rendering the tax opinion.

As of the date of this document, Cowen and Ramius have no reason to believe that any of these conditions will not be satisfied, but Cowen and Ramius cannot provide assurances as to when or if all of the conditions will be satisfied or waived.

### **Restrictions on Solicitation of Third Party Offers (See page 98)**

Each of Cowen and Ramius has agreed not to, directly or indirectly, solicit any "Alternative Proposal," as defined in the transaction agreement, or discuss, negotiate or enter into any agreement regarding an "Alternative Transaction," as defined in the transaction agreement. However, prior to Cowen stockholders approving the transaction agreement, the Cowen Board of Directors is permitted to furnish information or participate in discussions with respect to an unsolicited Alternative Proposal if Cowen does the following:

complies with the terms of the non-solicitation covenant contained in the transaction agreement;

enters into a confidentiality agreement with the proponent of the Alternative Proposal that is no more favorable to the proponent than the confidentiality agreement between Cowen and Ramius; and

the Cowen Board of Directors concludes in good faith that the Alternative Proposal is likely to lead to a "Superior Proposal," as defined in the transaction agreement.

Each of Cowen and Ramius must notify the other party promptly if it receives an Alternative Proposal.

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The Cowen Board of Directors will not change its recommendation of the transaction agreement to Cowen's stockholders except under the circumstances described in the transaction agreement. See the section titled "The Transaction Agreement - Agreement Not to Solicit Other Offers" beginning on page 98 for a more complete discussion of the circumstances under which the Cowen Board of Directors may change its recommendation to Cowen's stockholders.

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**Employee Matters (See page 100)**

Current Cowen and Ramius employee benefit plans will stay in effect after completion of the transactions until new plans of New Parent are put into place. The new plans must treat similarly situated employees on a substantially equivalent basis and cannot discriminate between former Cowen and former Ramius employees. For the first year after the completion of the transactions, former Cowen employees are entitled to receive compensation and benefits substantially comparable in the aggregate to the compensation and benefits to which they were entitled immediately prior to the completion of the transactions. Any Cowen employees terminated without "cause" within one year after the completion of the transactions, and who are not party to an employment or severance agreement otherwise providing for severance payments or benefits, are entitled to severance benefits no less favorable than those agreed to in the transaction agreement, which are substantially identical to those applicable prior to the transactions.

With respect to any new benefit plans in which employees first become eligible to participate after completion of the transactions (and did not participate in prior to the completion of the transactions), New Parent must do the following:

waive all pre-existing conditions, exclusions and waiting periods;

provide credit for any co-payments or deductibles paid prior to the completion of the transactions under a Cowen or Ramius plan against any out-of-pocket requirements under any new plans; and

provide employees with a customary service credit.

**Termination of the Transaction Agreement (See page 104)**

The parties by mutual consent may agree to terminate the transaction agreement at any time prior to the completion of the transactions.

In addition, the transaction agreement may be terminated by either party in the following circumstances:

if any of the required regulatory approvals are denied or the transactions have been enjoined, prohibited or made illegal by a governmental entity (and the denial or prohibition is final and nonappealable);

if the transactions have not been completed by December 31, 2009, unless the failure to complete the transactions by that date is due to a breach of the transaction agreement by the party seeking to terminate the transaction agreement;

if there is a breach by the other party that would cause the failure of the closing conditions described above, unless the breach is capable of being, and is, cured within thirty days of notice of the breach; or

if the requisite Cowen stockholder approval is not obtained.

In addition, Ramius may terminate the transaction agreement if:

Cowen's Board of Directors fails to recommend the approval and adoption of the transaction agreement by the stockholders or changes its recommendation, or resolves to do either of these things;

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Cowen fails to call a stockholder meeting to vote on the approval and adoption of the transaction agreement; or

Cowen materially breaches its obligations with respect to soliciting, discussing or agreeing to Alternative Proposals.

**Expenses and Termination Fees (See pages 102, 105)**

Generally, all fees and expenses incurred in connection with the negotiation and completion of the transactions contemplated by the transaction agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in the transaction agreement. Upon termination of the transaction agreement under qualifying circumstances, Cowen will be required to pay Ramius a termination fee of \$3.5 million and expenses of Ramius up to \$750,000. See the section titled "The Transaction Agreement Termination Fee" beginning on page 105 for a more complete discussion of the circumstances under which Cowen may be required to pay the termination fee and Ramius expenses.

**Accounting Treatment (See page 114)**

The business combination will be accounted for as an "acquisition" by Ramius of Cowen, as that term is used under generally accepted accounting principles in the U.S., for accounting and financial reporting purposes. In identifying Ramius as the acquiring entity, Cowen and Ramius took into account the relative outstanding share ownership, the composition of the governing body of New Parent and the designation of certain senior management positions. As a result, the historical financial statements of Ramius will become the historical financial statements of New Parent. The assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Cowen will be recorded at their respective fair values and added to those of Ramius. Any excess of purchase price over the net fair values of Cowen assets and liabilities is recorded as goodwill (excess purchase price). Excess of fair value of Cowen's net assets over the purchase price, if any, will be recorded as a gain to earnings on the date the transactions are completed. The financial statements of New Parent issued after the transactions will reflect such fair values and will not be restated retroactively to reflect the historical financial position or results of operations of Cowen. The results of operations of Cowen will be included in the results of operations of New Parent following the completion of the transactions.

**No Dissenters' Appraisal Rights (See page 85)**

Appraisal rights are statutory rights that enable stockholders to dissent from an extraordinary transaction, such as a significant business combination, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Under Delaware law, holders of Cowen common stock are not entitled to dissenters' appraisal rights in connection with the transactions.

**Transfer Restrictions on Shares of New Parent Common Stock Held by Ramius (See page 112)**

Following the consummation of the transactions, the capital of Ramius's members in Ramius will consist primarily of shares of New Parent Class A common stock. Under Ramius's operating agreement (as it will be amended and restated at the closing of the transactions), the members of Ramius generally will not be entitled to receive any distributions of New Parent Class A common stock or other capital from Ramius, and Ramius's managing member has agreed in Ramius's operating agreement not to make any distributions of New Parent Class A common stock or other capital to these members (except for, in certain circumstances, distributions of any dividends on the shares of New Parent Class A common stock held by Ramius and tax distributions) for specified periods of time, which

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restrictions may be waived by Ramius's managing member in accordance with the terms of Ramius's operating agreement.

It is anticipated that approximately 37,536,826 shares of New Parent Class A common stock, in the aggregate, will be subject to these restrictions to varying degrees, including 9,659,592 shares of New Parent Class A common stock attributable to principals of Ramius (some of whom are also members of Ramius's managing member and some of whom will be officers of New Parent following the closing of the transactions).

**Asset Exchange Agreement (See page 106)**

Concurrently with the execution of the transaction agreement, Ramius, Cowen, New Parent, Merger Sub, HVB and HVB AG entered into the asset exchange agreement which is attached as Appendix B to this document. The asset exchange agreement provides that Merger Sub will purchase from HVB the 50% interest in the Ramius fund of funds business that HVB owns in exchange for (i) 2,713,882 shares of New Parent Class A common stock, subject to certain adjustments, and (ii) approximately \$10.4 million of additional consideration. We refer to this transaction as the fund of funds asset exchange. The additional consideration will take the form of promissory note or, if New Parent enters into a \$25 million secured revolving credit facility with HVB AG at or immediately prior to the closing of the fund of funds asset exchange, payment of \$10.4 million in cash that New Parent borrows under this secured revolving credit facility. The remaining 50% interest in the Ramius fund of funds business currently owned by Ramius will be transferred to Exchange Sub under the transaction agreement.

Each party's obligation to complete the fund of funds asset exchange is subject to the satisfaction or waiver of the completion of the transactions under the transaction agreement and the absence of any order, injunction, decree or other law preventing or making illegal the completion of the fund of funds asset exchange. HVB's obligation to complete the fund of funds asset exchange is further subject to the satisfaction or waiver of the following conditions:

the representations and warranties of Ramius are accurate, subject to the materiality standard in the asset exchange agreement;

each of Ramius, New Parent, Merger Sub and Cowen must have performed and complied with, in all material respects, all of their respective covenants and obligations under the asset exchange agreement;

the New Parent Class A common stock shares issued to HVB must have been authorized for listing on NASDAQ, subject to official notice of issuance; and

if the \$25 million secured revolving credit facility has not been entered into by HVB AG and New Parent, the \$10.4 million promissory note and the related security agreement must have been executed by New Parent and its subsidiaries, as applicable.

The obligations of Ramius, New Parent and Merger Sub to complete the fund of funds asset exchange is further subject to the satisfaction or waiver of the following conditions:

the representations and warranties of HVB are accurate, subject to the materiality standard in the asset exchange agreement;

HVB and HVB AG must have performed and complied with, in all material respects, all of their respective covenants and obligations under the asset exchange agreement; and

certain agreements (including the \$10.4 million promissory note and related security agreement, if applicable) between HVB and certain of its affiliates, on the one hand, and Ramius and New



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Parent and certain of their respective affiliates, on the other hand, must be in full force and effect.

So long as HVB and its affiliates beneficially own at least 4.9% of the common stock of New Parent (including shares held by Ramius that are attributable to BA Alpine Holdings, Inc.), BA Alpine Holdings, Inc., a third party investor in Ramius and affiliate of HVB, will have the right to nominate one director to the board of directors of New Parent and New Parent will include such designee on the slate of nominees proposed by New Parent in connection with any vote to elect the board of directors of New Parent. For so long as a designee of BA Alpine Holdings, Inc. serves as a director of New Parent, HVB and its affiliates will only transfer the shares it receives in accordance with New Parent's insider trading policy.

The shares received by HVB are subject to certain transfer restrictions, as described in greater detail in the asset exchange agreement. For a period of six months following the closing of the fund of funds asset exchange, HVB may not transfer its shares except in certain limited circumstances as described in the section titled "Other Agreements Related to the Transactions Asset Exchange Agreement" beginning on page 106. Following the six-month anniversary of the closing of the fund of funds asset exchange, HVB will be allowed to freely transfer its shares to the extent that HVB, together with its affiliates and permitted transferees, continue to beneficially own 50% of the aggregate number of shares of New Parent common stock that HVB and its affiliates beneficially owned at the closing of the fund of funds asset exchange (including shares held by Ramius that are attributable to BA Alpine Holdings, Inc.). The transfer restrictions will terminate following the second anniversary of the closing of the fund of funds asset exchange or after the following:

a material breach by Ramius of certain agreements, which breach is not cured by Ramius;

Ramius fails to vote all of its shares of New Parent Class A common stock in favor of electing the director candidate designated by BA Alpine Holdings, Inc. to the New Parent board of directors;

a change of control of Ramius; or

a change of control of New Parent.

Ramius has agreed to reimburse an affiliate of HVB for up to \$650,000 of its fees and expenses incurred in connection with the fund of funds asset exchange and its evaluation of the related transactions.

**Registration Rights Agreement (See page 109)**

In connection with the transactions, Ramius, BA Alpine Holdings, Inc., HVB, HVB AG and New Parent have agreed to enter into a registration rights agreement, which will set forth certain rights of BA Alpine Holdings, Inc., HVB and HVB AG (whom we refer to collectively as the HVB Parties) and Ramius and its members with respect to their shares of the common stock of New Parent (including, with respect to BA Alpine Holdings, Inc., the approximately 8.5 million shares of New Parent Class A common stock held by Ramius that are attributable to BA Alpine Holdings, Inc.).

If New Parent is not eligible to use Form S-3 to register shares of its common stock, the HVB Parties can demand that New Parent prepare and file a registration statement on Form S-1 with respect to any shares of New Parent Class A common stock held or acquired by the HVB Parties, Ramius or the members of Ramius or any permitted transferee of an HVB Party and any stock of New Parent issued as a dividend or other distribution with respect to such shares of New Parent Class A common stock (which we refer to collectively as the registrable securities). If the HVB Parties make a demand, New Parent will use its reasonable best efforts to cause the registration statement to be declared effective, provided, that the registration statement will not be required to become effective prior to one

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day after the six-month anniversary of the closing of the transactions. New Parent will also use its reasonable best efforts to qualify and maintain its eligibility to use Form S-3 for secondary sales by the HVB Parties, Ramius and the members of Ramius (including BA Alpine Holdings, Inc.) as soon as practicable following the execution of the registration rights agreement. Once New Parent is eligible to use Form S-3, it will file an automatic registration statement on Form S-3 and use its reasonable best efforts to effect and maintain the registration of all shares of registrable securities on Form S-3 for so long as Ramius or an HVB Party holds registrable securities, subject to certain limitations.

New Parent will also cooperate with the HVB Parties in a distribution of registrable securities in an underwritten offering, subject to customary market cutback restrictions under which the HVB Parties will receive priority over other holders of registrable securities. New Parent will be required to pay all registration expenses incurred in connection with the registration rights agreement, subject to specified exceptions. The HVB Parties may demand a total of six underwritten offerings and may require New Parent to support three such offerings with marketing efforts and "road shows." If New Parent gives notice of a registered public offering of its Class A common stock involving an underwriting for its own account or for the account of the HVB Parties, the holders of registrable securities may participate in the offering, subject to the customary market cutback restrictions and any other applicable transfer restrictions.

Subject to certain limitations, New Parent will be allowed to postpone a filing of a registration statement, and sales of registrable securities will be suspended, if an event has occurred that would cause any registration statement or prospectus to contain an untrue statement of a material fact or omit a material fact, or if any such filing would require the disclosure of material non-public information which New Parent has a bona fide business purpose for preserving as confidential and which New Parent would not otherwise be required to disclose.

New Parent must indemnify each holder of registrable securities against certain losses suffered in connection with registrations made pursuant to the registration rights agreement. Each holder whose registrable securities are included in a registration statement agrees to indemnify New Parent and each other holder of registrable securities to the extent that any losses result from information furnished in writing by that holder expressly for use in a registration statement.

**Amendment to Investment Agreement with Ramius (See page 110)**

In connection with the transactions, Ramius and Alpine Cayman Islands Limited, an affiliate of BA Alpine Holdings, Inc., amended the investment agreement with respect to Alpine Cayman Islands Limited's investment in certain Ramius funds. Alpine Cayman Islands Limited has agreed that until September 30, 2010, it will not withdraw a portion of its investment if as a consequence of such withdrawal, the value of its investment would be less than \$250 million, subject to specified exceptions. Beginning on September 30, 2010 and on each subsequent calendar quarter end date, there is no restriction on withdrawing a portion of the investment equal to at least \$40 million from the Ramius funds plus any additional amounts that are permitted to be withdrawn from such investment on such date as is specified in the amendment to the investment agreement.

Notwithstanding the limitations described above, Alpine Cayman Islands Limited may also reduce its investments if:

following the closing of the transactions, the value of its investment in the Ramius funds and the amount of assets under management in the Ramius funds attributable to third party investors other than Alpine Cayman Islands Limited and its affiliates, fall below certain levels;

a change in control of Ramius occurs;

a change in control of New Parent occurs;



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the Ramius funds are no longer managed by New Parent or one of its subsidiaries; or

certain individuals, or Ramius, directly or indirectly, on behalf of these individuals, dispose of shares of New Parent common stock other than as permitted by certain provisions of Ramius's organizational documents.

In addition, if the Ramius funds in which Alpine Cayman Islands Limited is invested suspend or otherwise restrict withdrawals from the funds, Alpine Cayman Islands Limited would be entitled to withdraw a portion of its investment in such funds on a pro rata basis with third party investors in these funds.

**Amendment to Investment Agreement with Ramius Fund of Funds Group LLC (See page 111)**

In connection with the transactions, Ramius and HVB AG, an affiliate of BA Alpine Holdings, Inc., amended the investment agreement with respect to an investment in certain funds of Ramius Funds of Funds Group LLC. It has been agreed that until September 30, 2010, a portion of this investment may not be withdrawn if after such withdrawal, the value of the investment would be less than \$350 million, subject to specified exceptions. Beginning on September 30, 2010 and on each subsequent calendar quarter end date, there is no restriction on withdrawing a portion of the investment equal to at least \$60 million from the funds of Ramius Fund of Funds Group LLC plus any additional amounts that are permitted to be withdrawn from such investment on such date as is specified in the amendment to the investment agreement.

Notwithstanding the limitations described above, the investment in the Ramius Fund of Funds Group LLC may be reduced if:

following the closing of the transactions, the value of the investment in the funds of Ramius Fund of Funds Group LLC falls below a certain level;

a change in control of Ramius occurs;

a change in control of New Parent occurs;

the funds of Ramius Fund of Funds Group LLC are no longer managed by New Parent or one of its subsidiaries; or

certain individuals, or Ramius, directly or indirectly, on behalf of these individuals, dispose of shares of New Parent common stock other than as permitted by certain provisions of Ramius's organizational documents.

**The Cowen Special Meeting (See page 44)**

The Cowen special meeting will be held at 1221 Avenue of the Americas (2nd Floor Conference Room), New York, New York, on October 30, 2009 at 10:00 a.m., local time. At the Cowen special meeting, Cowen stockholders will be asked to:

consider and vote to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius as contemplated by the transaction agreement;

consider and vote to approve the Amended 2007 Equity and Incentive Plan; and

consider and vote to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals.

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The Cowen Board of Directors has fixed the close of business on September 24, 2009 as the record date for the Cowen special meeting. Only Cowen stockholders of record at that time are entitled to notice of, and to vote at, the Cowen special meeting, or any adjournment or postponement of the Cowen special meeting. As of the record date, 15,043,922 shares of Cowen common stock were

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outstanding and entitled to vote at the Cowen special meeting, held by approximately 1,946 holders of record.

Each share of Cowen common stock outstanding on the record date entitles the holder to one vote on each matter to be voted upon by the stockholders at the special meeting. Each of the proposals has the following vote requirement in order to be approved:

approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius requires the affirmative vote of a majority of the outstanding shares of Cowen common stock entitled to vote at the special meeting;

approval of the Amended 2007 Equity and Incentive Plan requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal; and

approval of any necessary adjournment of the special meeting requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal, even if less than a quorum.

An abstention, failure to submit a proxy card or vote in person or broker non-vote will be treated as follows:

as a vote against the proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius;

as neither a vote for or as a vote against the proposal to approve the Amended 2007 Equity and Incentive Plan; and

as neither a vote for or as a vote against the proposal to approve the adjournment of the special meeting.

As of the Cowen record date, directors and executive officers of Cowen and their affiliates had the right to vote 464,653 shares of Cowen common stock, or approximately 3.09% of the outstanding Cowen common stock entitled to vote at the Cowen special meeting. It is expected that each of these individuals will vote their shares of Cowen common stock in favor of the proposals to be presented at the special meeting.

Ramius has entered into a voting agreement with seven employees of Cowen, whereby, subject to the terms and conditions of the agreement, each employee has agreed to vote all of the shares of Cowen common stock he holds in favor of the transaction agreement and the transactions contemplated in the transaction agreement and against any alternative transaction. As of the date of the voting agreement, these employees held in the aggregate 1,086,510 shares of Cowen common stock, or approximately 6.78% of the outstanding Cowen common stock entitled to vote at the Cowen special meeting.

The Cowen Board of Directors believes that the transactions are in the best interests of Cowen and its stockholders and has unanimously approved the transaction agreement and the transactions it contemplates. For the factors considered by the Cowen Board of Directors in reaching its decision to approve the transaction agreement and the transactions it contemplates, see the section titled "Proposal 1: The Transactions Cowen's Reasons for the Transactions; Recommendation of Cowen Board of Directors" beginning on page 70.

**The Cowen Board of Directors unanimously recommends that the Cowen stockholders vote "FOR" the proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius, "FOR" the proposal to approve the Amended 2007 Equity and Incentive Plan and "FOR" the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies.**

Table of Contents**Selected Consolidated Historical Financial Data of Cowen**

The following table presents Cowen's financial data as of and for the six months ended June 30, 2009 and as of and for the years ended December 31, 2008, 2007, 2006, 2005 and 2004. You should read this information in conjunction with Cowen's consolidated financial statements and related notes included in Cowen's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A for the fiscal year ended December 31, 2008, dated as of April 28, 2009, and in Cowen's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2009, which are incorporated by reference in this document and from which this information is derived. See the section titled "Where You Can Find More Information" beginning on page 195.

	Six Months Ended		Year Ended December 31,			
	June 30, 2009	2008	2007	2006	2005	2004
(in thousands, except per share data)						
<b>Consolidated Statements of Operations Data:</b>						
<b>Revenues</b>						
Investment banking	\$ 17,075	\$ 50,937	\$ 90,520	\$ 164,342	\$ 126,253	\$ 113,795
Brokerage	70,623	149,901	158,720	159,879	145,700	164,188
Interest and dividend income	291	3,362	8,284	17,766	16,990	9,504
Other	5,529	13,124	4,045	2,980	5,348	5,574
<b>Total revenues</b>	<b>93,518</b>	<b>217,324</b>	<b>261,569</b>	<b>344,967</b>	<b>294,291</b>	<b>293,061</b>
<b>Expenses</b>						
Employee compensation and benefits	60,533	133,891	177,948	215,707	172,128	170,546
Non-compensation expense (excluding goodwill impairment)(1)	44,243	98,257	103,226	112,644	109,848	63,533(2)
Goodwill impairment		50,000				
<b>Total expenses</b>	<b>104,776</b>	<b>282,148</b>	<b>281,174</b>	<b>328,351</b>	<b>281,976</b>	<b>234,079</b>
Operating (loss) income	(11,258)	(64,824)	(19,605)	16,616	12,315	58,982
Gain (loss) on exchange memberships		751	1,775	25,843	918	(1,993)
(Loss) income before income taxes	(11,258)	(64,073)	(17,830)	42,459	13,233	56,989
Provision (benefit) for income taxes	(410)	8,081	(6,509)	4,548	1,152	1,877
Net (loss) income	\$ (10,848)	\$ (72,154)	\$ (11,321)	\$ 37,911	\$ 12,081	\$ 55,112
Less: net income attributable to noncontrolling interests	104					
<b>Net (loss) income attributable to Cowen Group, Inc.</b>	<b>(10,952)</b>	<b>(72,154)</b>	<b>(11,321)</b>	<b>\$ 37,911</b>	<b>\$ 12,081</b>	<b>\$ 55,112</b>
<b>Earnings (loss) per share:</b>						
Weighted average common shares outstanding:						
Basic	11,531	11,254	12,805	12,903	12,900	12,900
Diluted	11,531	11,254	12,805	12,966	12,900	12,900
Earnings (loss) per share:						

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Basic	\$	(0.95)	\$ (6.41)	\$ (0.88)	\$ 2.94	\$ 0.94	\$ 4.27
Diluted	\$	(0.95)	\$ (6.41)	\$ (0.88)	\$ 2.92	\$ 0.94	\$ 4.27

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(1)

Includes floor brokerage and trade execution, net service fees, communications, occupancy and equipment, marketing and business development, depreciation and amortization and other expenses.

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- (2) Includes a net benefit of \$46.9 million related to accruals for insurance recoveries and the net reversal of previously accrued reserves in 2004.

			<b>Year Ended December 31,</b>			
	<b>June 30, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>(in thousands)</b>					
<b><i>Consolidated Statements of Financial</i></b>						
<b><i>Condition Data:</i></b>						
Total assets	\$ 186,107	\$ 207,498	\$ 349,038	\$ 684,438	\$ 785,339	\$ 820,350
Total liabilities and noncontrolling interest	47,715	65,383	140,383	466,310	411,388	466,872
Total stockholders' equity (2009-2006) and group equity (2005 and 2004)	\$ 138,392	\$ 142,115	\$ 208,655	\$ 218,128	\$ 373,951	\$ 353,478

Table of Contents**Selected Consolidated Historical Financial Data of Ramius**

The following table presents Ramius's selected historical consolidated financial data and should be read in conjunction with its consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis" beginning on page 150.

The following selected consolidated historical financial data of Ramius has been derived from the historical consolidated financial statements and related notes for the years ended December 31, 2008, 2007 and 2006 and the unaudited condensed consolidated financial statements and related notes for the six months ended June 30, 2009.

	<b>Six Months Ended</b>		<b>Year Ended December 31,</b>			
	<b>June 30, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>(in thousands)</b>					
<b>Consolidated Statements of Operations Data:</b>						
<b>Revenues</b>						
Management fees	\$ 22,434	\$ 70,818	\$ 73,950	\$ 65,635	65,592	\$ 48,006
Incentive income			60,491	81,319	24,771	37,847
Interest and dividends	178	1,993	16,356	17,189	9,217	8,921
Reimbursement from affiliates	5,490	16,330	7,086	4,070		
Other Revenues	1,688	6,853	5,086	8,038	8,201	4,879
<i>Consolidated Ramius Funds and certain real estate entities revenues</i>	7,967	31,739	25,253	35,897	15,325	(158)
<b>Total revenues</b>	<b>37,757</b>	<b>127,733</b>	<b>188,222</b>	<b>212,148</b>	<b>123,106</b>	<b>99,495</b>
<b>Expenses</b>						
Employee compensation and benefits	28,786	84,769	123,511	112,433	76,971	69,866
Non-compensation expense (excluding goodwill impairment)	26,457	54,856	79,020	54,277	46,406	26,440
Goodwill impairment		10,200				
<i>Consolidated Ramius Funds and certain real estate entities expenses</i>	6,520	34,268	21,014	39,300	24,449	710
<b>Total expenses</b>	<b>61,763</b>	<b>184,093</b>	<b>223,545</b>	<b>206,010</b>	<b>147,826</b>	<b>97,016</b>
<b>Other income (loss)</b>						
Net gain (loss) on securities, derivatives and other investments	(3,976)	(2,006)	94,078	54,765	67,000	47,419
<i>Consolidated Ramius Funds and certain real estate entities net gains (losses)</i>	5,912	(198,485)	84,846	78,656	61,019	1,961
<b>Total other income (loss)</b>	<b>1,936</b>	<b>(200,491)</b>	<b>178,924</b>	<b>133,421</b>	<b>128,019</b>	<b>49,380</b>
<b>Income (loss) before income taxes</b>	<b>(22,070)</b>	<b>(256,851)</b>	<b>143,601</b>	<b>139,559</b>	<b>103,299</b>	<b>51,859</b>
Income tax expense (benefit)	(49)	(1,301)	1,397	4,814	1,304	717
<b>Net income (loss)</b>	<b>(22,021)</b>	<b>(255,550)</b>	<b>142,204</b>	<b>134,745</b>	<b>101,995</b>	<b>51,142</b>
Net Income (loss) attributable to non-controlling interests in consolidated subsidiaries	(3,989)	(113,786)	66,343	74,189	53,439	900
<b>Special allocation to the Redeemable Managing Member</b>			26,551	21,195	15,961	18,523
<b>Net income (loss) available to all Redeemable Members</b>	<b>\$ (26,010)</b>	<b>\$ (141,764)</b>	<b>\$ 49,310</b>	<b>\$ 39,361</b>	<b>\$ 32,595</b>	<b>\$ 31,719</b>

**Year Ended December 31,**

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Six Months Ended  
June 30, 2009

2008      2007      2006      2005      2004

(in thousands)

*Consolidated Statements of Financial  
Condition Data:*

Total assets	\$ 703,797	\$ 797,831	\$ 2,113,532	\$ 2,468,195	\$ 1,833,789	\$ 1,702,809
Total liabilities	136,290	\$ 182,003	\$ 1,430,029	\$ 1,657,992	\$ 1,095,805	\$ 1,477,469
Redeemable non-controlling interests in consolidated subsidiaries	260,664	284,936	203,523	514,761	482,801	19,119
Total redeemable members' capital	\$ 306,843	\$ 330,892	\$ 479,980	\$ 295,442	\$ 255,183	\$ 206,221



Table of Contents**Unaudited Selected Pro Forma Condensed Combined Financial Information**

The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2009, and for the fiscal year ended December 31, 2008, give effect to the transactions as if they were completed on January 1, 2008, and include all adjustments which give effect to the events that are directly attributable to the transactions, are expected to have a continuing impact and that are factually supportable. The unaudited pro forma condensed combined statement of financial condition as of June 30, 2009 gives effect to the transactions as if they had been completed on June 30, 2009 and includes all adjustments which give effect to the events that are directly attributable to the transactions and that are factually supportable. The information below should be read in conjunction with the historical financial statements and related notes of Ramius, included in this document, and of Cowen, contained in the annual reports and other information that Cowen has filed with the SEC and incorporated by reference in this document and with the unaudited pro forma condensed combined financial statements and related notes included in this document. See the sections titled "Where You Can Find More Information" beginning on page 195 and "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 52.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined companies had the companies actually been combined at the beginning of each period presented, nor the impact of possible business model changes. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, cost savings and asset dispositions, among other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the transactions.

	<b>Six Months Ended June 30, 2009</b>	<b>Year Ended December 31, 2008</b>
	<b>(in thousands, except per share data)</b>	
<b><i>Unaudited Pro Forma Condensed Combined Statements of Operations Data</i></b>		
Total revenues	\$ 131,275	\$ 345,057
Total expenses	\$ 171,979	\$ 426,148
Total other income (loss)	\$ 1,936	\$ (199,740)
Net loss attributable to stockholders	\$ (41,604)	\$ (182,780)
Net loss per share: basic and diluted	\$ (0.75)	\$ (3.31)
Weighted average common shares: basic and diluted	55,189	55,189

	<b>As of June 30, 2009 (in thousands)</b>
<b><i>Unaudited Pro Forma Condensed Combined Statement of Financial Condition Data</i></b>	
Cash and cash equivalents	\$ 40,912
Total assets	\$ 859,348
Line of credit	\$ 25,000
Total liabilities	\$ 187,339
Total stockholders' equity	\$ 423,554
Noncontrolling interests	\$ 248,455
Total liabilities, redeemable noncontrolling interests and equity	\$ 859,348

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The following table sets forth certain historical per share financial information for Cowen common stock, and certain pro forma per share data for New Parent Class A common stock. Ramius is a privately-held company; accordingly, per share historical data for Ramius are omitted.

The pro forma data was derived by combining the historical consolidated financial information of Cowen and Ramius using the acquisition method of accounting and applying the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. The Comparative Per Share Data for the six months ended June 30, 2009 and the year ended December 31, 2008 combine the historical consolidated financial information of Cowen and Ramius giving effect to the transactions as if the transactions had become effective on January 1, 2008. The information below should be read in conjunction with the historical financial statements and related notes contained in the annual reports and other information that Cowen has filed with the SEC and incorporated by reference in this document and with the unaudited pro forma condensed combined financial statements and related notes included in this document. See the sections titled "Where You Can Find More Information" beginning on page 195 and "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 52.

It is anticipated that the transactions will provide the combined company with financial benefits that include reduced operating expenses and revenue enhancement opportunities. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible business model changes as a result of current market conditions which may impact revenues, cost savings, asset dispositions and other factors. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods, nor is it indicative of the results of operations in future periods or the future financial position of the combined company. The pro forma adjustments are based upon available information and certain assumptions that Cowen and Ramius management believe are reasonable. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the transactions.

	Cowen Historical		New Parent Pro Forma	
	Six Months Ended	Year Ended	Six Months Ended	Year Ended
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
(in thousands, except per share data)				
<b><i>Basic and diluted net loss per common share</i></b>				
Numerator:				
Net loss attributable to stockholders	\$ (10,952)	\$ (72,154)	\$ (41,604)	\$ (182,780)
Denominator:				
Weighted average shares outstanding for Basic and Diluted EPS	11,531	11,254	55,189	55,189
Net loss per common share:				
Basic and Diluted	\$ (0.95)	\$ (6.41)	\$ (0.75)	\$ (3.31)
Book Value per common share at June 30, 2009	\$ 9.15		\$ 7.67	

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference in this document, including the matters addressed under "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors before deciding whether to vote for proposals presented in this document. In addition, you should read and consider the risks associated with each of the businesses of Cowen and Ramius because these risks will relate to the combined company. Descriptions of some of these risks can be found in Cowen's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as amended by Amendment No. 1 to the Annual Report Form 10-K/A for the fiscal year ended December 31, 2008, dated as of April 28, 2009, and in Cowen's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009, and in Cowen's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2009, which are filed with the SEC and incorporated by reference into this document. You should also consider the other information in this document and the other documents incorporated by reference into this document. See the section titled "Where You Can Find More Information" beginning on page 195.*

**Risks Related to the Completion of the Transactions**

***The transactions are subject to conditions, including certain conditions that may not be satisfied, and may not be completed on a timely basis, or at all. Failure to complete the transactions could have material and adverse effects on Cowen.***

The completion of the transactions is subject to a number of conditions, including Cowen stockholder approval, which make the completion and timing of the completion of the transactions uncertain. See the section titled "The Transaction Agreement Conditions to Complete the Transactions" beginning on page 103 for a more detailed discussion. Also, either Cowen or Ramius may terminate the transaction agreement if the transactions have not been completed by December 31, 2009, unless the failure of the transactions to be completed has resulted from the failure of the party seeking to terminate the transaction agreement to perform its obligations.

If the transactions are not completed on a timely basis, or at all, Cowen's ongoing business may be adversely affected and, without realizing any of the benefits of having completed the transactions, Cowen will be subject to a number of risks, including the following:

Cowen will be required to pay a termination fee of \$3.5 million and, in some cases, expenses of Ramius up to \$750,000 if the transactions are terminated under qualifying circumstances, as described in the transaction agreement;

Cowen will be required to pay costs relating to the transactions, such as legal, accounting, financial advisor and printing fees, whether or not the transactions are completed;

time and resources committed by Cowen's management to matters relating to the transactions (including integration planning) could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of Cowen common stock could decline to the extent that the current market price reflects a market assumption that the transactions will be completed; and

if the transaction agreement is terminated and Cowen's Board of Directors seeks another business combination, stockholders cannot be certain that Cowen will be able to find a party willing to enter into a transaction agreement on terms equivalent to or more attractive than the terms that Ramius has agreed to in the transactions.

***Uncertainty regarding the completion of the transactions may cause clients to delay or defer decisions concerning Cowen and may adversely affect Cowen's ability to attract and retain key employees.***

The transactions will happen only if stated conditions are met, including, among others, the approval of the transactions by Cowen stockholders, the receipt of all required regulatory approvals and



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the satisfaction of the conditions to completing the transactions contained in the asset exchange agreement. Many of the conditions are beyond the control of Cowen. In addition, both Cowen and Ramius have rights to terminate the transaction agreement under various circumstances. As a result, there may be uncertainty regarding the completion of the transactions. This uncertainty may cause clients to delay or defer decisions concerning Cowen, which could negatively impact revenues, earnings and cash flow of Cowen, regardless of whether the transactions are ultimately completed. Similarly, uncertainty regarding the completion of the transactions may foster uncertainty among employees about their future roles with the combined company. This may adversely affect the ability of Cowen to attract and retain key management, sales, marketing and technical personnel.

***Some of Cowen's current directors and executive officers have interests in the transactions that may differ from the interests of other stockholders, and these persons may have conflicts of interest in supporting or recommending that you approve the proposals set forth in this document.***

In considering whether to approve the proposals set forth in this document, you should recognize that some of the members of management and Cowen's Board of Directors may have interests in the transactions that differ from, or are in addition to, their interests as stockholders. These interests include:

the rights of some executive officers to receive payments or other benefits, including grants of equity awards and the modification of vesting schedules of existing equity awards, following the completion of the transactions;

the continuing service of several of Cowen's existing directors and executive officers in the combined company after the closing date of the transactions;

the amendment of employment arrangements with some of Cowen's executive officers to provide incentives for their continued service to the combined company after the closing date of the transactions; and

the continued indemnification of Cowen's existing directors after the completion of the transactions.

These interests are described in greater detail in the section titled "Proposal 1: The Transactions Interests of Certain Persons in the Transactions" beginning on page 87.

***The transaction agreement contains provisions that could discourage a potential competing acquiror of Cowen or could result in any competing proposal being at a lower price than it might otherwise be.***

The transaction agreement contains "no shop" provisions that, subject to limited exceptions, restrict Cowen's ability to solicit, encourage, facilitate or discuss competing third party proposals to acquire all or a significant part of the assets or equity interests of Cowen. Further, even if the Cowen Board of Directors withdraws or qualifies its recommendation of the transactions and the issuance of the New Parent Class A common stock in the transactions, it will still be required to submit the matter to a vote of the Cowen stockholders at the special meeting. In addition, Ramius generally has an opportunity to modify the terms of the proposed transactions in response to any competing acquisition proposals that may be made before the Cowen Board of Directors may withdraw or qualify its recommendation. Upon termination of the transaction agreement, Cowen would be required, under qualifying circumstances, to pay to Ramius a termination fee of \$3.5 million and expenses of Ramius of up to \$750,000.

These provisions could discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of the assets or equity interests of Cowen from considering or proposing such acquisition, even if it were prepared to pay consideration with higher per share cash or market value than the value attributable to the transactions, or might result in a potential competing acquiror proposing to pay a lower price than it might have otherwise proposed to pay because of the added expense of the termination fee and expenses of Ramius that become payable.

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***The opinion obtained by Cowen from its financial advisor will not reflect changes in circumstances between the signing of the transaction agreement and the completion of the transactions.***

Cowen has not obtained an updated opinion as of the date of this document from its financial advisor. Changes in Cowen's and Ramius's operations, prospects, general market and economic conditions and other factors that may be beyond the control of Cowen and Ramius, and on which Cowen's financial advisor's opinion was based, may significantly alter the value of Cowen or Ramius or the price of shares of Cowen common stock by the time the transactions are completed. The opinion does not speak as of the time the transactions will be completed or as of any date other than the date of such opinion. Because Cowen does not currently anticipate asking its financial advisor to update its opinion, the opinion will not address the fairness of the transaction consideration to the holders of Cowen common stock, from a financial point of view, at the time the transactions are completed. For a description of the opinion that Cowen received from its financial advisor, see the section titled "Proposal 1: The Transactions Opinion of Cowen's Financial Advisor," beginning on page 73. For a description of the other factors considered by the Cowen Board of Directors in deciding to declare the transactions contemplated in the transaction agreement to be advisable, see the section titled "Proposal 1: The Transactions Cowen's Reasons for the Transactions; Recommendation of Cowen Board of Directors" beginning on page 70.

***Because the date that the transactions will be completed will be later than the date of the stockholder meeting, at the time of the stockholder meeting you will not know the exact market value of the Cowen common stock that Ramius and HVB will receive when the transactions are completed.***

If the price of Cowen common stock increases between the date the transaction agreement and the asset exchange agreement were signed or the date of the Cowen special meeting and the completion of the transactions, Ramius and HVB (an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius) will receive shares of Cowen common stock that have a market value that is greater than the market value of such shares when the transaction agreement and the asset exchange agreement were signed or the date of the Cowen special meeting, respectively. Therefore, while the number of shares is fixed (subject to some adjustments), Cowen stockholders cannot be sure of the market value of the consideration that will be paid to Ramius and HVB when the transactions are completed.

#### **Risks Related to the Combined Company Following the Transactions**

***The combined company is expected to incur substantial expenses related to the integration of Cowen and Ramius.***

The combined company is expected to incur substantial expenses in connection with the integration of the business, policies, procedures, operations, technologies and systems of Ramius with those of Cowen. There are a large number of functions that must be integrated, including but not limited to information technology, finance, human resources, audit, corporate communications, risk management and legal and compliance. While the parties have calculated an estimate of expenses that would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of all of the expected integration expenses. Moreover, many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. These expenses could, particularly in the near term, exceed the savings that the parties expect to achieve from the elimination of duplicative expenses and the realization of economies of scale, cost savings and revenue synergies related to the integration of the businesses following the completion of the transactions.

***Although Cowen and Ramius expect that Cowen's combination with Ramius will result in benefits to Cowen, Cowen and Ramius may not realize those benefits because of integration difficulties and other challenges.***

The success of Cowen's combination with Ramius will depend in large part on the success of the management of the combined company in integrating the operations, strategies, technologies and personnel of the two companies following the completion of the transactions. The combined company

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may fail to realize some or all of the anticipated benefits of the transactions if the integration process takes longer than expected or is more costly than expected. The failure of the combined company to meet the challenges involved in successfully integrating the operations of Cowen and Ramius or to otherwise realize any of the anticipated benefits of the transactions, including additional revenue opportunities, could impair the operations of the combined company. In addition, Cowen and Ramius anticipate that the overall integration of the companies will be a complex, time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt Cowen's business and that of Ramius.

Potential difficulties the combined company may encounter in the integration process include the following:

the integration of each company's management teams, strategies, technologies and operations, products and services;

the disruption of each company's ongoing businesses and distraction of their respective management teams from ongoing business concerns;

the retention of the existing clients of both companies;

the creation of uniform standards, controls, procedures, policies and information systems;

the reduction of the costs associated with each company's operations;

the consolidation and rationalization of information technology platforms and administrative infrastructures;

the integration of corporate cultures and maintenance of employee morale;

the retention of key employees;

the occurrence of unanticipated expenses related to technology integration; and

potential unknown liabilities associated with the transactions.

The anticipated benefits and synergies include the combination of offices in various locations and the elimination of numerous technology systems, duplicative personnel and duplicative market and other data sources. However, these anticipated benefits and synergies assume a successful integration and are based on projections, which are inherently uncertain, and other assumptions. Even if integration is successful, anticipated benefits and synergies may not be achieved.

***The transactions are subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on the combined company following the transactions.***

Before the transactions may be completed, approvals or consents must be obtained from various domestic and foreign securities, antitrust and other authorities. In deciding whether to grant these approvals, the relevant governmental entity will make a determination of whether, among other things, the transactions are in the public interest. Regulatory entities may impose conditions on the completion of the transactions or require changes to the terms of the transactions. Although the parties do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the transactions or imposing additional costs on or limiting the revenues of the combined company following the transactions, any of which

might have a material adverse effect on the combined company following the transactions. See the section titled "Proposal 1: The Transactions Regulatory Approvals Required for the Transactions" beginning on page 86.

***Ramius is in a different business than Cowen and there are no guarantees that management of the combined company will be able to successfully integrate the business lines of Ramius and Cowen.***

The transactions involve the combination of two companies that currently operate in different business segments. Ramius is an alternative investment management firm. Ramius's investment services



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and products include hedge funds, hedge fund of funds, real estate funds and cash management. Cowen has a financial services practice, including investment banking, equity research, sales and trading and alternative asset management services. Although the management of the combined company will include executives from both Cowen and Ramius, neither Cowen nor Ramius can guarantee that the combined company will integrate and operate the business lines of Cowen and Ramius to achieve the cost savings and other benefits anticipated to result from the transactions.

***Current Cowen stockholders will have a reduced ownership and voting interest after the transactions and will exercise less influence over management.***

Current Cowen stockholders currently have the right to vote in the election of the Board of Directors of Cowen and on other matters affecting Cowen. Immediately after the transactions are completed, it is expected that current Cowen stockholders will own approximately 28.76% (including shares to be issued in conjunction with the transactions).

As a result of the transactions, current Cowen stockholders will have less influence on the management and policies of New Parent than they now have on the management and policies of Cowen. New Parent will be a majority-owned subsidiary of Ramius and Ramius will have the ability to elect a majority of New Parent's board of directors and determine the outcome of matters submitted to the combined company's stockholders, such as the approval of significant transactions. As a result, actions that may be supported by a majority of the other stockholders could be blocked by Ramius.

***Ramius's ownership of the combined company could affect the liquidity in the market for New Parent's Class A common stock.***

The large ownership stake in New Parent and the board representation of Ramius on the New Parent board of directors may discourage a third party from proposing a change of control or other strategic transaction concerning the combined company. As a result, New Parent's Class A common stock could trade at prices that do not reflect a "control premium" to the same extent as do the stocks of similarly situated companies that do not have a stockholder with an ownership interest as large as Ramius's ownership interest.

***New Parent will be a "controlled company" within the meaning of the NASDAQ rules and, as a result, will qualify for, and rely on, exemptions from certain corporate governance standards, which may limit the presence of independent directors on the board of directors or board committees of New Parent.***

Following the consummation of the transactions, Ramius will beneficially own shares of New Parent capital stock which would represent approximately 65% of the outstanding voting power of New Parent's capital stock. Accordingly, New Parent will be a majority-owned subsidiary of Ramius and Ramius will have the ability to elect New Parent's board of directors and thereby control the management and affairs of New Parent. Therefore, New Parent will be deemed to be a "controlled company" for purposes of NASDAQ Rule 5615(c)(2). Under this rule, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a "controlled company" and is exempt from certain corporate governance requirements, including requirements that (1) a majority of the board of directors consist of independent directors, (2) compensation of officers be determined or recommended to the board of directors by a majority of its independent directors or by a compensation committee that is composed entirely of independent directors and (3) director nominees be selected or recommended for selection by a majority of the independent directors or by a nominating committee composed solely of independent directors. Accordingly, New Parent's stockholders may not have the same protections afforded to stockholders of other companies that are required to fully comply with the NASDAQ rules. Solely for the purpose of including the director designated by BA Alpine Holdings, Inc. as a member of each of the compensation committee and the nominating and governance committee, New Parent will elect to be treated as a "controlled company" for purposes of NASDAQ Rule 5615(c)(2). Even though New Parent

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will be treated as a "controlled company," New Parent currently intends that a majority of its board of directors will consist of independent directors and that each member of each of the compensation committee and the nominating and governance committee other than the director designated by BA Alpine Holdings, Inc. will be independent.

***The ability of Ramius and, subject to limitations, HVB, Société Générale and some of the combined company's future employees to sell common stock of the combined company at any time following the completion of the transactions could cause the stock price to decrease.***

Ramius and HVB may sell the 40,250,708 aggregate shares of New Parent Class A common stock that they will receive in the transactions. However, the asset exchange agreement restricts the sale of shares by HVB under specified circumstances, and Ramius' managing member has agreed in Ramius's operating agreement (as it will be amended and restated at the closing of the transactions) not to make any distributions of New Parent Class A common stock to the members of Ramius (including BA Alpine Holdings, Inc.) for a period of time following the closing of the transactions, which restrictions may be waived by Ramius's managing member in accordance with the terms of Ramius's operating agreement. Following the consummation of the transactions, approximately 1,934,661 shares of New Parent common stock will underlie the capital in Ramius of those members of Ramius who may withdraw one-third of their capital in Ramius as of the end of each calendar year beginning on December 31, 2009. In connection with a withdrawal of capital by these members of Ramius, Ramius will sell shares of New Parent common stock attributable to these members on or prior to the effectiveness of such withdrawal and will use the net proceeds of such sales to satisfy the withdrawal requests of these members in cash. The restrictions on HVB and its affiliates (including BA Alpine Holdings, Inc. with respect to the 8.5 million shares of New Parent common stock held by Ramius that are allocated to it) are subject to a number of exceptions and may be terminated upon the occurrence of certain events. New Parent will execute and deliver to Ramius a registration rights agreement, which includes customary registration rights for Ramius and HVB and its affiliates (including BA Alpine Holdings, Inc. with respect to the approximately 8.5 million shares of New Parent Common Stock held by Ramius that are allocated to BA Alpine Holdings, Inc.). See the section titled "Other Agreements Related to the Transactions Transfer Restrictions on Shares of New Parent Common Stock Held by Ramius" beginning on page 112.

In addition, Cowen filed a registration statement on behalf of Société Générale its former parent company, in 2007, whereby Société Générale may sell all or a portion of the 1,382,608 eligible shares of Cowen common stock that it held as of December 31, 2008. These selling rights will remain in effect after shares of Cowen common stock are exchanged for shares of New Parent Class A common stock pursuant to the transactions. Furthermore, New Parent's employees and other stockholders may sell significant numbers of shares of New Parent's Class A common stock subject to limitations on senior management. See the section titled "Other Agreements Related to the Transactions Transfer Restrictions on Share of New Parent Common Stock Held by Ramius" beginning on page 112 for more information.

The sale of a substantial number of shares of common stock by Ramius, HVB, Société Générale, New Parent's employees or by other stockholders within a short period of time, or the possibility of such sales, may adversely affect the price of New Parent's Class A common stock and impede New Parent's ability to raise capital through the issuance of equity securities.

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***Under the certificate of incorporation of New Parent, New Parent will be able to issue more shares of common stock than Cowen is currently authorized to issue. As a result, such future issuances of common stock could have a dilutive effect on the earnings per share and voting power of New Parent stockholders.***

The certificate of incorporation of New Parent authorizes a greater number of shares of common stock than Cowen's current certificate of incorporation. If the transactions are completed, New Parent will be able to issue more shares of common stock than Cowen is currently authorized to issue. If the board of directors of New Parent elects to issue additional shares of common stock in the future, whether in public offerings, in connection with mergers and acquisitions or otherwise, such additional issuances could dilute the earnings per share and voting power of New Parent stockholders.

***The market price of New Parent's common stock may decline in the future as a result of the transactions.***

The market price of New Parent's common stock may decline in the future as a result of the transactions for a number of reasons, including:

the unsuccessful integration of Cowen and Ramius; or

the failure of the combined company to achieve the perceived benefits of the transactions, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts.

These factors are, to some extent, beyond the control of Cowen and Ramius.

***The market price of New Parent's common stock after the transactions will be affected by factors different from those currently affecting the market price of Cowen's common stock.***

Ramius operates across a range of asset classes and services in which Cowen has not historically operated. Accordingly, the operations and the market price of New Parent Class A common stock and the market price of Cowen common stock until the completion of the transactions may be affected by factors different from those currently affecting the operations and the market price of Cowen common stock. For a discussion of Cowen's businesses and the businesses of Ramius, see the sections titled "Information About the Companies" beginning on page 48 and "Where You Can Find More Information" beginning on page 195.

***The unaudited pro forma financial data and internal earnings estimates for both Cowen and Ramius included in this document are preliminary, and the combined company's actual financial position and operations after the transactions may differ materially from the unaudited pro forma financial data included in this document.***

The unaudited pro forma financial data and internal earnings estimates for both Cowen and Ramius in this document are presented for illustrative purposes only and are not necessarily indicative of what New Parent's actual financial position or operations would have been had the transactions been completed on the dates indicated. For more information, see the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 52.

***The combined company's future results will suffer if the combined company does not effectively manage its expanded operations following the transactions.***

Following the transactions, New Parent may continue to expand its operations through new product and service offerings and through additional strategic investments, acquisitions or joint ventures, some of which may involve complex technical and operational challenges. The combined company's future success depends, in part, upon its ability to manage its expansion opportunities, which pose numerous risks and uncertainties, including the need to integrate new operations into its existing business in an efficient and timely manner, to combine accounting and data processing systems and management controls and to integrate relationships with customers and business partners. In addition,

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future acquisitions or joint ventures after completion of the transactions may involve the issuance of additional shares of common stock of New Parent, which may dilute Cowen stockholders' ownership of the combined company.

Furthermore, any future acquisitions of businesses or facilities could entail a number of risks, including:

problems with the effective integration of operations;

inability to maintain key pre-acquisition business relationships;

increased operating costs;

exposure to unanticipated liabilities; and

difficulties in realizing projected efficiencies, synergies and cost savings.

Cowen cannot assure you that the combined company's future expansion or acquisition opportunities will be successful, or that the combined company will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

***BA Alpine Holdings, Inc., its designee on New Parent's board of directors and Ramius may have interests that conflict with your interests.***

BA Alpine Holdings, Inc., its designee on New Parent's board of directors and Ramius may have interests that conflict with, or are different from, New Parent's and your own. Conflicts of interest between BA Alpine Holdings, Inc. and/or Ramius and New Parent may arise, and such conflicts of interest may not be resolved in a manner favorable to New Parent, including potential competitive business activities (in the case of BA Alpine Holdings, Inc.), corporate opportunities, indemnity arrangements, registration rights and sales or distributions by Ramius, BA Alpine Holdings, Inc. or their respective affiliates of New Parent common stock. New Parent's certificate of incorporation and by-laws do not contain any provisions designed to facilitate resolution of actual or potential conflicts of interest, or to ensure that potential business opportunities that may become available to BA Alpine Holdings, Inc. and New Parent will be reserved for or made available to New Parent. Pertinent provisions of law will govern any such matters if they arise. In addition, Ramius, as the holder of the majority of New Parent's issued and outstanding shares of Class A common stock, could delay or prevent an acquisition or merger even if such a transaction would benefit other stockholders.

**Risks Affecting the Companies Related to the Financial Services Industry**

***Volatility in the value of Ramius's, and to a lesser extent, Cowen's, respective investment and securities portfolios or other assets and liabilities could adversely affect the financial condition or operations of the combined company.***

Cowen and Ramius adopted the provisions of Statement of Financial Accounting Standards No. 157 (which we refer to as SFAS 157) on January 1, 2008. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 also establishes a framework for measuring fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Changes in fair value are reflected in the statement of operations at each measurement period. Therefore, continued volatility in the value of Ramius's, and to a lesser extent, Cowen's, respective investment and securities portfolios or other assets and liabilities, including funds, will result in volatility of the combined firm's results. As a result, the changes in value may have an adverse effect on financial condition or operations in the future.

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**Risks Related to Ramius's Business**

*For purposes of the following risk factors, references made to Ramius's funds include hedge funds and funds in the Ramius fund of funds business and real estate funds.*

***Difficult market conditions, market disruptions and volatility have adversely affected and may in the future continue to adversely affect Ramius's business, results of operations and financial condition.***

Ramius's business is materially affected by conditions in the global financial markets and by global economic conditions, such as interest rates, the availability of credit, inflation rates, economic uncertainty, changes in laws, commodity prices, asset prices (including real estate), currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). Recently, global credit and other financial markets have suffered and continue to suffer substantial stress, volatility, illiquidity and disruption. Market turbulence reached unprecedented levels during the third and fourth quarters of 2008, as loss of investor confidence in the financial system resulted in an historically unprecedented lack of liquidity, decline in asset values (including real estate assets), and the bankruptcy or acquisition of, or government assistance to, several major domestic and international financial institutions. These factors, combined with volatile commodity prices and foreign exchange rates, have contributed to recessionary economic conditions globally and a deterioration in consumer and corporate confidence and could further exacerbate the overall market disruptions and risks to market participants, including the Ramius funds and managed accounts. These market conditions may affect the level and volatility of securities prices and the liquidity and the value of investments in the Ramius funds and managed accounts, and Ramius may not be able to effectively manage its exposure to these market conditions.

***Ramius's profitability may be adversely affected by decreases in revenue relating to changes in market and economic conditions.***

The adverse market conditions of the second half of 2008 continued in the early part of 2009 and while conditions have recently improved slightly, global market conditions have been and remain inherently unpredictable and outside of Ramius's control. If these conditions continue, they may impact Ramius's ability to generate non-volatile investment performance and attract new assets under management, and may result in high levels of redemptions from the Ramius funds and managed accounts. These factors may reduce Ramius's revenue growth and income and may slow or reduce the growth of the Ramius business or may contract the Ramius business. In particular, negative fund performance reduces assets under management, which decreases the management fees and incentive income that Ramius earns. Negative performance of the Ramius Enterprise Master Fund Ltd (which we refer to as the Enterprise Fund) also decreases revenue derived from Ramius's returns on investments of its own capital. Incentive income, which has historically comprised a substantial portion of Ramius's annual revenues, is subject to "high-water marks" whereby incentive income is 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 a preceding measurement period for which Ramius earned incentive income. Ramius's incentive allocations are also subject, in some cases, to performance hurdles. As a result of negative investment performance in 2008, Ramius entered 2009 with high-water marks in many hedge funds, which require the Ramius funds to recover cumulative losses before Ramius can begin to earn incentive income in 2009 and beyond with respect to the investments of fund investors who suffered losses last year. In order for Ramius to begin earning incentive fees from investors who had incurred losses in 2008, the respective funds they are invested in need to outperform the losses they incurred in 2008. 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 with respect to an

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investor who had participated fully in this loss, the fund will have to increase net asset value by 36.5%, net of management fees. Such analysis applies to each fund which incurred 2008 losses.

***Investors in the Ramius funds and investors with managed accounts can generally redeem investments with prior notice. The rate of redemptions has recently accelerated and could continue to further accelerate. Redemptions have, and may continue to, create difficulties in managing the liquidity of the Ramius funds and managed accounts, reduce assets under management and adversely affect Ramius's revenues.***

Investors in the Ramius funds and investors with managed accounts may generally redeem their investments with prior notice, subject to certain initial holding periods. Investors may reduce the aggregate amount of their investments, or transfer their investments to other funds or asset managers with different fee rate arrangements, for any number of reasons, including investment performance, changes in prevailing interest rates and financial market performance. Investors have less confidence now and their allocation process more selective and deliberate. Increased volatility in global markets could accelerate the pace of fund and managed account redemptions. Redemptions of investments in the Ramius funds could also take place more quickly than assets may be sold by those funds to meet the price of such redemptions, which could result in the relevant funds and/or Ramius being in breach of applicable legal, regulatory and contractual requirements in relation to such redemptions, resulting in possible regulatory and investor actions against Ramius and/or the Ramius funds. If the Ramius funds or managed accounts underperform, existing investors may decide to reduce or redeem their investments or transfer asset management responsibility to other asset managers and Ramius may be unable to obtain new alternative investment management business. Any such action would potentially cause further redemptions and/or make it more difficult to attract new investors.

The redemption of investments in the Ramius funds or in managed accounts could also adversely affect Ramius's revenues, which are substantially dependent upon the assets under management in the Ramius funds. If redemptions of investments cause revenues to decline, they would likely have a material adverse effect on Ramius's business, results of operations or financial condition. As a result of recent market developments and the potential for increased and continuing disruptions and the resulting uncertainty during the second half of 2008 and early 2009, Ramius has recently experienced an increase in the level of redemptions from the Ramius funds and managed accounts. Furthermore, the Enterprise Fund's initial lock-up period ends on December 31, 2009. This will be the first opportunity for investors in the Enterprise Fund to redeem their investments. Accordingly, this fund may be subject to higher levels of redemption than Ramius had originally anticipated. Furthermore, redemption rates may stay elevated within the industry while market conditions remain unsettled. If the level of redemption activity persists at above historic levels, it could become more difficult to manage the liquidity requirements of the Ramius funds, making it more difficult or more costly for the Ramius funds to liquidate positions rapidly to meet redemption requests or otherwise. This in turn may negatively impact Ramius's returns on its own invested capital.

In addition to the impact on the market value of assets under management, the illiquidity and volatility of the global financial markets have negatively affected Ramius's ability to manage inflows and outflows from the Ramius funds. Ramius's ability to attract new capital to existing Ramius funds or to develop new investment platforms may be negatively impacted during this period. Several alternative investment managers, including Ramius, have recently exercised and may in the future exercise their rights to limit, and in some cases, suspend, redemptions from the funds they manage. Ramius has also and may in the future negotiate with investors in an attempt to limit redemptions or create a variety of other investor structures to bring fund assets and liquidity requirements into a more manageable balance. To the extent that Ramius has negotiated with investors to limit redemptions, it may be likely that such investors will continue to seek further redemptions in the future. Such actions may have an adverse effect on the ability of the Ramius funds to attract additional assets under management. The Ramius fund of funds platform may also be adversely impacted as the hedge funds in which it invests

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themselves face similar investor redemptions or if such hedge funds exercise their rights to limit or suspend Ramius's redemptions from such funds. Poor performance relative to other asset management firms may result in reduced investments in the Ramius funds and managed accounts and increased redemptions from the Ramius funds and managed accounts. As a result, investment underperformance would likely have a material adverse effect on Ramius's business, results of operations or financial condition.

***Hedge fund investments are subject to other additional risks.***

Investments by the Ramius funds are subject to certain factors, including the following:

Generally, there are few limitations on hedge funds' investment strategies, which are often subject to the sole discretion of the management company or the general partner of such funds.

Hedge funds may engage in short selling, which is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. A fund may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the fund is otherwise unable to borrow securities that are necessary to hedge its positions. Furthermore, recent rulemaking by the SEC and other regulatory authorities outside the United States have imposed trading restrictions and reporting requirements on short selling, which in certain circumstances may impair hedge funds' ability to use short selling effectively.

The efficacy of investment and trading strategies depend largely on the ability to establish and maintain an overall market position in a combination of financial instruments. A hedge fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error. In such event, the fund might only be able to acquire some but not all of the components of the position, or if the overall position were in need of adjustment, the fund might not be able to make such an adjustment. As a result, a hedge fund would not be able to achieve the market position selected by the management company or general partner of such fund, and might incur a loss in liquidating its position.

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their respective liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This "systemic risk" may adversely affect the financial intermediaries (such as clearing agencies, clearing houses, banks, securities firms and exchanges) with which the hedge funds interact on a daily basis.

Hedge funds are subject to risks due to the potential illiquidity of assets. Hedge funds may make investments or hold trading positions in markets that are volatile and which may become illiquid. The timely sale of trading positions can be impaired by decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer positions in highly specialized or structured transactions to which they may be a party, and changes in industry and government regulations. It may be impossible or highly costly for hedge funds to liquidate positions rapidly to meet margin calls, withdrawal requests or otherwise, particularly if there are other market participants seeking to dispose of similar assets at the same time, if the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market. In addition, increased levels of redemptions may result in increased illiquidity as more liquid assets are sold to fund redemptions. Moreover, these risks may be exacerbated for the Ramius fund of funds platform. For example, if the Ramius fund of funds platform invested in two or more hedge funds that each had illiquid positions in the same issuer, the illiquidity risk for the Ramius fund of funds portfolios would be compounded.

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Furthermore, certain of the investments of the Ramius fund of funds platform were in third party hedge funds that halted redemptions in the face of illiquidity and other issues.

Hedge fund investments are subject to risks relating to investments in commodities, futures, options and other derivatives, the prices of which are highly volatile and may be subject to the theoretically unlimited risk of loss in certain circumstances, including short selling. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, hedge funds' assets are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or counterparties.

***If Ramius's counterparty for any of its derivative or non-derivative contracts defaults on the performance of those contracts, Ramius may not be able to cover its exposure under the relevant contract.***

The Ramius funds enter into numerous types of financing arrangements with a wide array of counterparties around the world, including loans, hedge contracts, swaps, repurchase agreements and other derivative and non-derivative contracts. The terms of these contracts are generally complex and often customized and often are not currently subject to regulatory oversight. Ramius is subject to the risk that the counterparty to one or more of these contracts may default, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur at any time without notice. Additionally, Ramius may not be able to take action to cover its exposure if a counterparty defaults under such a contract, either because of a lack of the contractual ability or because market conditions make it difficult to take effective action. The impact of market stress or counterparty financial condition may not be accurately foreseen or evaluated and, as a result, Ramius may not take sufficient action to reduce its risks effectively.

Counterparty risk is accentuated where the fund has concentrated its transactions with a single or small group of counterparties. Generally, hedge funds are not restricted from concentrating any or all of their transactions with one counterparty. Moreover, the funds' internal review of the creditworthiness of their counterparties may prove inaccurate. The absence of a regulated market to facilitate settlement and the evaluation of creditworthiness may increase the potential for losses.

***Ramius may suffer losses in connection with the insolvency of prime brokers, custodians, administrators and other agents whose services Ramius uses and who may hold assets of Ramius funds.***

All of the Ramius funds use the services of prime brokers, custodians, administrators or other agents to carry out certain securities transactions and to conduct certain business of the Ramius funds. In the event of the insolvency of a prime broker and/or custodian, the Ramius funds might not be able to recover equivalent assets in full as they may rank among the prime broker's and custodian's unsecured creditors in relation to assets which the prime broker or custodian borrows, lends or otherwise uses. In addition, the Ramius funds' cash held with a prime broker or custodian (if any) may not be segregated from the prime broker's or custodian's own cash, and the funds will therefore rank as unsecured creditors in relation thereto. Specifically, certain Ramius funds used an affiliate of Lehman Brothers as one of their prime brokers and some of these funds also held assets through accounts at Lehman Brothers. Other affiliates of Lehman Brothers that are now in insolvency proceedings were also trading counterparties for some of the hedge funds managed by Ramius. The total net equity claim of the Ramius funds with respect to Lehman Brothers was approximately \$256.4 million. Ramius estimates the total recoverable claim of the Ramius funds against Lehman Brothers and its affiliates to be approximately \$70.3 million. See the section titled "Management's Discussion and Analysis Assets Under Management and Fund Performance 2008 Fund Performance Lehman Brothers" beginning on page 159 for more information.



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***Operational risks relating to the failure of data processing systems and other information systems and technology may disrupt Ramius's business, result in losses or limit Ramius's operations and growth.***

Ramius and its funds rely heavily on financial, accounting, trading and other data processing systems to, among other things, execute, confirm, settle and record transactions across markets and geographic locations in a time-sensitive, efficient and accurate manner. If any of these systems do not operate properly or are disabled, Ramius could suffer financial loss, a disruption of its business, liability to the Ramius funds, regulatory intervention or reputational damage. In addition, Ramius is highly dependent on information systems and technology. The cost of maintaining such systems may increase from its current level. Such a failure to accommodate Ramius's operational needs, or an increase in costs related to such information systems, could have a material adverse effect on Ramius, both with respect to a decrease in operational performance and an increase in costs that may be necessary to improve such systems.

Ramius depends on its headquarters in New York, New York, where most of Ramius's personnel are located, for the continued operation of its business. Ramius has taken precautions to limit the impact that a disruption to its New York headquarters could cause (for example, by ensuring that offices in other geographic locations office can operate independently of other offices). Although these precautions have been taken, a disaster or a disruption in the infrastructure that supports Ramius's business, including a disruption involving electronic communications or other services used by Ramius or third parties with whom Ramius does conduct business (including the funds invested in by the Ramius fund of funds platform), or directly affecting the New York, New York, headquarters, could have a material adverse impact on Ramius's ability to continue to operate its business without interruption. Ramius's disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse Ramius for its losses, if at all. Finally, Ramius relies on third party service providers for certain aspects of its business, including for certain information systems and technology and administration of the Ramius funds. Severe interruptions or deteriorations in the performance of these third parties or failures of their information systems and technology could impair the quality of Ramius's operations and could impact Ramius's reputation and materially adversely affect Ramius's business.

***Certain of the Ramius funds may invest in relatively high-risk, illiquid assets, and Ramius may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal amounts of these investments.***

Certain of the Ramius funds invest all or a portion of their assets in securities that are not publicly traded and funds invested in by the Ramius fund of funds platform may do the same. In many cases, such funds may be prohibited by contract or by applicable securities laws from selling such securities for a period of time or there may not be a public market for such securities. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the required holding period. Accordingly, under certain conditions, the Ramius funds, or funds invested in by the Ramius fund of funds platform, may be forced to either sell securities at lower prices than they had expected to realize or defer, potentially for a considerable period of time, sales that they had planned to make. Contributing capital to these investments is risky, and the Ramius funds may lose some or all of the principal amount of such investments, including Ramius's own invested capital.

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***Risk management activities may materially adversely affect the return on the Ramius funds' investments if such activities do not effectively limit a fund's exposure to decreases in investment values or if such exposure is overestimated.***

When managing the Ramius funds' exposure to market risks, the relevant fund (or one of the funds invested in by the Ramius fund of funds platform) may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative financial instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in interest rates, currency exchange rates and asset prices. The success of such derivative transactions generally will depend on Ramius's (or the underlying fund manager's) ability to accurately predict market changes in a timely fashion, the degree of correlation between price movements of a derivative instrument, the position being hedged, and the creditworthiness of the counterparty and other factors. As a result, these transactions may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. For a variety of reasons, a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged may not be attained. An imperfect correlation could give rise to a loss. Also, it may not be possible to fully or perfectly limit exposure against all changes in the value of an investment because the value of an investment is likely to fluctuate as a result of a number of factors, some of which will be beyond Ramius's control or ability to hedge.

***Fluctuations in currency exchange rates could materially affect Ramius's business, results of operations and financial condition.***

Ramius uses U.S. dollars as its reporting currency. Investments in Ramius funds and managed accounts are made in different currencies, including Euros, Pounds Sterling and Yen. In addition, Ramius funds and managed accounts hold investments denominated in many foreign currencies. To the extent that Ramius's revenues are based on assets under management denominated in such foreign currencies, Ramius's reported revenues may be significantly affected by the exchange rate of the U.S. dollar against these currencies. Typically, an increase in the exchange rate between U.S. dollars and these currencies will reduce the impact of revenues denominated in these currencies in Ramius's financial results. For example, management fee revenues derived from each Euro of assets under management denominated in Euros will decline in U.S. dollar terms if the value of the U.S. dollar appreciates against the Euro. In addition, the calculation of the amount of Ramius's assets under management is affected by exchange rate movements as assets under management denominated in foreign currencies are converted to U.S. dollars. Ramius also incurs a portion of its expenditures in currencies other than U.S. dollars. As a result, Ramius's business is subject to the effects of exchange rate fluctuations with respect to any currency conversions and Ramius's ability to hedge these risks and the cost of such hedging or Ramius's decision not to hedge could impact the performance of the Ramius funds and Ramius's business, results of operations or financial condition.

***The due diligence process that Ramius undertakes in connection with investments by the Ramius funds may not reveal all facts that may be relevant in connection with making an investment.***

Before making investments, particularly investments in securities that are not publicly traded, Ramius endeavors to conduct a due diligence review of such investment that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Ramius is often required to evaluate critical and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment bankers and financial analysts may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding

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an investment, Ramius is limited to the resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigation that Ramius will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful, which may adversely affect the performance of the Ramius funds and managed accounts and Ramius's ability to generate returns on its own invested capital from any such investment.

***The Ramius real estate funds are subject to the risks inherent in the ownership and operation of real estate and the construction and development of real estate.***

Investments in the Ramius real estate funds are subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include those associated with general and local economic conditions, changes in supply of and demand for competing properties in an area, changes in environmental and other laws, various uninsured or uninsurable risks, natural disasters, changes in real property tax rates, changes in interest rates, the reduced availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks, war and other factors that are beyond Ramius's control. During 2008 and continuing in 2009, commercial real estate markets in the United States and Japan generally experienced major disruptions due to the unprecedented lack of available capital, in the form of either debt or equity, and declines in value as a result of the overall economic decline. As a result, transaction volume has dropped precipitously, negatively impacting the valuation and performance of the Ramius real estate funds significantly. Additionally, if the Ramius real estate funds acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of Ramius fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms.

***Ramius is subject to intense competition which may adversely affect its ability to attract and retain investors and investment professionals.***

The alternative investment management industry is extremely competitive. Competition includes numerous national, regional and local asset management firms and broker-dealers, commercial bank and thrift institutions, and other financial institutions. Many of these institutions offer products and services that are similar to, or compete with, those offered by us and have substantially more personnel and greater financial resources than Ramius does. The key areas for competition include historical investment performance, the ability to identify investment opportunities, the ability to attract and retain the best investment professionals and the quality of service provided to investors. Ramius's ability to compete may be adversely affected if it underperforms in comparison to relevant benchmarks, peer groups or competing asset managers. The competitive market environment may result in increased pressure on revenue margins, for example, by reduced management fee and incentive allocation percentages. Ramius's results of operations are dependent in part on its ability to maintain current fee levels for its products and services. In the current economic environment, many competing asset managers have experienced substantial declines in investment performance, increased redemptions, or counterparty exposures which impair their businesses. Some of these asset managers have reduced their fees in an attempt to avoid additional redemptions. Competition within the alternative investment management industry could lead to pressure on Ramius to reduce the fees that Ramius charges its clients for products and services. A failure to compete effectively in this environment may result in the loss of existing clients and business, and of opportunities to generate new business and grow assets under management, each of which could have a material adverse

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effect on Ramius's business, results of operations or financial condition. Furthermore, consolidation in the alternative investment management industry may accelerate, as many asset managers are unable to withstand the substantial declines in investment performance, increased redemptions, and other pressures impacting their businesses, including increased regulatory, compliance and control requirements. Some competitors may acquire or combine with other competitors. The combined business may have greater resources than Ramius does and may be able to compete more effectively against Ramius and acquire rapidly significant market share.

***If Ramius or New Parent were deemed an "investment company" under the U.S. Investment Company Act, applicable restrictions could make it impractical for Ramius and New Parent to continue their respective businesses as contemplated and could have a material adverse effect on Ramius's and New Parent's businesses.***

A person will generally be deemed to be an "investment company" for purposes of the U.S. Investment Company Act of 1940, if:

it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or

absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

Ramius believes it is engaged primarily in the business of providing asset management and financial advisory services and not in the business of investing, reinvesting or trading in securities. Ramius also believes that the primary source of income from its business is properly characterized as income earned in exchange for the provision of services. Ramius is an alternative investment management company and does not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, Ramius does not believe that it is an "orthodox" investment company as defined in Section 3(a)(1)(A) of the Investment Company Act and described in the first bullet point above, or that New Parent is now or would be so characterized upon the completion of the transactions. Ramius also believes that upon the consummation of the transactions neither Ramius nor New Parent will be an inadvertent investment company by virtue of the 40% test in Section 3(a)(1)(C) of the Investment Company Act as described in the second bullet point above.

The Investment Company Act and the rules thereunder contain detailed requirements for the organization and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit prohibited transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. Ramius intends to conduct its operations so that neither New Parent nor Ramius will be deemed to be an investment company under the Investment Company Act. If anything were to happen which would cause Ramius or New Parent to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on their respective capital structure, ability to transact business with affiliates (including subsidiaries) and ability to compensate key employees, could make it impractical for either Ramius or New Parent to continue their respective businesses as currently conducted, impair the agreements and arrangements between and among them, their subsidiaries and their senior personnel, or any combination thereof, and materially adversely affect their business, financial condition and results of operations. Accordingly, Ramius may be required to limit the amount of investments that it makes as a principal or otherwise conduct its business in a manner that does not subject Ramius or New Parent to the registration and other requirements of the Investment Company Act. Recently, legislation was proposed in the U.S. that would subject hedge funds and other private investment funds to increased SEC regulation and oversight by removing the exceptions from the definition of "investment company"

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typically relied upon by such funds to avoid any of the requirements of the Investment Company Act and instead replacing them with exemptions from certain of the requirements of the Investment Company Act. Should this or similar legislation be adopted, the Ramius funds may become subject to additional registration, reporting and other requirements. As a result, compliance costs and burdens upon the Ramius business may increase and the additional requirements may constrain Ramius's ability to conduct its business as currently conducted, which may adversely affect Ramius's and New Parent's business, results of operations or financial condition.

***Ramius and its funds may become subject to additional regulations which could increase the costs and burdens of compliance or impose additional restrictions which could have a material adverse effect on Ramius's business and the performance of the Ramius funds.***

Ramius may need to modify its strategies, businesses or operations, face increased constraints or incur additional costs in order to satisfy new regulatory requirements or to compete in a changed business environment. Ramius's business is subject to regulation by various regulatory authorities that are charged with protecting the interests of investors. The activities of certain Ramius entities are regulated primarily by the SEC, FINRA, and the National Futures Association, as well as various state agencies, within the United States and are also subject to regulation in the various other jurisdictions in which it operates, including the Financial Services Authority of the United Kingdom, the Financial Services Agency of Japan, the Securities and Futures Commission of Hong Kong, the German Federal Financial Supervisory Authority and the Commission of the Surveillance of the Financial Sector in Luxembourg. The activities of Ramius Securities LLC, Ramius Advisors LLC, Ramius Asia LLC, Ramius Fund of Funds Group LLC, Ramius Structured Credit Group LLC and RCG Starboard Advisors, LLC are all regulated by the SEC due to their registrations as U.S. investment advisors. In addition, Ramius funds and funds of funds business are subject to regulation in the jurisdictions in which they are organized. These and other regulators in these jurisdictions have broad regulatory powers dealing with all aspects of financial services including, among other things, the authority to make inquiries of companies regarding compliance with applicable regulations, to grant permits and to regulate marketing and sales practices and the maintenance of adequate financial resources. Ramius is also subject to applicable anti-money laundering regulations and net capital requirements in the jurisdictions in which it operates. Additionally, the regulatory environment in which Ramius operates frequently changes and has seen significant increased regulation in recent years and it is possible that this trend may continue. Ramius may be materially adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. Such additional regulation could, among other things, increase compliance costs or limit Ramius's ability to pursue investment opportunities and strategies.

The regulatory environment continues to be turbulent as regulators globally respond to the financial crisis. There is an extraordinary volume of regulatory discussion papers, draft directives and proposals being issued globally and these initiatives are not always coordinated. The European Commission has issued a draft Directive on Alternative Investment Fund Managers, recommendations on directors' pay and pay for the financial services sector and proposals on packaged retail investment products. In addition, the Financial Services Authority of the United Kingdom has issued a discussion paper entitled "A Regulatory Response to the Global Banking Crisis" as well as undertaken an exercise to collect data to assess the systemic risk that hedge funds may or may not pose. The Bank of England is also collecting data on the systemic risk of hedge funds. Recent rulemaking by the SEC and other regulatory authorities outside the United States have imposed trading restrictions and reporting requirements on short selling, which have impacted certain of the investment strategies of the Ramius funds and managed accounts, and continued restrictions on or further regulations of short sales could negatively impact the performance of the Ramius funds and managed accounts.

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***Increased regulatory focus could result in regulation that may limit the manner in which Ramius and the Ramius funds invest and the types of investors that may invest in the Ramius funds, materially impacting Ramius's business.***

Ramius may be adversely affected if other new or revised legislation or regulations are enacted, or by changes in the interpretation or enforcement of existing rules and regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets and their participants. Such changes could place limitations on the type of investor that can invest in alternative investment funds or on the conditions under which such investors may invest. Further, such changes may limit the scope of investing activities that may be undertaken by alternative investment managers as well as their funds. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be difficult and expensive and affect the manner in which Ramius conducts business, which may adversely impact its results of operations and financial condition.

Additionally, as a result of recent highly publicized financial scandals, investors, regulators and the general public have exhibited concerns over the integrity of both the U.S. financial markets and the regulatory oversight of these markets. As a result, the business environment in which Ramius operates is subject to heightened regulation. With respect to alternative investment management funds, in recent years, there has been debate in both U.S. and foreign governments about new rules or regulations, including increased oversight or taxation, in addition to the recently proposed Private Fund Transparency Act. As calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative investment management funds, including Ramius funds. Such investigations may impose additional expenses on Ramius, may require the attention of senior management and may result in fines if any of the Ramius funds are deemed to have violated any regulations.

***Ramius's business may suffer as a result of loss of business from key investors.***

Ramius generates a significant proportion of its revenue from a small number of its largest clients. As of June 30, 2009, affiliates of HVB and BA Alpine Holdings, Inc. constituted Ramius's largest institutional investor representing approximately 10.6% of assets under management, with the five largest investors collectively contributing approximately 21.6% of assets under management. The loss of all or a substantial portion of the business provided by one or more of these investors would have a material impact on income derived from management fees and incentive allocations and consequently have a material adverse effect on Ramius's business, results of operations or financial condition.

***Ramius depends on its founders and other key senior personnel and the loss of their services would have a material adverse effect on Ramius's business, results of operations and financial condition.***

Ramius depends on the efforts, skill, reputations and business contacts of its principals, Peter A. Cohen, Jeffrey M. Solomon, Morgan B. Stark and Thomas W. Strauss and other key senior personnel, the information and investment activity these individuals generate during the normal course of their activities and the synergies among the diverse fields of expertise and knowledge held by Ramius's founders and other professionals. Accordingly, Ramius's continued success will depend on the continued service of these individuals. Key senior personnel may leave Ramius in the future, and Ramius cannot predict the impact that the departure of any key senior personnel will have on Ramius's ability to achieve its investment and business objectives. The loss of the services of any of them could have a material adverse effect on Ramius's revenues, net income and cash flows and could harm Ramius's ability to maintain or grow assets under management in existing funds or raise additional funds in the future. Ramius has historically relied in part on the interests of certain of these professionals in a special allocation to Ramius's managing member to discourage them from leaving

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Ramius's employ. However, in connection with the transactions, the special allocation will be terminated and will no longer act as incentive for them to continue to be employed at the combined company. Ramius's senior and other key personnel possess substantial experience and expertise and have strong business relationships with investors in its funds, clients and other members of the business community. As a result, the loss of these personnel could damage Ramius's relationships with investors in the Ramius funds and members of the business community and result in the reduction of assets under management or fewer investment opportunities.

***Ramius is subject to third party litigation risk and regulatory risk which could result in significant liabilities and reputational harm which, in turn, could materially adversely affect its business, results of operations and financial condition.***

In general, Ramius is exposed to risk of litigation by its investors if the management of any Ramius fund is alleged to constitute negligence or dishonesty. Investors could sue to recover amounts lost by Ramius funds due to any alleged misconduct, up to the entire amount of the loss. Ramius may also be exposed to litigation by investors in the Ramius fund of funds platform for losses resulting from similar conduct at an underlying fund. Furthermore, Ramius may be subject to litigation arising from investor dissatisfaction with the performance of the Ramius funds (funds invested in by the Ramius fund of funds platform). In addition, Ramius is exposed to risks of litigation or investigation relating to transactions which presented conflicts of interest that were not properly addressed. In the majority of such actions Ramius would be obligated to bear legal, settlement and other costs, which may be in excess of any available insurance coverage. In addition, although Ramius is indemnified by the Ramius funds and funds invested in by the Ramius fund of funds platform, Ramius's rights to indemnification may be challenged. If Ramius is required to incur all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds, if any, or fails to obtain indemnification from its funds, Ramius's business, results of operations and financial condition could be materially adversely affected. In the Ramius funds, Ramius is exposed to the risk of litigation if the funds suffer catastrophic losses due to the failure of a particular investment strategy or due to the trading activity of an employee who has violated market rules or regulations. Any litigation arising in such circumstances is likely to be protracted, expensive and surrounded by circumstances which are materially damaging to Ramius's reputation and its business. In addition, Ramius faces the risk of litigation from investors in the Ramius funds if restrictions in such funds' organizational documents are violated.

***Employee misconduct could harm Ramius by impairing its ability to attract and retain investors and subjecting Ramius to significant legal liability, reputational harm and the loss of revenue from Ramius's own invested capital.***

There is a risk that Ramius's employees or partners, or the managers of funds invested in by the Ramius fund of funds platform, could engage in misconduct that materially adversely affects Ramius's business, including a decrease in Ramius's returns of its own invested capital. Ramius is subject to a number of obligations and standards arising from its alternative investment management business and its authority over the assets managed by Ramius. The violation of these obligations and standards by any of Ramius's employees could materially adversely affect Ramius and its investors. Specifically, FINRA has notified Ramius that it intends to recommend an enforcement action against Ramius's broker-dealer pertaining to finder's fees which were paid by another party in connection with certain transactions executed by Ramius's former securities lending business in 2003 and 2004, in violation of marketplace rules. This matter is ongoing and Ramius is unable to determine what impact it may have on Ramius's business, if any. In addition, Ramius's business requires that Ramius properly deal with confidential matters of great significance to companies in which it may invest. If Ramius's employees were improperly to use or disclose confidential information, Ramius could suffer serious harm to its reputation, financial position and current and future business relationships. It is not always possible to detect or deter misconduct, and the extensive precautions Ramius takes to detect and prevent this activity may not be effective in all cases. If one of Ramius employees were to engage in misconduct or were to be accused of such misconduct, the business and reputation of Ramius could be materially adversely affected.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This document contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Cowen, Ramius and the potential combined company and may include statements for the period following the completion of the transactions. You can find many of these statements by looking for words such as "plan," "believe," "expect," "intend," "anticipate," "estimate," "project," "potential," "possible" or other similar expressions.

The forward-looking statements involve particular risks and uncertainties. The ability of either Cowen or Ramius to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth in the section titled "Risk Factors" beginning on page 23, as well as, among others, the following:

the failure to obtain approval of the transactions by Cowen's stockholders;

the effect of governmental regulations, including the possibility of unexpected delays in obtaining regulatory approvals;

the extent and duration of continued economic and market disruptions and governmental regulatory proposals to address these disruptions;

the risk that the transactions may fail to achieve beneficial synergies or may take longer than expected to do so;

the risk of reduction in revenue from the elimination of existing and potential customers due to consolidation in the banking, retail and financial services industries and the impact of such consolidation on the existing respective customer bases of Cowen and Ramius;

delays associated with integrating Cowen and Ramius, including employees and operations, after the transactions are to be completed;

actions that may be taken by competitors, customers and suppliers of either Cowen or Ramius that may cause the transactions to be delayed or not completed;

decisions to restructure, divest or eliminate business units or otherwise change the business mix of either Cowen or Ramius;  
and

those factors discussed and identified in public filings with the SEC made by Cowen.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document.

All subsequent written and oral forward-looking statements concerning the transactions or other matters addressed in this document and attributable to Cowen or Ramius or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, neither Cowen nor Ramius undertake any obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

**Prospective Financial Information**



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The prospective financial information included in this document was not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation, presentation of prospective financial information. The prospective financial information included in this document has been prepared by,

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and is the responsibility of, Cowen's management. PricewaterhouseCoopers LLP has neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report included in this document relates to Ramius's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

Neither Ramius nor Cowen assumes any responsibility for the accuracy of the accompanying prospective financial information or expresses any assurance with respect thereto.

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**THE COWEN SPECIAL MEETING**

This section contains information about the special meeting of Cowen stockholders that has been called to consider and approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius, and to consider and approve the Amended 2007 Equity and Incentive Plan.

Together with this document you will be sent a notice of the special meeting and a form of proxy that is solicited by the Cowen Board of Directors. The special meeting will be held on October 30, 2009, at 10:00 a.m., local time, at 1221 Avenue of the Americas (2nd Floor Conference Room), New York, New York.

**Matters to Be Considered**

The purpose of the special meeting is to vote on:

a proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius as contemplated by the transaction agreement;

a proposal to approve the Amended 2007 Equity and Incentive Plan; and

a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals.

**Proxies**

Each copy of this document mailed to holders of Cowen common stock is accompanied by a form of proxy with instructions for voting by mail, by telephone or through the internet. If you hold stock in your name as a stockholder of record and are voting by mail, you should complete and return the proxy card accompanying this document to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether or not you plan to attend the special meeting. You may also vote your shares by telephone or through the internet. Information and applicable deadlines for voting by telephone or through the internet are set forth in the enclosed proxy card instructions.

If you hold your stock in street name through a bank, broker, trust company or other nominee, you must direct your bank, broker, trust company or other nominee to vote in accordance with the instructions you have received from your bank, broker, trust company or other nominee.

If you hold stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted at the special meeting by signing and returning a proxy card with a later date by internet or telephone before the deadline stated on the proxy card, by delivering a proxy card with a later date or a written notice of revocation to Cowen's corporate secretary, which must be received by us before the time of the special meeting, or by voting in person at the special meeting.

Any stockholder entitled to vote in person at the special meeting may vote in person regardless of whether or not a proxy has been previously given, but simply attending the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Cowen Group, Inc.  
1221 Avenue of the Americas  
New York, New York 10020  
Attention: J. Kevin McCarthy, General Counsel and Corporate Secretary



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If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

All shares represented by valid proxies that are received through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via the internet or telephone. **If you make no specification on your proxy card as to how you want your shares voted, your proxy will be voted "FOR" the approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius, "FOR" the approval of the Amended 2007 Equity and Incentive Plan and "FOR" the adjournment of the special meeting, if necessary, to solicit additional proxies.** According to the Cowen amended and restated by-laws, only such business that is specified in Cowen's notice of the meeting may be conducted at a special meeting of stockholders.

**Solicitation of Proxies**

In accordance with the transaction agreement, Cowen will bear the entire cost of proxy solicitation for the Cowen special meeting, except that Cowen and Ramius will share equally all expenses incurred in connection with the filing of the registration statement of which this document forms a part with the SEC and the printing and mailing of this document. Cowen has made arrangements with Innisfree M&A Incorporated, a proxy solicitor, to assist Cowen in soliciting proxies, and will pay the proxy solicitor a customary fee for its services plus reasonable expenses for these services. If necessary, Cowen may use several of its regular employees, who will not be specially compensated, to solicit proxies from Cowen stockholders, either personally or by telephone, facsimile, letter or other electronic means. The Cowen employees may be associated persons of Cowen and Company, LLC, a FINRA member firm. Accordingly, FINRA may consider Cowen and Company, LLC to be participating in the proxy solicitation and thus to have a "conflict of interest" (as defined under FINRA Rule 2720) because Cowen and Company, LLC is under common control with New Parent. Cowen will also request that banks, brokers, and other record holders forward proxies and proxy material to the beneficial owners of Cowen common stock and secure their voting instructions and Cowen will provide customary reimbursement to such firms for the cost of forwarding these materials.

**Record Date**

The close of business on September 24, 2009 has been fixed as the record date for determining the Cowen stockholders entitled to receive notice of and to vote at the special meeting. At that time, 15,043,922 shares of Cowen common stock were outstanding, held by approximately 1,946 holders of record.

**Quorum**

To conduct voting at the special meeting, there must be a quorum. The proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius and the proposal to approve the Amended 2007 Equity and Incentive Plan each have a quorum requirement, under the applicable NASDAQ rules and Cowen amended and restated by-laws, that the total votes cast represent a majority of outstanding votes entitled to be cast on such proposal. If you properly submit your proxy but abstain from voting on one or more of the proposals, your shares will be counted as present at the meeting for the purpose of determining a quorum. If you are a stockholder of record and you do not submit your proxy and also do not vote by ballot at the special meeting, your shares will not be counted as present at the meeting for the purpose of determining a quorum. If you hold your shares in street name and do not submit voting instructions to your broker, bank, trust company or other nominee and your broker, bank, trust company or other nominee also does not vote your shares, your shares will not be counted as present at the meeting for the purpose of determining a quorum.

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**Vote Required**

Each share of Cowen common stock outstanding on the record date entitles the holder to one vote on each matter to be voted upon by the stockholders at the special meeting. Each of the proposals has the following vote requirement in order to be approved:

approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius requires the affirmative vote of a majority of the outstanding shares of Cowen common stock entitled to vote at the special meeting;

approval of the Amended 2007 Equity and Incentive Plan requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal; and

approval of any necessary adjournment of the special meeting requires the affirmative vote of a majority of all shares of Cowen common stock present in person or represented by proxy at the special meeting and voting affirmatively or negatively on the proposal, even if less than a quorum.

An abstention, failure to submit a proxy card or vote in person or broker non-vote will be treated as follows:

as a vote against the proposal to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius;

as neither a vote for or as a vote against the proposal to approve the Amended 2007 Equity and Incentive Plan; and

as neither a vote for or as a vote against the proposal to approve the adjournment of the special meeting.

**The Cowen Board of Directors urges Cowen stockholders to promptly vote by completing, dating and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope; calling the toll-free number listed in the proxy card instructions if voting by telephone; or accessing the internet site listed in the proxy card instructions if voting through the internet.** If you hold your stock in street name through a bank or broker, please vote by following the voting instructions of your bank or broker.

Stockholders will vote at the meeting by ballot. Votes cast at the meeting, in person or by proxy, will be tallied by Computershare, Cowen's inspector of election.

As of the record date, directors and executive officers of Cowen, and its affiliates, had the right to vote 464,653 shares of Cowen common stock, or approximately 3.09% of the outstanding Cowen common shares entitled to vote at the special meeting. It is currently expected that each of these individuals will vote their shares of Cowen common stock in favor of the proposals to be presented at the special meeting, and several of the officers have agreed with Ramius to vote their shares in favor the proposal to approve and adopt the transaction agreement and approve the issuance of shares of New Parent Class A common stock to Ramius. See the section titled "Other Agreements Related to the Transactions Voting Agreement" beginning on page 111 for a description of the terms of the voting agreement.

**Recommendation of the Cowen Board of Directors**

The Cowen Board of Directors has unanimously approved the transaction agreement and the transactions it contemplates. The Cowen Board of Directors determined that the transaction agreement and the transactions contemplated by it are advisable and in the best interests of Cowen and its stockholders and unanimously recommends that you vote "FOR" the approval and adoption of the transaction agreement and approval of the issuance of New Parent Class A common stock to Ramius.



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See the section titled "Proposal 1: The Transactions Cowen's Reasons for the Transactions; Recommendation of Cowen Board of Directors" beginning on page 70 for a more detailed discussion of the Cowen Board of Directors' recommendation.

The Cowen Board of Directors also has unanimously approved the Amended 2007 Equity and Incentive Plan. The Cowen Board of Directors determined that the Amended 2007 Equity and Incentive Plan is advisable and in the best interests of Cowen and its stockholders. The Cowen Board of Directors unanimously recommends that you vote "FOR" the approval of the Amended 2007 Equity and Incentive Plan. Approval of the Amended 2007 Equity and Incentive Plan is not a condition to closing of the transactions contemplated by the transaction agreement. In addition, if approved, the amendment will only become effective if and when the transactions are completed.

**Attending the Meeting**

All holders of Cowen common stock, including stockholders of record and stockholders who hold their shares through banks, brokers or other nominee, are invited to attend the special meeting. Stockholders of record can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you to be admitted. Cowen reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.



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**INFORMATION ABOUT THE COMPANIES**

**Cowen**

Cowen is an established provider of investment banking, equity research, sales and trading and alternative asset management services to companies and institutional investor clients. The company is a sector expert in secular growth industries, including the healthcare, technology, consumer, telecommunications, alternative energy and aerospace and defense sectors. As of June 30, 2009, Cowen had total consolidated assets of approximately \$186 million and total Cowen Group, Inc. stockholders' equity of approximately \$138 million. The principal executive offices of Cowen are located at 1221 Avenue of the Americas, New York, New York 10020, and its telephone number is (646) 562-1000.

Additional information about Cowen and its subsidiaries is included in documents incorporated by reference in this document. See the section titled "Where You Can Find More Information" beginning on page 195.

**Ramius**

Ramius is an alternative investment management firm founded in 1994 with over \$7 billion of assets under management as of July 1, 2009. Ramius, through one of its subsidiaries, has been a registered investment adviser under the Investment Advisers Act since 1997 and operates through its offices in New York, London, Tokyo, Hong Kong, Munich and Luxembourg. Ramius's investment services and products include hedge funds, fund of funds, real estate and cash management. Its institutional investors include pension funds, insurance companies, banks, foundations and endowments, wealth management organizations and family offices. The principal executive offices of Ramius are located at 599 Lexington Avenue, New York, New York 10022, and its telephone number is (212) 845-7900.

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 an approximate three- to five-year investment horizon). 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.

Ramius believes that the following attributes are central to its business model and position it to capitalize on the opportunities Ramius believes should arise from changing industry conditions:

*Ramius is a well established alternative investment manager with experienced senior leadership.* Once investors return to allocating capital to alternative investments, Ramius believes that they will likely gravitate toward more experienced managers with lengthy track records and a history of producing absolute returns.

*Ramius has a diversified alternative investment platform.* Ramius offers investment expertise across strategies and platforms that allows it to cross-sell products. In Ramius's experience, larger institutions often favor consolidation of their manager relationships, preferring to deal with providers that can offer more than one investment product. Moreover, Ramius can offer customized solutions to fund of funds clients due to Ramius's in-house trading expertise.

*Ramius has a strong institutional infrastructure.* Ramius has the operational capability to address, in a client-specific way, increasing investor needs for transparency, liquidity and customization.

*Ramius's own capital has given the firm stability.* Ramius's own capital allows the firm to think and invest for the long term, and also enables Ramius to attract investment talent from within the industry due to its stability and culture.

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As part of the transactions, all of Ramius's assets (including its subsidiaries) will be transferred to Exchange Sub, a subsidiary of the newly formed holding company, with the exception of (i) \$500,000 in cash which it is retaining in order to pay ongoing administrative expenses, such as audit fees, and (ii) any recovery in excess of \$7.0 million from a pending arbitration Ramius had initiated against a securities underwriter. At the closing of the transactions, Exchange Sub will change its name to "Ramius LLC," and Ramius LLC will change its name to "RCG LLC" or another name that does not contain the word "Ramius." Immediately following the closing of the transactions, Exchange Sub will transfer to New Parent a portion of the investments previously held by Ramius.

*Ramius's Investment Services and Products*

*Hedge Funds.* Ramius's hedge funds are focused on addressing the needs of institutional investors and high net worth individuals to preserve and grow allocated capital through a risk-averse, research intensive process. Ramius offers multi-strategy hedge funds, each of which attempts to employ a series of strategies with a focus on investments that offer low correlation to each other and to the return patterns of traditional assets such as equities and fixed income. Examples of the strategies included within Ramius's multi-strategy funds include: macro-trading, merger arbitrage and activist investments, hedged equity, convertible arbitrage, private convertibles, real estate, special situations and structured credit investments. Ramius also currently offers two single-strategy hedge funds, one focused on activist investing and another focused on credit investing.

*Fund of Funds.* A fund of funds offers investors the opportunity to invest in a private investment vehicle whose purpose is to invest in a group of underlying hedge funds or other alternative asset investment vehicles selected by the fund of funds investment manager. Ramius offers fund of funds investment products which invest in a number of alternative asset investment vehicles which are selected by Ramius and are not affiliated with Ramius with the goal of achieving consistent and stable returns to investors. Ramius has created a number of programs including long/short equity, global activist investing, diversified absolute return, concentrated multi-strategy as well as individual solutions based on hedging overlays and hedge fund replication, varying regulatory structures and other client-driven portfolio constraints. The fund of funds program employs evaluation procedures to determine the opportunity set for each strategy, sources appropriate institutional quality sub-managers with a history of longevity and stability, conducts detailed investment, operational, legal, financial and risk due diligence on each sub-manager, and utilizes qualitative and quantitative techniques to construct portfolios of those sub-managers. The resulting portfolio allocations are continuously analyzed and adjusted according to the outlook for each strategy and sub-manager. The Ramius fund of funds program invests with approximately 54 hedge fund managers and was first established in 1998. HVB currently owns 50% of the fund of funds business. In connection with the transactions, Merger Sub will acquire HVB's interest in the fund of funds business as described below in the section titled "Management's Discussion and Analysis Changes in Connection with the Transactions Fund of Funds Business."

*Real Estate Funds.* The Ramius real estate funds have focused on generating long-term returns through the structuring, ownership, management, financing and construction of all real estate property types since 1999. This approach attempts to focus on real estate fundamentals and potential market inefficiencies. As of June 30, 2009, Ramius's RCG Urban American Fund owned interests in and managed approximately 12,000 multi-family housing units in the New York metropolitan area. Ramius's RCG Longview Fund provides bridge senior/subordinated mortgages, mezzanine loans, and preferred equity through its debt fund series, makes equity investments through its equity fund and, as of June 30, 2009, the members of the general partners of these funds owned interests in and/or managed approximately 34,000 residential units and approximately 35 million square feet of commercial and retail space in 37 states. 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

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funds ranging from 30% to 55%. Ramius does not possess unilateral control over any of these general partners.

*Cash Management and Mortgage Advisory.* Ramius's cash management business provides clients with investment guidelines for managing cash and establishes investment programs for managing their cash in separately managed accounts. Ramius's cash management products are focused on preserving principal, maintaining daily liquidity and maximizing returns for investors. Portfolios are separately managed according to each investor's investment guidelines and are held at a custodian. Investor cash and other short term fixed income assets are managed for corporate, municipal, not-for-profit and other institutional clients (including hedge funds). Ramius also provides mortgage advisory services where Ramius manages collateralized debt obligations (which we refer to as CDOs) held by investors and liquidates CDOs that were historically managed by others.

*Assets Under Management.* The following table sets forth Ramius's assets under management as of July 1, 2009 across Ramius's investment services and products:

<b>Platform</b>	<b>Total Assets under Management (dollars in millions)</b>	<b>Primary Strategies</b>
<b>Hedge Funds</b>	2,091(3)	Multi-Strategy Single Strategy
<b>Fund of Funds(1)</b>	2,105	Ramius Multi-Strategy
<b>Real Estate(2)</b>	1,628(4)	Ramius Vintage Multi-Strategy Ramius Customized Solutions Debt
<b>Other</b>	1,570	Equity Cash Management
<b>Total</b>	\$ 7,394	Mortgage Advisory

- (1) HVB currently owns 50% of the fund of funds business. In connection with the transactions, Merger Sub will acquire HVB's interest in the fund of funds business as described in the section titled "Management's Discussion and Analysis Changes in Connection with the Transactions Fund of Funds Business."
- (2) As discussed above, Ramius owns between 30% and 55% of the general partners in the real estate business. Ramius does not possess unilateral control over any of these general partners.
- (3) This amount includes Ramius's own invested capital.
- (4) This amount reflects committed capital.

**New Parent**

LexingtonPark Parent Corp., a Delaware corporation, was jointly formed on June 1, 2009 in connection with the transactions and is owned by Cowen and Ramius. When the transactions are completed, New Parent will become the holding company of both Cowen and Exchange Sub,

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which will hold substantially all of the assets of Ramius and will have assumed substantially all of Ramius's liabilities. At completion of the transactions, New Parent will also change its name to "Cowen Group, Inc." The principal executive offices of New Parent are currently located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and its telephone number is (646) 562-1000. After completion of the transactions, the principal executive offices of New Parent will be in New York, New York.

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Cowen stockholders, Ramius and HVB (an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius) will receive New Parent Class A common stock in connection with the transactions and will become New Parent stockholders. Their rights as stockholders will be governed by the post-closing certificate of incorporation and by-laws of New Parent and the laws of the state of Delaware. The certificate of incorporation and by-laws that will govern New Parent after the transactions are completed will be substantially as set forth in Appendix D and Appendix E to this document, respectively. For information on how these documents differ from the current certificate of incorporation and by-laws governing Cowen, see the section titled "Comparison of Stockholders' Rights" beginning on page 136.

New Parent has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement, including the formation of each of Merger Sub and Exchange Sub as wholly owned subsidiaries, and the preparation of this document and the registration statement of which it forms a part. New Parent does not intend to directly undertake any operating activities other than the management of its operating subsidiaries, which will be primarily engaged in financial services activities. After the closing of the transactions, the Ramius subsidiary is intended to undertake the primary alternative investment management activities of the combined company, and the Cowen subsidiary is intended to undertake the primary sales and trading and investment banking operations of the combined company. A common infrastructure is intended to support both subsidiaries. In connection with the management of its operating subsidiaries, New Parent will employ senior management personnel. Additionally, New Parent may hold its own investments and, immediately following the consummation of the transactions will hold certain of the limited partnership interests of Ramius Enterprise LP previously held by Ramius.

**Merger Sub**

Lexington Merger Corp. is a Delaware corporation formed on June 1, 2009 and is a wholly owned subsidiary of New Parent. Merger Sub was formed solely for the purpose of completing the Cowen merger and the fund of funds asset exchange in connection with the transactions. At completion of the transactions, Merger Sub will merge with and into Cowen and Merger Sub will not survive the merger. The principal executive offices of Merger Sub are located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

Merger Sub has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement and the asset exchange agreement, and the preparation of this document and the registration statement of which it forms a part.

**Exchange Sub**

Park Exchange LLC is a Delaware limited liability company formed on June 1, 2009 and is a wholly owned subsidiary of New Parent. At completion of the transactions, Exchange Sub will hold substantially all of the assets of Ramius and will have assumed substantially all of Ramius's liabilities. After completion of the transactions, Exchange Sub will change its name to "Ramius LLC." The principal executive offices of Exchange Sub are located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

Exchange Sub has not, to date, conducted any material activities other than those incidental to its formation and the matters contemplated by the transaction agreement, and the preparation of this document and the registration statement of which it forms a part.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2009, and for the fiscal year ended December 31, 2008, give effect to the transactions as if they were completed on January 1, 2008, and include all adjustments which give effect to the events that are directly attributable to the transactions, as long as the impact of such events are expected to continue and are factually supportable. The unaudited pro forma condensed combined statement of financial condition as of June 30, 2009 gives effect to the transactions as if they had been completed on June 30, 2009 and includes all adjustments which give effect to the events that are directly attributable to the transactions and that are factually supportable. The unaudited pro forma condensed combined financial data shown under this heading and the accompanying notes should be read together with:

the accompanying notes to the unaudited pro forma condensed combined financial statements;

the separate unaudited historical financial statements of Ramius as of and for the six months ended June 30, 2009 included elsewhere in this document;

the separate audited historical financial statements of Ramius as of and for the fiscal year ended December 31, 2008 included elsewhere in this document;

the separate unaudited historical financial statements of Cowen as of and for the six months ended June 30, 2009 contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, which are incorporated by reference into this document (see the section titled "Where You Can Find More Information" beginning on page 195); and

the separate audited historical financial statements of Cowen as of and for the fiscal year ended December 31, 2008 contained in its Annual Report on Form 10-K for the year ended December 31, 2008, which are incorporated by reference into this document (see the section titled "Where You Can Find More Information" beginning on page 195).

In the transactions, a wholly owned subsidiary of New Parent will merge with and into Cowen, and Cowen common stockholders will have the right to receive one share of New Parent Class A common stock for each share of Cowen common stock that they own. In addition, a wholly owned subsidiary of New Parent will acquire substantially all of Ramius's assets and assume substantially all of Ramius's liabilities in exchange for the issuance to Ramius of 37,536,826 shares of New Parent Class A common stock.

The transactions will be treated under the acquisition method for accounting purposes. In this case, the transaction will be accounted for as an acquisition by Ramius of Cowen. As such, Cowen's assets acquired and liabilities assumed will be recorded at their fair value. The fair value of New Parent securities to be issued to Cowen stockholders is the purchase consideration in the transactions. The purchase consideration for Cowen under the acquisition method will be based on the stock price of Cowen on the closing date of the transactions multiplied by the number of shares issued by New Parent to the Cowen stockholders. The preliminary allocation of the purchase price assumes a Cowen stock price of \$6.95 per share (based on the closing stock price on August 10, 2009) and that 14,938,309 shares of Cowen stock are outstanding at the date of the completion of the transactions (currently based on the number of shares of Cowen common stock outstanding on June 30, 2009). Included in the 14,938,309 shares of Cowen stock are 11,880,468 freely tradable shares, 3,027,419 restricted shares and 30,422 shares underlying vested restricted stock units at the balance sheet date. The number of shares used to estimate the purchase price excludes 216,265 restricted shares at the balance sheet date that are not vesting as part of the transaction and are not effectively being purchased. Restricted shares, restricted share units and stock options of Cowen common stock at the effective time of the merger will be converted into restricted shares, restricted share units and stock options of New Parent stock on a one-for-one basis.

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In connection with the transactions, Merger Sub will also purchase from HVB (an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius) the 50% interest in the Ramius fund of funds business not currently owned by Ramius, in exchange for 2,713,882 shares of New Parent Class A common stock and approximately \$10.4 million of additional consideration, which will be paid either with a promissory note or with cash. If paid in cash, the cash payment is expected to be made out of the proceeds of the new secured revolving credit agreement of New Parent from HVB AG (an affiliate of BA Alpine Holdings, Inc.). In accordance with SFAS No. 160, "Noncontrolling interests in Consolidated Financial Statements an amendment of ARB 51" (which we refer to as SFAS 160), the acquisition of the additional interest in the Ramius fund of funds business will be treated as a capital transaction and the difference between the fair value of the consideration paid and the carrying value of the non-controlling interest will be recognized in equity.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the transactions been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles (which we refer to as GAAP) which are subject to change and interpretation. Ramius has been treated as the acquirer in the transactions for accounting purposes. The acquisition accounting is dependent on certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates, including the estimates of the purchase consideration and allocation of purchase price to Cowen's assets, including intangible assets, and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial information does not reflect any cost savings, operating synergies or revenue enhancements that New Parent may achieve as a result of the transactions, the costs to integrate the operations of Cowen and Ramius or the costs necessary to achieve these cost savings, operating synergies and revenue enhancements.

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Financial Condition**

At June 30, 2009

	Historical		Pro Forma	New
	Ramius	Cowen	Adjustments	Parent
	(in thousands)			
<b>Assets</b>				
Cash and cash equivalents	\$ 5,695	\$ 82,035	\$ (46,818)(a)	\$ 40,912
Cash collateral pledged	6,948			6,948
Restricted cash pursuant to escrow agreement		5,222		5,222
Securities owned, at fair value	14,005	17,221		31,226
Other investments	17,429	16,288		33,717
Receivable from brokers, dealers and clearing brokers	16,333	18,149		34,482
Fees receivable	13,138	9,972		23,110
Due from related parties	21,095	5,818		26,913
Fixed assets, net	26,535	9,327		35,862
Goodwill	20,028	2,551	(2,551)(b)	20,028
Intangible assets, net	390	223	16,777 (c)	17,390
Other assets	4,640	19,301	2,036 (d)	25,977
<i>Consolidated Ramius Funds assets:</i>				
Cash and cash equivalents	4,063			4,063
Other investments, at fair value	552,753			552,753
Other assets	745			745
<b>Total assets</b>	<b>703,797</b>	<b>186,107</b>	<b>(30,556)</b>	<b>859,348</b>
<b>Liabilities, Redeemable Equity and Equity</b>				
Securities sold, not yet purchased		17,719		17,719
Payable to brokers, dealers and clearing brokers	3,817	276		4,093
Compensation payable	17,665	9,005	3,160 (e)	29,830
Lines of credit	49,948		(24,948)(f)	25,000
Fees payable	1,611			1,611
Due to related parties	13,257			13,257
Capital withdrawals payable				
Accounts payable, accrued expenses and other liabilities	21,341	18,649	26,762 (g)	66,752
Bank overdraft		426		426
<i>Consolidated Ramius Funds liabilities:</i>				
Capital withdrawals payable	27,601			27,601
Accounts payable, accrued expenses and other liabilities	1,050			1,050
<b>Total liabilities</b>	<b>136,290</b>	<b>46,075</b>	<b>4,974</b>	<b>187,339</b>
Redeemable members' equity	306,843		(306,843)(h)	
Redeemable noncontrolling interests	260,664		(13,849)(i)	246,815
<b>Total redeemable group equity</b>	<b>567,507</b>		<b>(320,692)</b>	<b>246,815</b>
<b>Equity</b>				
Stockholders' equity		138,392	285,162 (j)	423,554



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Noncontrolling interests		1,640		1,640
<b>Total equity</b>		<b>140,032</b>	<b>285,162</b>	<b>425,194</b>
<b>Total liabilities, redeemable group equity and equity</b>	<b>\$ 703,797</b>	<b>\$ 186,107</b>	<b>\$ (30,556)</b>	<b>\$ 859,348</b>

See accompanying notes to unaudited pro forma condensed combined financial statements.

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations**

Six Months Ended June 30, 2009

	Historical		Pro Forma	New
	Ramius	Cowen	Adjustments	Parent
	(in thousands, except per share data)			
<b>Revenues</b>				
Management fees	\$ 22,434	\$ 4,481	\$	\$ 26,915
Interest and dividends	178	291		469
Reimbursement from affiliates	5,490			5,490
Investment banking		17,075		17,075
Brokerage		70,623		70,623
Other	1,688	1,048		2,736
<i>Consolidated Ramius Funds and other</i>	7,967			7,967
<b>Total revenues</b>	<b>37,757</b>	<b>93,518</b>		<b>131,275</b>
<b>Operating expenses</b>				
Employee compensation and benefits	28,786	60,533	5,895 (k)	95,214
Interest and dividends	687	159	63 (l)	909
Professional, advisory and other fees	9,170	3,751		12,921
Communications	527	5,998		6,525
Occupancy and equipment	5,073	7,642	(1,939)(m)	10,776
Floor brokerage and trade execution		6,230		6,230
Service fees		8,943		8,943
Depreciation and amortization	2,434	1,505	1,321 (n)	5,260
Client services, marketing and business development	3,313	5,263		8,576
Other	5,253	4,752	100 (o)	10,105
<i>Consolidated Ramius Funds and other</i>	6,520			6,520
<b>Total expenses</b>	<b>61,763</b>	<b>104,776</b>	<b>5,440</b>	<b>171,979</b>
<b>Other income (loss)</b>				
Net loss on securities, derivatives and other investments	(3,976)			(3,976)
<i>Consolidated Ramius Funds and other net realized and unrealized losses</i>	5,912			5,912
<b>Total other income</b>	<b>1,936</b>			<b>1,936</b>
<b>Loss before income taxes</b>	<b>(22,070)</b>	<b>(11,258)</b>	<b>(5,440)</b>	<b>(38,768)</b>
Income tax benefit	(49)	(410)	(p)	(459)
<b>Net loss</b>	<b>(22,021)</b>	<b>(10,848)</b>	<b>(5,440)</b>	<b>(38,309)</b>
Less: Net income (loss) attributable to noncontrolling interests	3,989	104	(798)(i)	3,295
<b>Net loss attributable to stockholders and members</b>	<b>\$ (26,010)</b>	<b>\$ (10,952)</b>	<b>\$ (4,642)</b>	<b>\$ (41,604)</b>

Pro forma Net Income (Loss) Per Share

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Basic	\$ (0.69)(q)	\$ (0.95)	NA	\$ (0.75)(s)
Diluted	\$ (0.69)(q)	\$ (0.95)	NA	\$ (0.75)(s)
Pro forma Weighted Average Common				
Shares				
Basic	37,537 (q)	11,531	6,121 (r)	55,189 (t)
Diluted	37,537 (q)	11,531	6,121 (r)	55,189 (t)

See accompanying notes to unaudited pro forma condensed combined financial statements.

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations****Year Ended December 31, 2008**

	Historical		Pro Forma	
	Ramius	Cowen	Adjustments	New Parent
	(in thousands, except per share data)			
<b>Revenues</b>				
Management fees	\$ 70,818	\$ 12,573	\$	\$ 83,391
Interest and dividends	1,993	3,362		5,355
Reimbursement from affiliates	16,330			16,330
Investment banking		50,937		50,937
Brokerage		149,901		149,901
Other	6,853	551		7,404
<i>Consolidated Ramius Funds and other</i>	31,739			31,739
<b>Total revenues</b>	<b>127,733</b>	<b>217,324</b>		<b>345,057</b>
<b>Operating expenses</b>				
Employee compensation and benefits	84,769	133,891	10,358 (k)	229,018
Interest and dividends	1,820	189	7 (l)	2,016
Professional, advisory and other fees	13,803	12,108		25,911
Communications	1,574	14,797		16,371
Occupancy and equipment	11,401	15,243	(3,878)(m)	22,766
Floor brokerage and trade execution		10,864		10,864
Service fees		17,920		17,920
Depreciation and amortization	4,611	2,882	3,220 (n)	10,713
Client services, marketing and business development	8,647	12,709		21,356
Goodwill impairment	10,200	50,000	(50,000)(u)	10,200
Other	13,000	11,545	200 (o)	24,745
<i>Consolidated Ramius Funds and other</i>	34,268			34,268
<b>Total expenses</b>	<b>184,093</b>	<b>282,148</b>	<b>(40,093)</b>	<b>426,148</b>
<b>Other income (loss)</b>				
Net loss on securities, derivatives and other investments	(2,006)			(2,006)
Gain on exchange memberships		751		751
<i>Consolidated Ramius Funds and other net realized and unrealized losses</i>	(198,485)			(198,485)
<b>Total other (loss) income</b>	<b>(200,491)</b>	<b>751</b>		<b>(199,740)</b>
<b>(Loss) income before income taxes</b>	<b>(256,851)</b>	<b>(64,073)</b>	<b>40,093</b>	<b>(280,831)</b>
Income tax (benefit) provision	(1,301)	8,081	3,706 (p)	10,486
<b>Net (loss) income</b>	<b>(255,550)</b>	<b>(72,154)</b>	<b>36,387</b>	<b>(291,317)</b>
Less: Net (loss) gain attributable to noncontrolling interests	(113,786)		5,249 (i)	(108,537)
<b>Net (loss) income attributable to stockholders and members</b>	<b>\$ (141,764)</b>	<b>\$ (72,154)</b>	<b>\$ 31,138</b>	<b>\$ (182,780)</b>

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Pro forma Net Income (Loss) Per Share

Basic	\$ (3.78)(q)	\$ (6.41)	NA	\$ (3.31)(s)
Diluted	\$ (3.78)(q)	\$ (6.41)	NA	\$ (3.31)(s)

Pro forma Weighted Average Common

Shares

Basic	37,537 (q)	11,254	6,398 (r)	55,189 (t)
Diluted	37,537 (q)	11,254	6,398 (r)	55,189 (t)

See accompanying notes to unaudited pro forma condensed combined financial statements.

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**Notes to Unaudited Pro Forma Combined Financial Statements**

**Note 1 Basis of Presentation**

The unaudited pro forma condensed combined financial statements give effect to the business combination of Ramius and Cowen in a transaction to be accounted for using the acquisition method of accounting, with Ramius treated as the accounting acquirer, as if the acquisition of Cowen had been completed on January 1, 2008, for statement of operations purposes, and on June 30, 2009, for statement of financial condition purposes.

The unaudited pro forma condensed combined financial data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been completed during the period or as of the dates for which the pro forma data is presented, nor is it necessarily indicative of the future operating results or financial position of New Parent.

Ramius's estimated purchase price for Cowen has been allocated to the assets acquired and the liabilities assumed based upon management's preliminary estimate of their respective fair values as of the date of acquisition. Definitive allocations will be performed and finalized after the completion of the transactions. Accordingly, the purchase price allocation pro forma adjustments are preliminary, have been made solely for the purpose of providing unaudited pro forma condensed combined financial data and are subject to revision based on a final determination of fair value after the closing of the transactions.

The accompanying unaudited pro forma condensed combined statements of operations do not include the impact of the following non-recurring items directly related to the transactions:

transaction costs in connection with the acquisition yet to be incurred which will continue to be expensed as incurred;

a non-cash bargain purchase gain created from the transaction, if any;

a charge for payment of \$1.5 million to Mr. Malcolm at closing of the transaction in connection with his waiver of certain rights and entitlements contained in his existing employment agreement with Cowen; and

a non-cash credit representing unrecognized net deferred tax assets recorded upon Ramius changing its tax status from a partnership to a corporation.

Certain reclassifications have been made to the Cowen historical balances in the unaudited pro forma condensed combined financial statements to conform to Ramius's presentation.

**Note 2 Purchase Price**

For the purpose of preparing the accompanying unaudited pro forma condensed combined statement of financial condition as of June 30, 2009, management made the following assumptions:

Cowen stockholders exchanged their shares of Cowen common stock for the equivalent of 28.76% of New Parent Class A common stock issued and outstanding (which includes shares to be issued in conjunction with the transactions);

the estimated fair value of New Parent securities to be issued to Cowen stockholders was determined based on the closing market price of the Cowen common shares on August 10, 2009, and the estimated number of shares to be delivered at closing was based on the number of shares of Cowen common stock outstanding on June 30, 2009; and

Table of Contents**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)****Note 2 Purchase Price (Continued)**

the fair value of outstanding Cowen stock options, which will immediately vest at the effective time of the transactions, has been attributed to pre-combination services and included in the consideration transferred.

The estimated fair value of New Parent Class A common stock to be issued to Cowen stockholders in the transactions represents the purchase consideration in the transactions, which was computed as follows:

	(in thousands, except per share data)
Estimated number of Cowen common shares outstanding at closing:	
Common float	11,880(1)
Restricted shares	3,028(2)
Restricted share units	30(3)
Total estimated shares to be issued to Cowen stockholders	14,938
Estimated market price of Cowen common shares	\$ 6.95(4)
Estimated purchase price of Cowen common shares	\$ 103,819
Add: Fair value of unvested restricted shares and options issued	1,509(5)
Estimated purchase price	\$ 105,328

(1)

Based on the trading float of Cowen's common shares on June 30, 2009.

(2)

Based on Cowen's unvested restricted shares outstanding on June 30, 2009. Excludes restricted shares that are not subject to accelerated vesting as a result of the transactions.

(3)

Based on Cowen's restricted share units outstanding on June 30, 2009.

(4)

The \$6.95 share price used in calculating the estimated purchase consideration represents the closing share price of Cowen common stock on August 10, 2009. The actual purchase consideration will be based upon the actual closing market price per share of Cowen common stock on the closing date of the transactions. A \$1.00 increase or decrease in the share price would increase or decrease, as applicable, the purchase consideration by approximately \$15.3 million.

(5)

In connection with the transactions, each outstanding Cowen stock option will be exchanged for one stock option of New Parent. Each newly issued stock option will be fully vested upon issuance, and will have a strike price and expiration date equal to that of the original stock option. Cowen had 892,782 stock options outstanding as of June 30, 2009. The fair value of New Parent's stock option awards was estimated to be \$0.6 million using an assumed fair value of Cowen's stock options based on a Black-Scholes valuation model. Also included in the \$1.5 million is \$0.9 million related to the fair value of pre-combination service on restricted shares that are not

subject to accelerated vesting as a result of the transactions.



Table of Contents**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)****Note 2 Purchase Price (Continued)**

The following is a summary of the preliminary allocation of the purchase price as reflected in the unaudited pro forma combined statement of financial condition as of June 30, 2009:

	(in thousands)
Cash and cash equivalents	\$ 82,035
Restricted cash pursuant to escrow agreement	5,222
Securities owned, at fair value	17,221
Receivable from brokers, dealers and clearing brokers	18,149
Fees receivable	9,972
Due from related parties	5,818
Other investments	16,288
Fixed assets, net	9,327
Intangible assets, net	17,000
Other assets	21,298
Securities sold, not yet purchased	(17,719)
Payable to brokers, dealers and clearing brokers	(276)
Compensation payable	(14,957)
Accounts payable, accrued expenses and other liabilities	(37,802)
Bank overdraft	(426)
Noncontrolling interest	(1,640)
<b>Total net assets acquired</b>	<b>129,510</b>
Bargain purchase gain on transactions	(24,182)(1)
<b>Total purchase price</b>	<b>\$ 105,328</b>

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(1)

Represents the estimated bargain purchase gain on the transactions.

Cowen believes that all of the acquired receivables and contractual amounts receivable as reflected above in the preliminary allocation of the purchase price are recorded at fair value and are expected to be collected in full, except for \$0.4 million which was expected to be uncollectible.

The noncontrolling interest in Cowen at the balance sheet date represents the noncontrolling equity interest in Cowen Healthcare Royalty Partners GP, LLC ("CHRP GP"), the general partner to Cowen Healthcare Royalty Partners (the "CHRP Fund"), and is recorded at fair value. CHRP GP's only significant asset is its investment in CHRP Fund, which invests principally in commercial-stage biopharmaceutical products and companies through the purchase of royalty or synthetic royalty interests and structured debt and equity instruments. The CHRP Fund follows industry practices for valuation techniques including discounted cash flows, Black-Scholes valuation models and sale price of recent transactions in the same or similar securities and significant inputs such as estimated future cash flows, discount rates, volatility and dividend yield to measure the fair value of the investments in the CHRP Fund.

Based on the June 30, 2009 estimated purchase price allocation, the fair value of the net identifiable assets acquired and liabilities assumed of \$129.5 million exceeded the fair value of the estimated purchase price of \$105.3 million. As a result, New Parent would have recognized a bargain purchase gain of \$24.2 million if the transaction had closed at that date. Cowen's share price has traded below its book value for a substantial part of the last 52 weeks, and as the purchase consideration is determined based on the stock price of Cowen at the closing date of the transactions, the preliminary purchase price allocations have resulted in a bargain purchase gain.

Table of Contents**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)****Note 3 Pro Forma Adjustments**

- (a) Reflects the adjustments to cash as follows:

	(in thousands)
Net payment on credit lines	\$ (35,318)(1)
Distributions	(9,000)(2)
Payment to Mr. Malcolm	(1,500)(3)
Credit agreement financing costs	(500)(4)
Excluded cash	(500)(5)
 Total	 \$ (46,818)

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- (1) Represents a cash payment to retire \$49.9 million drawn under an existing credit agreement and payment of \$10.4 million related to the purchase of the remaining 50% interest in the Ramius fund of funds business, offset by the net effect of the issuance of a new facility of \$25.0 million.
- (2) Represents \$2.5 million of capital withdrawals to be made immediately prior to the closing of the transactions in connection with the satisfaction of tax obligations associated with the vesting of various partnership interests as a result of the transactions an aggregate of \$6.5 million of capital withdrawals to be made immediately prior to the closing by Messrs. Cohen and Stark and BA Alpine Holdings, Inc., each of which will result in a reduction of the members' equity of Ramius. See Note 3(j).
- (3) Represents a cash payment of \$1.5 million to be made to Mr. Malcolm at closing. This payment will be made pursuant to the terms of Mr. Malcolm's new employment agreement. The payment amount relates to Mr. Malcolm's waiver of certain change in control rights and potential payments under his existing employment agreement with Cowen.
- (4) Represents a cash payment for financing costs related to the retirement of Ramius's existing credit facility and borrowings under the New Parent credit agreement of \$25.0 million. The \$0.5 million financing cost will be capitalized and amortized over the life of the new credit facility, approximately two years.
- (5) Represents the cash amount of Ramius's excluded assets, which Ramius is retaining in order to pay ongoing operating expenses, such as audit fees.
- (b) Represents the adjustment to eliminate Cowen's historical goodwill. The transactions are expected to result in negative goodwill of \$24.2 million which will be recognized as a gain upon the closing of the transactions.
- (c) As of June 30, 2009, the estimated fair value of Cowen's intangible assets (other than goodwill) is \$17.0 million (representing a \$16.8 million increase in value over Cowen's

Table of Contents**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)****Note 3 Pro Forma Adjustments (Continued)**

historical intangible assets). The preliminary allocations included in the unaudited pro forma combined financial data are as follows:

Intangible Asset Class	Estimated Intangible Assets Acquired (in thousands)	Estimated Average Remaining Useful Lives (years)
Trade name and trademarks	\$ 10,500	10
Customer relationships	5,600	4
Customer backlog	900	2
 Total intangible assets	 \$ 17,000	

(d)

Adjustments to other assets are comprised of:

	(in thousands)
Deferred taxes	1,633 (1)
Credit facility financing costs	500 (2)
Exchange memberships mark-down	(97)(3)
 Total	 \$ 2,036

(1)

Represents a \$1.6 million net increase related to (a) the adjustments in deferred tax assets and current taxes receivable stemming from the pro forma adjustments made to loss before taxes, (b) a net deferred tax asset established following the change in tax status of Ramius from a partnership to a corporation as a result of the transactions, and (c) a full valuation allowance recognized against the Ramius deferred tax assets.

(2)

Represents a cash payment of \$0.5 million for financing costs related to the retirement of Ramius's existing credit facility and borrowings under the New Parent credit agreement of \$25.0 million. The \$0.5 million financing cost will be capitalized and amortized over the life of the new credit agreement, approximately two years.

(3)

Represents an adjustment to Cowen's exchange memberships included in other assets, which have historically been carried at cost. This adjustment represents the estimated \$0.1 million mark-down to fair value on those memberships.

(e)

Reflects accelerated vesting of \$6.0 million of deferred cash awards granted to certain of Cowen's employees due to change in control provisions in the relevant deferred cash award agreements that would be triggered by the transactions. The actual payments under the deferred cash awards will occur on the vesting schedule in such agreements (one third on each of May 15, 2010, 2011 and 2012). This amount is partially offset by \$2.8 million, representing the previously accrued portion of Ramius partnership awards that will vest as a result of the transactions. Upon vesting of these partnership interests, the existing liability related to the unvested balances will be reclassified to members' capital, net of any cash payments made to

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the employee to satisfy tax obligations.

(f)

Reflects the retirement of amounts drawn under Ramius's existing credit facility of \$49.9 million and borrowings under the New Parent credit agreement of \$25.0 million.

Table of Contents**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)****Note 3 Pro Forma Adjustments (Continued)**

(g)

Reflects adjustments to accounts payable, accrued expenses and other liabilities as follows:

	(in thousands)
Unfavorable lease liability	17,059(1)
Contingent investment banking fees	7,300(2)
Deferred and non-income based taxes	2,403(3)
 Total	 \$ 26,762

(1)

Represents an estimated net impact of an unfavorable lease liability of \$18.0 million related to certain of Cowen's real estate leases that are at higher than market rates at June 30, 2009, partially offset by the removal of a previously existing rent reserve of \$0.9 million.

(2)

Represents Ramius's and Cowen's estimated contingent investment banking fees. The non-contingent portion of the transaction costs of approximately \$9.0 million is being expensed as incurred.

(3)

Represents an increase to other liabilities related to the adjustment of deferred tax liabilities stemming from the pro forma adjustments made to loss before taxes and an adjustment for non-income based taxes.

(h)

Reflects Ramius's contribution of historical redeemable members' equity to the equity of New Parent.

(i)

Reflects the adjustment to remove the 50% noncontrolling interest in the Ramius fund of funds business that will be acquired by the combined entity as part of the transactions.

(j)

Reflects the adjustments to total stockholders' equity as follows:

	(in thousands)
Estimated purchase consideration paid for Cowen	\$ 105,328 (1)
Historical stockholders' equity of Cowen	(138,392)(2)
Ramius's contributed equity	306,843 (3)
Dividend to Ramius's members and employees	(9,000)(4)
Impact of Ramius's change of control vesting	2,792 (5)
Excluded cash	(500)(6)
Ramius Fund of Funds Group LLC capital effect	3,479 (7)
Payment to Mr. Malcolm	(1,500)(8)
Estimated contingent investment banking fees	(7,300)(9)
Deferred tax and non-income based tax adjustments	(770)(10)
Estimated bargain purchase gain ("negative goodwill") on transactions	24,182 (11)
 Total	 \$ 285,162

- (1) Represents the estimated purchase consideration paid to Cowen stockholders in the transactions.
- (2) Represents the elimination of the historical equity of Cowen.

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**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)**

**Note 3 Pro Forma Adjustments (Continued)**

- (3) Represents Ramius's contribution of historical redeemable members' equity to the equity of New Parent.
- (4) Represents Ramius cash excluded from the transactions (treated as a reduction of Ramius's historical members' capital contributed). Immediately prior to closing of the transactions, \$2.5 million of capital withdrawals will be made in connection with the satisfaction of tax obligations associated with the vesting of various partnership interests as a result of the transactions and an aggregate of \$6.5 million of capital withdrawals by Messrs. Cohen and Stark and BA Alpine Holdings, Inc.
- (5) Represents the amount of compensation liability of Ramius associated with partnership interest awards that will be reclassified to equity as a result of vesting caused by the transactions.
- (6) Represents the cash amount of Ramius's excluded assets which Ramius is retaining in order to pay ongoing operating expenses, such as audit fees.
- (7) Represents the issuance of common shares for the purchase of the remaining 50% of the fund of funds business, and the equity effect of that purchase to be accounted for under SFAS 160 as follows:

	(in thousands)
Fair value of shares issued for purchase	\$ 18,861 (a)
Equity effect of purchase	(15,382)(b)
<b>Net impact on stockholders' equity</b>	<b>\$ 3,479</b>

- 
- (a) Based on the estimated Cowen share price of \$6.95 multiplied by the 2,713,882 shares to be issued to HVB.
- (b) Represents the excess of the estimated purchase consideration over the carrying value of the noncontrolling interest. This amount is treated as a capital transaction and debited to equity (as opposed to goodwill) in accordance with SFAS 160, as Ramius already owned a controlling interest in the fund of funds business. The calculation of the excess is as follows:

	(in thousands)
Fair value of shares issued	\$ 18,861
Cash consideration paid	10,370
<b>Total purchase consideration</b>	<b>29,231</b>
Less: Carrying value of 50% noncontrolling interest purchased	(13,849)
<b>Excess of purchase consideration over carrying value of noncontrolling interest purchased</b>	<b>\$ 15,382</b>

(8)

Represents a cash payment of \$1.5 million to be made to Mr. Malcolm at closing. This payment will be made pursuant to the terms of Mr. Malcolm's new employment agreement. The payment amount relates to Mr. Malcolm's waiver of certain change in control rights and potential payments under his existing employment agreement with Cowen.



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**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)**

**Note 3 Pro Forma Adjustments (Continued)**

- (9) Reflects Ramius's and Cowen's estimated contingent investment banking fees of \$7.3 million. The non-contingent portion of the costs of approximately \$9.0 million is being expensed as incurred.
- (10) Represents (a) the adjustments to deferred tax assets and current taxes receivable stemming from the pro forma adjustments made to loss before taxes, (b) a net deferred tax asset established following the change in tax status of Ramius from a partnership to a corporation as a result of the transactions, (c) a full valuation allowance recognized against the Ramius deferred tax assets and an adjustment for non-income based taxes.
- (11) Represents the estimated bargain purchase gain ("negative goodwill") under the acquisition method, which would be recognized as a day one gain of the combined entity.
- (k) Reflects the amortization of compensation expenses resulting from a one-time award of \$25.0 million in equity to certain key employees of Ramius in connection with the transactions. This award 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. New Parent will recognize the award as compensation expense each year in relation to the services received over the requisite service period pursuant to Financial Accounting Standards Board Interpretation No. 28. Also reflects an adjustment to the base compensation and stock based compensation of two employees who entered into new employment agreements in connection with the transactions.
- (l) Reflects the removal of interest expense related to the existing credit line that will be retired as part of the transactions, partially offset by the interest expense on the New Parent credit agreement. The interest rate on the new credit lines is based on the three-month LIBOR rate plus 350 basis points. The three-month LIBOR rate used is the actual rate at June 30, 2009. For each 0.125% increase or decrease in interest rates, interest expense would increase or decrease, respectively, by approximately \$31,000.
- (m) Reflects amortization of the unfavorable lease obligation described in (g) above over the remaining lease terms.
- (n) Reflects amortization expense related to the estimated intangible assets recognized in connection with the transactions, less the historical intangible asset amortization actually recognized for the period.
- (o) Reflects an adjustment for non-income-based taxes.
- (p) Reflects the impact on current and deferred taxes of pro forma adjustments made to loss before taxes and the corresponding effect on the valuation allowance already recorded by Cowen and Ramius.
- (q) Ramius's historical pro forma EPS has been calculated assuming the 37,536,826 shares of New Parent Class A common stock that Ramius will receive upon closing of the transactions were outstanding from the beginning of the period. Cowen's EPS represents the actual results reported for that period.
- (r) Reflects the adjustment necessary to arrive at the shares outstanding assuming the transactions closed at the beginning of the periods presented. Primarily represents shares issued to HVB

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**Notes to Unaudited Pro Forma Combined Financial Statements (Continued)**

**Note 3 Pro Forma Adjustments (Continued)**

for the acquisition of the remaining interest in the fund of funds business and Cowen restricted share holders whose awards vest upon closing. See (t) below for further explanation.

(s)

Reflects the pro forma net loss for New Parent divided by the pro forma weighted average shares outstanding for New Parent.

(t)

Reflects the total shares of New Parent to be issued in connection with the transactions. As the unaudited pro forma combined statements of operations assume that the transactions occurred as of the beginning of the period presented, all 55,189,000 shares of New Parent Class A common stock are assumed to be outstanding for the entire period for the pro forma net loss per share calculation of New Parent. No adjustments have been made for the dilutive effects as the effects of outstanding restricted stock and awards would be anti-dilutive.

(u)

Reflects an adjustment to remove the \$50.0 million historical goodwill impairment charge of Cowen. Had the transactions been completed at the beginning of the period presented, the historical goodwill of Cowen would have been eliminated as part of the purchase price allocation.

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**PROPOSAL 1: THE TRANSACTIONS**

**Background of the Transactions**

The Cowen Board of Directors has periodically met with senior management of Cowen to discuss and review potential strategic directions for the company in light of the company's financial performance, developments in the financial services industry and the competitive landscape and markets in which Cowen operates. These meetings have included a review of Cowen's business and key issues and challenges faced by it, and possible strategic directions available to Cowen and the potential impact on stockholder value, including, from time to time, hypothetical acquisitions or business combinations involving various other firms in the financial services industry. In December 2008, Cowen received an unsolicited public acquisition proposal from a small financial services firm. The Cowen Board of Directors considered the proposal and concluded that such a transaction would not enhance stockholder value and had no strategic rationale. Subsequently, the financial services firm withdrew its proposal.

From time to time over the last year, Cowen received other unsolicited inquiries and proposals for a variety of potential transactions ranging from minority investments, joint ventures, sales of the company and other extraordinary transactions. None of these approaches were determined to be an attractive option for Cowen and its stockholders and Cowen did not pursue any of these unsolicited approaches nor did the Board or senior management of Cowen engage in discussions with these third parties with a view towards effecting a business combination. None of these transactions were considered to be competitive with the proposed transactions with Ramius nor were they a factor towards the decision to pursue the transaction agreement with Ramius.

In early January 2009, Mr. Malcolm (President and Chief Executive Officer of Cowen) was contacted by Mr. Solomon (a Managing Member of Ramius) requesting a meeting. Mr. Malcolm conferred with Mr. Toffolon (Chairman of the Cowen Board of Directors) regarding the request, and it was decided that Mr. Malcolm should meet with Mr. Solomon.

On January 13, 2009, Messrs. Malcolm, White (Vice President of Cowen), Solomon and Chaikin (a Managing Director of Ramius) met. At this meeting, Ramius suggested that Cowen consider a business combination with Ramius and the parties discussed the strategic benefits of a combination based on several factors, including Ramius's strategies, competitive position and prospects, the track record of Cowen and its senior management team and an apparent fit between the people and cultures and the complementary operations of the two firms. The parties discussed the use of a structure in which Ramius would merge with and into Cowen. The parties discussed that it would be difficult to agree on traditional valuation metrics given the relative nature of the businesses of the two companies and the current economic environment, and Ramius first proposed an exchange ratio based on the relative book values of the two companies. Later that same day, Mr. Malcolm apprised Messrs. Conner (Chief Financial Officer of Cowen), O'Donoghue (Head of Equities at Cowen and Company), Meltzer (Head of Investment Banking at Cowen and Company), Tarasoff (Head of Research at Cowen and Company), McCarthy (General Counsel of Cowen) and Ryles (Vice Chairman of Cowen and Company) and Mr. Toffolon of these discussions, although no decision was made to pursue any business combination at that time.

On January 20, 2009, Mr. Malcolm had dinner with Mr. Solomon where issues related to the integration of the Cowen and Ramius management teams were discussed. Mr. Solomon proposed that Mr. Malcolm and Mr. Toffolon meet with Mr. Cohen (Founder and Managing Member of Ramius) to further discuss these issues. The following day, Mr. Malcolm spoke with Mr. Toffolon and other members of senior management of Cowen. It was determined, based on the fact that management of Cowen was currently focused on completing its 2008 year-end activities, and the fact that the public offer to purchase Cowen from the small financial services firm remained outstanding, that Cowen management should not pursue a business combination with Ramius at that time. Mr. Malcolm called

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Mr. Solomon on February 3, 2009 and informed him of Cowen's decision, and told Mr. Solomon to call him back in a month if he wished to do so.

In early March 2009, Mr. Solomon telephoned Mr. Malcolm to request a meeting. Since the small financial services firm had publicly withdrawn its offer to purchase Cowen in late February, and since Cowen management had substantially completed its year-end activities, Mr. Malcolm agreed to meet with Mr. Solomon and the parties arranged to meet in New York City on March 6, 2009.

On March 6, 2009, Messrs. Malcolm and White met with Mr. Solomon to revisit the topics previously discussed in January, including an exchange ratio based on relative book values of the companies. The parties again discussed and confirmed their shared view that traditional valuation metrics were not suitable for this transaction. The parties agreed to continue the discussion at a meeting between Mr. Cohen and Messrs. Malcolm and Toffolon.

On March 16, Messrs. Cohen and Solomon met with Messrs. Malcolm and Toffolon to discuss their respective views for a combined company. The parties discussed possible synergies, potential structure and management of the combined entity and composition of the board of the combined entity. In particular, it was discussed that a top-level management committee would collectively manage and supervise the combined entity, but that the asset management business of Ramius and the broker-dealer business of Cowen would be managed and supervised separately. In addition, the parties discussed using Cowen's name for the combined company's broker-dealer operations, and using the Ramius name in conjunction with the asset management, hedge fund and real estate businesses.

On March 18, 2009, Mr. Solomon telephoned Mr. Malcolm to suggest that Mr. Malcolm come to the offices of Ramius in order to meet with additional members of Ramius management. Mr. Malcolm visited the Ramius offices in New York on March 23, 2009 and met with Messrs. Strauss (Managing Member of Ramius) and Stark (Managing Member of Ramius) and other members of senior management.

On March 24, 2009, Mr. Malcolm reported the status of his discussions with Ramius to the Cowen Board of Directors, including describing the potential terms of the transaction as had been discussed at the March 6 and the March 16 meetings described above, and told the Board about his trip to the Ramius offices on March 18 and whom he met with during his visit. Although no conclusion was reached that Cowen should pursue any particular strategic alternative, Mr. Malcolm was authorized by the Cowen Board of Directors to engage in further discussions with Ramius. The Cowen Board of Directors also approved the engagement of Sandler O'Neill as the company's financial advisor with respect to the potential transaction. Senior management of Cowen also engaged Wachtell, Lipton, Rosen & Katz, its regular outside counsel, and advised them that it was pursuing a potential transaction with Ramius, and arrangements were discussed to facilitate mutual due diligence and management discussions between the parties.

On March 25, 2009, Cowen and Ramius entered into a confidentiality agreement and determined to hold presentations of their respective managements the following week. The parties began internally preparing their respective management presentations and due diligence request lists. The parties exchanged initial due diligence requests the following week, and on April 1, 2009 senior management of the firms met in New York, New York for a social dinner.

On April 3, 2009, Messrs. Malcolm, White, Toffolon, Conner, O'Donoghue, Meltzer, Tarasoff and Ryles met with Messrs. Cohen, Solomon, Stark, Strauss, Smith (Partner of Ramius), Boxer (Partner of Ramius), Goracy (Partner of Ramius) and Lasota (Chief Financial Officer of Ramius) and Ms. Ogilvie (Partner and Chief Operating Officer of Ramius) for mutual management presentations, where each party gave the other a high level overview of its businesses, including financial performance, strategies, management structure and infrastructure. Representatives from Sandler O'Neill and Credit Suisse

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(financial advisor to Ramius) were also present. The parties agreed that next steps would be to hold smaller group diligence presentations the following week.

On April 7, 2009, April 8, 2009 and April 9, 2009, the parties held small group diligence sessions, which focused on (i) budget and financials; (ii) brokerage and research; (iii) infrastructure; (iv) internal fund management; (v) fund-of funds, (vi) real estate; and (vii) investment banking. The parties also met with Wachtell, Lipton, Rosen & Katz and Willkie Farr & Gallagher LLP (counsel to Ramius) to discuss potential transaction structures on April 9, 2009.

During the week of April 13, 2009, Wachtell, Lipton, Rosen & Katz and Willkie Farr & Gallagher LLP began discussing the terms of a potential definitive transaction agreement and exchanged draft agreements. The parties also continued to conduct due diligence. That same week, Ramius obtained the consent of Cowen to speak with BA Alpine Holdings, Inc., a third party investor in Ramius, and its affiliates, concerning the transactions.

On April 14, 2009, Cowen held a regularly scheduled meeting of its Board of Directors. At this meeting, Sandler O'Neill presented an update on the due diligence of Ramius conducted to date.

During the week of April 20, 2009, the parties continued conducting due diligence and exchanged several drafts of the transaction agreement. The main issues discussed amongst the parties included the structure and tax consequences of the transaction, the terms related to termination of the transaction agreement and related fees and expenses and the representations and warranties of the respective parties.

During the week of April 27, 2009, the parties continued diligence, including conducting accounting diligence and diligence by Cowen and its advisors related to Ramius's relationship with Bank Austria and its affiliates, and continued negotiating the transaction agreement (as well as the terms of the asset exchange agreement and other related agreements). Cowen and Ramius discussed whether the exchange ratio should be based on the relative book values of the companies as of December 31, 2008 or as of March 31, 2009. As the audit of Ramius's 2008 year-end financial statements was not complete at this time, Cowen and Ramius also discussed, if they determined to use the year end book values, potentially including a provision in the transaction agreement where the exchange ratio would be "trued-up" after the execution of the transaction agreement to the extent that the book value for Ramius contained in Ramius's audited 2008 financial statements differed from the book value contained in the 2008 unaudited financial statements. The parties also discussed possible adjustments to book value for purposes of calculating the exchange ratio, including adjustments for a pending arbitration Ramius had initiated against a securities underwriter, the value of the 50% interest in Ramius's fund of funds business that Ramius was planning to purchase from HVB, distributions to be made to Ramius's members prior to closing and the forgiveness of Cowen's outstanding forgivable loans.

At a meeting of the Board of Directors held on May 4, 2009, Sandler O'Neill and senior management of Cowen presented their due diligence findings to date. The due diligence presented included an overview of the overall business of Ramius and of each distinct Ramius product offering (consisting of its hedge fund, fund of funds, real estate and cash management), and also of Ramius's infrastructure and management team. Sandler O'Neill also presented its findings and analysis related to the historical financial performance and earnings projections of Ramius as provided by Ramius management, and reviewed with the Board of Directors the performance of firms that Sandler O'Neill determined were comparable to Ramius. Sandler O'Neill also presented the Board of Directors with a preliminary pro forma analysis of the combined company. Based on the diligence conducted to date, Sandler O'Neill presented its preliminary financial analysis to the Board of Directors, concluding that if the transaction consideration was to be determined based on the 2008 year-end book values for the respective companies, assuming, among other things, that Ramius's audited 2008 book value did not differ from its unaudited book value and using the then-current trading value of Cowen common stock,

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that the transaction consideration would likely value Cowen common stock at a premium to its current trading range. Wachtell, Lipton, Rosen & Katz also updated the Board of Directors as to the current status of the negotiations of the definitive agreements relating to the transactions. The Board of Directors determined, based on the information presented by management and its advisors, that it wished to continue to perform diligence on and conduct negotiations with Ramius and its advisors.

During the next several weeks, Ramius negotiated the terms of the asset exchange agreement and related documents with HVB, an affiliate of BA Alpine Holdings, Inc. Over this time period, Cowen and Ramius held several calls and conducted diligence related to, among other items, Ramius's real estate business.

During the week of May 25, 2009, Messrs. Malcolm and White had a telephone conference with Messrs. Cohen and Solomon to further discuss possible adjustments to book value for purposes of calculating the exchange ratio. The parties agreed that Ramius would transfer all of its assets to the new combined company other than a de minimus amount of cash in order to pay ongoing administrative expenses and any recovery in excess of an amount to be agreed upon by the parties from Ramius's pending arbitration against a securities underwriter. Cowen and Ramius also agreed to use the relative book values as of December 31, 2008 to calculate the exchange ratio and to make adjustments to Ramius's book value for the purchase by Ramius of the 50% interest in the fund of funds business from HVB and for distributions to be made to Ramius's members prior to closing and to Cowen's book value for an anticipated payment to a senior executive.

On May 28, 2009, a telephonic meeting of the Cowen Board of Directors was held at which Sandler O'Neill presented to the Board of Directors an update on the status of the due diligence process, including the due diligence related to Ramius's real estate business. The additional real estate due diligence presented to the Board of Directors included a description of the investment philosophy of the Ramius real estate funds, the number and type of holdings, the total equity or debt commitments, the amount of funded versus unfunded capital, any associated credit facilities and an overview of the investor base for each of the real estate funds. Sandler O'Neill also reviewed with the Board of Directors Ramius's valuation methodology and the independent mark-to-market valuations for the funds as provided by Ramius. The Board of Directors concluded based on the information presented by Sandler O'Neill that it did not require any additional information to evaluate the Ramius real estate business and the risks associated with that business in order to inform its overall decision of whether or not to approve the transactions.

On May 29, 2009, Messrs. Malcolm, White and McCarthy met with Messrs. Solomon, Chaikin and Littman (General Counsel of Ramius) to discuss the open issues that remained in the transaction agreement and other related agreements. Representatives from Sandler O'Neill, Credit Suisse, Wachtell, Lipton, Rosen & Katz and Willkie Farr & Gallagher LLP were also present. The main issues discussed were whether the consummation of the transaction would be conditioned on the transaction being tax-free to Ramius's members, the termination related provisions in the transaction agreement and the associated fees and expense related issues. It was agreed at this meeting that there would be no need for the previously discussed "true-up" related to the exchange ratio, as the audit of Ramius's 2008 financial statements was complete.

On May 30, 2009, the parties reached an understanding that substantially all of the assets and liabilities of Ramius would be exchanged for common stock of the combined company at an exchange ratio of 2.4776, for a total of 40,250,708 shares issued, calculated using year-end book values for 2008 (with agreed upon adjustments). This included the shares to be issued to HVB in exchange for the remaining 50% interest in Ramius's fund of funds business not currently owned by Ramius. The parties also agreed that the transaction would be completed on a tax-free basis, that the termination fee would be \$3.5 million and agreed on the representations and warranties to be given by each party.

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On the morning of Tuesday, June 2, 2009, the Cowen Board of Directors met with members of Cowen's senior management and Cowen's outside legal and financial advisors. Cowen senior management reviewed with the Cowen Board of Directors the terms of the proposed transactions. Cowen senior management and Sandler O'Neill updated the Cowen Board of Directors on the status and findings to date of their due diligence investigations of Ramius. Sandler O'Neill also reviewed its financial analysis regarding the proposed transactions with the Cowen Board of Directors and rendered to the Cowen Board of Directors its oral opinion (subsequently confirmed in writing) that, as of the date of its opinion and based on and subject to the considerations in its opinion, that the proposed transaction consideration to be paid to Ramius and HVB was fair from a financial point of view to Cowen stockholders. Representatives of Wachtell, Lipton, Rosen & Katz discussed with the Board of Directors the legal standards applicable to its decisions and actions with respect to the proposed transactions and the duties of the Board of Directors in connection with the proposed transactions, and reviewed the legal terms of the proposed transactions and the proposed post-closing employment arrangements and other employee matters.

The Board of Directors of Cowen also considered potential adverse effects of the transactions if they were completed. Among the factors considered were the potential for substantial costs and operational difficulties that might be incurred in working to integrate two companies with complementary, but different, operations, and that the combined company could fail to realize some or all of the anticipated benefits of the transactions. The Board also considered the risks associated with the businesses of Ramius that are not currently risks faced by Cowen, but would be risks of the combined company. The Board of Directors also discussed that ownership of 28.76% of the combined company by current Cowen stockholders, combined with representation on the Board by four (out of ten) directors appointed by Cowen would give Cowen and its stockholders significantly less influence on the management and policies of the combined company. For a more complete discussion of the positive and negative factors considered by Cowen's board of directors in reaching its conclusion to approve the transaction agreement, please see the section titled "Cowen's Reasons for the Transactions; Recommendation of Cowen Board of Directors" beginning on page 70.

Following review and discussion among the members of the Cowen Board of Directors, the Board of Directors voted unanimously to approve the business combination with Ramius on the proposed terms.

On June 3, 2009, Ramius received the consent of its members who hold in the aggregate more than a majority of the percentage interests of Ramius to enter into the transaction agreement and effect the transactions, as well as the consent of BA Alpine Holdings, Inc. In connection with obtaining these consents, Ramius entered into customary confidentiality agreements with a small group of its larger investors.

Following approval by the Cowen Board of Directors, the parties and their counsel continued to finalize and document the legal terms of the definitive agreements for the transactions, and, on the evening of June 3, 2009, the relevant parties executed the transaction agreement, the asset exchange agreement, the employment agreements and other documents related to the transactions. The transactions were announced in a joint press release early on the morning of June 4, 2009 before trading commenced on the U.S. stock exchanges.

**Cowen's Reasons for the Transactions; Recommendation of Cowen Board of Directors**

The Cowen Board of Directors consulted with Cowen management as well as its legal and financial advisors and determined that the transactions are in the best interests of Cowen and Cowen stockholders.

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In reaching its conclusion to approve the transaction agreement, the Cowen Board of Directors considered the following factors:

its view that the transactions bring together two businesses with complementary operations and capabilities: Ramius's global alternative investment business (hedge funds, fund of funds, real estate and cash management) with Cowen's established financial services practice (investment banking, research and sales and trading);

the fact that the combined company is expected to have diverse revenue streams, including a meaningful amount of recurring revenue;

its view that the transactions will create a combined company with the increased financial scale through a larger capital base necessary to provide greater financial stability and public market capitalization, which will increase stockholder value, enhance value to its customers and maximize cost efficiencies. Specifically, it is anticipated that the transactions will allow the combined company potentially to:

create the scale and scope necessary to put the combined company in a position to capture significant additional market share resulting from historic changes within the economy and the financial services sector;

diversify its sector coverage, including through expansion into synergistic industry verticals at Cowen in financial institutions, real estate and energy and by investing in logical new businesses, such as high net worth private client services and fixed income;

provide a potentially greater ability to access the capital and debt markets than Cowen currently enjoys;

use the relationship networks of senior Ramius personnel to strengthen Cowen's existing investment banking business;

diversify and expand its client base, allowing for greater product integration and cross-selling opportunities, by leveraging the existing and long-standing relationship networks and contacts of both Cowen and Ramius;

provide greater opportunities for employees and therefore enable the combined company to recruit and retain superior talent;

generate revenue from firm capital rather than solely from transaction-based fees; and

enhance long-term organic revenue growth rates;

the lack of disruption in providing services to the combined firm's clients, including in investment management, research, advisory and brokerage, since client-facing businesses do not have significant overlap in either revenue generation or professional staff;

the expected cost synergies and savings opportunities from the transactions and the belief that these synergies and savings opportunities can be realized by the anticipated management team for the benefit of the combined company and its stockholders;



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Cowen's due diligence review of Ramius, and the current and historic financial condition, results of operations, prospects, earnings generation ability and risks of each of Ramius, Cowen and the combined company;

the significant investment expertise, global relationships and management experience in the financial services and asset management industries resident in the Ramius management team and its ability to provide multiple firm-wide solutions to the alternative investment needs of institutional and high net worth investors;

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the historical experience that the current Ramius management team has had in successfully operating public companies in the financial services area;

Ramius's long-standing relationships in commercial real estate; its ability to create customized fund of funds programs and other investment strategy solutions for institutional investors; and its new global credit platform which provides a significant opportunity for growth;

the exchange ratio based on the year-end 2008 book values of each firm valued Cowen stock on a pro forma basis at a 79.7% premium to its trading price on the day prior to announcement;

the expectation of earnings per share accretion within the first full year as a combined company;

the stock consideration will allow Cowen stockholders to participate in the benefits of a significantly larger and more diversified company, including future growth and expected synergies of the combined company;

the expectation that the Cowen merger can be completed as a reorganization for U.S. federal income tax purposes and, as a result, the exchange by Cowen stockholders of their shares of Cowen common stock for shares of New Parent Class A common stock in the transactions generally will be tax-free to Cowen stockholders;

the opinion delivered to the Cowen Board of Directors by Sandler O'Neill to the effect that, as of the date of its opinion, the proposed consideration to be delivered to Ramius and HVB in the transactions is fair from a financial point of view to Cowen's stockholders (Sandler O'Neill's opinion, including any qualifications and assumptions contained therein, is more fully described below in the section titled "Proposal 1: The Transactions Opinion of Cowen's Financial Advisor" beginning on page 73);

the review by the Cowen Board of Directors with management and its advisors of the structural, financial and other terms of the transactions, including the asset exchange consideration;

the limited number and nature of the conditions to each party's obligation to complete the transactions;

the provisions of the transaction agreement that allow Cowen's Board of Directors, under certain limited circumstances, to change its recommendation that Cowen's stockholders vote to approve the transaction agreement and to furnish information to and participate in discussions or negotiations with third parties who have made unsolicited acquisition proposals, and that provide Cowen's Board of Directors with the ability to terminate the transaction agreement in order to accept a superior proposal (subject to compliance with certain conditions and the payment of a \$3.5 million termination fee and transaction-related expenses of Ramius of up to \$750,000);

the likelihood that the regulatory and stockholder approvals needed to complete the transactions will be obtained in a timely manner and that the regulatory approvals will be obtained without the imposition of materially burdensome conditions;

the fact that Cowen's stockholders will own approximately 28.76% of the combined company on a fully diluted basis (including shares to be issued in conjunction with the transactions) immediately after the effective time of the transactions;

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the fact that the initial board of directors of the combined company will include four (out of ten) designees selected by Cowen, and that one of the four appointees will serve as Lead Director;

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the fact that there are no dissenters' appraisal rights applicable to the proposed transactions; and

the interests of Cowen's directors and executive officers in the transactions (see the section titled "Proposal 1: The Transactions Interests of Certain Persons in the Transactions" beginning on page 87).

The foregoing discussion of the information and factors considered by the Cowen Board of Directors is not exhaustive, but includes material factors considered by the Board of Directors. In view of the wide variety of factors considered and the complexity of these matters, the Board of Directors did not assign relative weights to the above factors or the other factors considered by it. In addition, the Board of Directors did not reach any specific conclusion on each factor considered but conducted an overall analysis of these factors. Individual members of the Board of Directors may have given different weights to different factors.

Based on the factors outlined above, the Cowen Board of Directors determined that the transaction agreement and the transactions it contemplates are advisable, fair to and in the best interests of Cowen's stockholders. The Board of Directors unanimously recommends that Cowen's stockholders vote "FOR" the approval and adoption of the transaction agreement and the transactions it contemplates.

**Opinion of Cowen's Financial Advisor**

By letter dated April 6, 2009, Cowen retained Sandler O'Neill to act as its financial advisor in connection with a possible business combination with Ramius. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to Cowen in connection with the proposed business combination with Ramius and participated in certain of the negotiations leading to the transaction agreement. Cowen selected Sandler O'Neill based on Sandler O'Neill's experience, reputation and familiarity with the industries in which Cowen operates. At the June 2, 2009 meeting of the Cowen Board of Directors at which the Board of Directors considered and approved the transaction agreement, Sandler O'Neill delivered to the Board of Directors its oral opinion, subsequently confirmed in writing, that, as of such date, the payment of the transaction consideration (as defined below in "Summary of Proposal" beginning on page 75) was fair to Cowen's stockholders from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Appendix F to this document. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. Cowen's stockholders are urged to read the entire opinion carefully in connection with their consideration of the proposed transactions.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the Cowen Board of Directors and is directed only to the fairness to Cowen's stockholders from a financial point of view of the payment of the transaction consideration. It does not address the underlying business decision of Cowen to engage in the transactions or any other aspect of the transactions and is not a recommendation to any Cowen stockholder as to how such stockholder should vote at the special meeting with respect to the transactions or any other matter.**

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

the transaction agreement;

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certain publicly available financial statements and other historical financial information of Cowen that it deemed relevant;

certain audited financial statements and other historical financial information of Ramius that it deemed relevant;

publicly available consensus earnings per share estimates for Cowen for the years ending December 31, 2009 and December 31, 2010 and the long-term estimated growth rate as discussed with members of the senior management of Cowen;

internal earnings estimates for Ramius for the years ending December 31, 2009, December 31, 2010 and December 31, 2011 as provided to Sandler O'Neill by the management of Ramius;

the pro forma financial impact of the transactions on Cowen and on New Parent, based on assumptions relating to transaction expenses, purchase accounting adjustments and cost savings as determined by members of the senior management of Cowen;

the current market environment generally and the financial services environment in particular; and

other information, financial studies, analyses and investigations along with financial, economic and market criteria that Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with members of senior management of Cowen the business, financial condition, results of operations and prospects of Cowen and held similar discussions with members of senior management of Ramius regarding the business, financial condition, results of operations and prospects of Ramius.

In performing its reviews and analyses and in rendering its opinion, Sandler O'Neill assumed and relied upon the accuracy and completeness of all the financial information, analyses and other information that was publicly available or otherwise furnished to, reviewed by or discussed with it and further relied on the assurances of members of the senior management of Cowen and Ramius that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. Sandler O'Neill was not asked to and did not independently verify the accuracy or completeness of any of such information and it did not assume any responsibility or liability for the accuracy or completeness of the information. Sandler O'Neill did not make an independent evaluation or appraisal of the assets, the collateral securing assets or the liabilities, contingent or otherwise, of Cowen or Ramius or any of their respective subsidiaries, or the collectibility of any such assets, nor was it furnished with any such evaluations or appraisals.

Sandler O'Neill's opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of the opinion. Events occurring after the date the opinion was delivered to Cowen could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date hereof. Sandler O'Neill assumed, in all respects material to its analysis, that all of the representations and warranties contained in the transaction agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions to closing of the transactions in the transaction agreement are not waived. Sandler O'Neill also assumed, with Cowen's consent, that there had been no material change in Cowen's or Ramius's assets, financial condition, results of operations, business or prospects since the date of the last financial statements made available to them, that Cowen and Ramius will remain as going concerns for all periods relevant to its analyses, and that the Cowen merger will qualify as a tax-free reorganization for federal income tax purposes for Cowen stockholders. With Cowen's consent, Sandler O'Neill relied upon the advice

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Cowen received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Cowen merger and the other transactions contemplated by the transaction agreement.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. **To fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses considered, without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to Cowen and Ramius and no transaction is identical to the business combination of Cowen and Ramius. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or transaction values, as the case may be, of Cowen or Ramius and the companies to which they are being compared.

With respect to the publicly available earnings estimates and to the long-term growth rate for Cowen and to the internal earnings estimates for Ramius provided by senior management of Ramius and used by Sandler O'Neill in its analyses, members of Cowen's and Ramius's managements confirmed to Sandler O'Neill that they reflected the best currently available estimates and judgments of the respective managements of the respective future financial performances of Cowen and Ramius and Sandler O'Neill assumed that such performances would be achieved. With respect to the projections of transaction expenses, purchase accounting adjustments and cost savings relating to the transactions, the managements of the respective institutions confirmed to Sandler O'Neill that they reflected the best currently available estimates and judgments of such managements of the future financial performance of Cowen and Ramius, respectively, and Sandler O'Neill assumed for purposes of its analyses that such performances would be achieved. Sandler O'Neill expressed no opinion as to such financial projections or the assumptions on which they were based.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Cowen, Ramius and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the Cowen Board of Directors at its June 2, 2009 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Sandler O'Neill's opinion was approved by Sandler O'Neill's Fairness Opinion Committee. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill expresses no opinion herein as to what the value of New Parent's Class A common stock will be when issued pursuant to the transaction agreement or the prices at which Cowen's or New Parent's Class A common stock may trade at any time.

**Summary of Proposal.** Sandler O'Neill reviewed the financial terms of the transactions that had been previously agreed upon by Cowen and Ramius. Based upon year-end December 31, 2008 adjusted book values of Cowen and Ramius, Sandler O'Neill calculated an exchange ratio of 2.4776 (or 40,250,708 shares issued, which includes the shares issued to purchase from HVB the remaining 50%

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interest in Ramius's fund of funds business not currently owned by Ramius) and resultant pro-forma ownership of the post transactions company for Cowen and Ramius of 28.76% and 71.24%, respectively. Utilizing the fixed exchange ratio of 2.4776, Sandler O'Neill determined Ramius will receive 37,536,826 shares of New Parent in connection with Ramius transferring substantially all of its assets to New Parent and for New Parent assuming substantially all of the liabilities of Ramius (which we refer to as the asset exchange consideration). Additionally, New Parent will purchase from HVB the remaining 50% interest in Ramius's fund of funds business not currently owned by Ramius, and New Parent will deliver to HVB 2,713,882 shares of New Parent Class A common stock (which we refer to as the affiliate consideration and together with the asset exchange consideration, the transaction consideration). Each share of Cowen common stock issued and outstanding immediately prior to the closing of the transactions will be converted into the right to receive one fully paid and nonassessable share of New Parent Class A common stock.

The exchange ratio was calculated by Sandler O'Neill using the adjusted year-end book values for each of Cowen and Ramius. More specifically, the ratio was obtained by first dividing Cowen's 2008 adjusted year-end book value by the sum of Ramius's adjusted 2008 year-end book value plus Cowen's adjusted year-end book value, which determined the ownership of the pro forma company. The number of shares to be owned by the Cowen stockholders was calculated by adding the existing shares of Cowen common stock outstanding (including shares underlying restricted stock units), the shares to be issued to certain employees at closing and the shares to be issued pursuant to outstanding options using the treasury method. As the number of shares to be owned by the Cowen stockholders was to represent 28.76% of the aggregate shares outstanding, the number of shares to be issued to Ramius and to HVB was determined by subtracting (i) the number of shares to be held by Cowen stockholders from (ii) the quotient of the number of shares owned by the Cowen stockholders divided by .2876. The per share ratio was then determined by dividing the number of shares to be issued to Ramius and to HVB by the number of shares to be held by Cowen stockholders.

Sandler O'Neill performed a number of analyses when reviewing the fairness of the transaction to Cowen's stockholders. These analyses primarily focused on the relative value placed on Cowen's shares when determining the exchange ratio. As noted above, the value placed on Cowen's shares was determined based on the 2008 adjusted year-end book value of Cowen. As such, the analyses compare various metrics to the resulting book value per share of Cowen's common stock, which was, for purposes of the transaction, determined to be approximately \$8.66.

Based upon audited December 31, 2008 financial information for Cowen and Ramius, Sandler O'Neill calculated the following adjusted year-end book values:

<b>Adjusted Year Ended December 31, 2008 Book Values</b>			
	<b>Cowen</b>	<b>Ramius</b>	<b>HVB</b>
	<b>(dollars in thousands)</b>		
Book Value as of 12/31/08	\$ 142,115	\$ 330,892	
Add: Purchase of 50% interest in related business joint venture(1)		\$ 25,000	
Less: Distribution adjustment(2)		\$ (7,500)	
Less: Contractual payment adjustment(3)	\$ (1,500)		
<b>Adjusted 12/31/08 Book Value</b>	<b>\$ 140,615</b>	<b>\$ 348,392</b>	
Ownership of Pro Forma Company	28.76%	66.44%	4.80%
<b>Resultant Share Ownership</b>	<b>16,245,666(4)</b>	<b>37,536,826</b>	<b>2,713,882(5)</b>

(1)

Reflects the equity portion of the aggregate purchase price of \$34 million for the remaining 50% of the Ramius fund of funds business joint venture with HVB; the balance of the consideration is to be paid either in cash or with a \$10.4 million promissory note.

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- (2) Represents a distribution adjustment.
- (3) Represents a cash compensation adjustment under the employment agreement with Mr. Malcolm entered into in connection with the transactions.
- (4) Includes shares of Cowen restricted stock and restricted stock units, based on shares of Cowen common stock outstanding as of May 31, 2009; includes 1,100,000 shares of New Parent Class A common stock to be issued to certain employees of Cowen and 13,500 shares of Cowen common stock underlying stock options using the treasury method.
- (5) Reflects shares of New Parent Class A common stock to be issued to HVB.

Sandler O'Neill performed an analysis to illustrate the potential contribution of Cowen and Ramius to pre-tax income and equity capital of the pro forma company. Based on consensus Institutional Brokers Estimate System (or I/B/E/S) analyst estimates, Cowen would contribute on a stand-alone basis 0.00%, 15.93%, 12.93% and 9.91% to pre-tax income of the pro forma company for the years 2009, 2010, 2011 and 2012, respectively. Based on projections provided by Ramius management, Ramius would contribute on a stand-alone basis 100.00%, 84.12%, 87.07% and 90.09% to pre-tax income of the pro forma company for the years 2009, 2010, 2011 and 2012, respectively. The table below shows the contribution analysis performed by Sandler O'Neill:

<b>Contribution Analysis</b>				
(dollars in thousands)	<b>Ramius</b>	<b>Contribution</b>	<b>Cowen</b>	<b>Contribution</b>
<i>Pre-Tax Income(6)</i>				
2009	\$ 11,776	100.00%	\$ (29,092)	0.00%
2010	\$ 35,246	84.12%	\$ 6,655	15.93%
2011	\$ 47,729	87.07%	\$ 7,088	12.93%
2012	\$ 68,640	90.09%	\$ 7,548	9.91%
<i>Equity</i>				
Adjusted 12/31/08 Book Value(7)	\$ 348,392	71.24%	\$ 140,615	28.76%
<i>Estimated Share Split</i>				
Number of Shares	40,250,708(8)	71.24%	16,245,666(9)	28.76%

- (6) Cowen pre-tax income based on consensus I/B/E/S mean earnings per share (or EPS) estimates; Source: Bloomberg. Ramius pre-tax income is based on projections provided by its management.
- (7) Based on adjusted financial information for the year ended December 31, 2008.
- (8) Includes 2,713,882 shares of New Parent Class A common stock to be issued to HVB.
- (9) Includes shares of Cowen restricted stock and restricted stock units, based on shares of Cowen common stock outstanding as of May 31, 2009; includes 1,100,000 shares of New Parent Class A common stock to be issued to certain employees of Cowen and 13,500 shares of Cowen common stock underlying stock options using the treasury method; assumes a fixed exchange ratio based on adjusted financial information for the year ended December 31, 2008.

Sandler O'Neill compared current price per share to book value per share multiples of composite groups of broker-dealers, diversified asset managers and alternative asset managers (see Part A of "Cowen Net Present Value Analysis" beginning on page 78 for a list of broker-dealers and Part A of "Ramius Net Present Value Analysis" beginning on page 80 for lists of asset managers). Sandler O'Neill observed that both diversified and alternative asset managers historically trade at higher book value multiples than broker-dealers. As of May 29, 2009, the mean price per share to book value multiple of diversified asset managers and alternative asset managers were 147.5% and 140.2%,





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respectively. In comparison, the mean price per share to book value multiple of broker-dealers was 114.3%. As of May 29, 2009, Cowen's common stock was trading at 54.6% of book value. These observations imply that the resultant company of the combination of Cowen and Ramius, a broker-dealer and asset manager respectively, would likely trade at a higher book value multiple than Cowen would trade as a stand-alone company. Given the mix of the two businesses, Sandler O'Neill believes the combination of Cowen and Ramius represents a premium to the current Cowen common stock price.

Sandler O'Neill performed an analysis to illustrate the potential premium to the current Cowen common stock price by applying price-to-book value multiples to the pro forma company's price per share ranging from 60% to 150%, as selected by Sandler O'Neill based on a range starting from a 0.0% premium to the current Cowen common stock price. As demonstrated in the table below, should the pro forma company's shares trade in the public market at 60% of book value, it would reflect a 0.0% premium to Cowen's common stock price as of May 29, 2009. Results of Sandler O'Neill's analysis, shown in the table below, determined the implied premium if Cowen's common stock were to trade at various levels.

**Premium to Cowen Price Per Share Based on Price / Book Value Multiple**

	60%	75%	100%	125%	150%
<b>Price Per Share</b>	\$ 5.20	\$ 6.52	\$ 8.70	\$ 10.87	\$ 13.05
<b>Market Capitalization (in millions)(10)</b>	\$ 293.8	\$ 368.6	\$ 491.5	\$ 614.4	\$ 737.3
<b>Premium to Current Cowen Stock Price(11)</b>	0.0%	25.5%	67.3%	109.1%	151.0%

(10) Reflects 56,500,000 pro forma Class A common shares outstanding of New Parent.

(11) As of May 29, 2009.

1. **Cowen Net Present Value Analysis.** Sandler O'Neill performed an analysis that estimated the present value per share of future cash flow streams to Cowen's stockholders if the transactions were not undertaken. As part of its analysis, Sandler O'Neill performed the following analyses:

**A. Comparable Company Analysis.** Sandler O'Neill used publicly available information to compare selected financial and market trading information of a group of broker-dealers selected by Sandler O'Neill as being comparable to Cowen with respect to valuations and operating statistics. The group, or Peer Group, consisted of the following publicly traded broker-dealers:

Duff & Phelps Corp.	Piper Jaffray Companies
FBR Capital Markets Corp.	Sanders Morris Harris Group, Inc.
JMP Group, Inc.	Thomas Weisel Partners Group, Inc.
KBW, Inc.	

The analysis compared publicly available historical, current market and estimated financial information and the median data for the Peer Group as of and for the 12-month period ended March 31, 2009. The

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table below sets forth the comparative data as of and for the 12-month period ended March 31, 2009, with pricing data as of May 29, 2009.

	<b>Cowen</b>	<b>Peer Group</b>
Market Capitalization (in millions)	\$ 79	\$ 217
Price/52-Week High	49.5%	65.3%
Price/Estimated 2010 EPS(12)	20.8x	15.3x
Price/Book Value	56.4%	103.7%
Price/Tangible Book Value	57.6%	113.3%
Long-Term Growth	6.5%	14.2%
Dividend Yield	0.00%	0.00%

(12)

Based on consensus I/B/E/S median EPS estimates; Source: Bloomberg.

Sandler O'Neill noted that as of May 29, 2009, Cowen's stock price to 52-week high was 49.5%, compared to its peer median of 65.3%, which illustrated Cowen's common stock was valued relatively lower over the course of the past 52-weeks than the median trading level of Cowen's peer group. Sandler O'Neill also noted Cowen's price to book value was 56.4% as of May 29, 2009, compared to its peer median of 103.7%. These two measures illustrated the fact that shares of Cowen common stock were trading at a significant discount to the shares of its peer group as well as to its book value. In the proposed transaction, stockholders were to receive full credit for the book value of Cowen common stock.

**B. Discounted Cash Flow Analysis and Terminal Value Analysis.** Sandler O'Neill performed an analysis that estimated the present value per share of future cash flow streams to Cowen's stockholders. The discounted cash flow analysis applied discount rates ranging from 14% to 19%, selected by Sandler O'Neill based on the assumed discount rate of 17.54% (see footnote 13). For the periods after 2010, Sandler O'Neill assumed an annual earnings growth rate of 6.5%, based on the median estimated long-term growth rate published by equity research analysts who publish research on Cowen. To approximate the terminal value of Cowen common stock at December 31, 2012, Sandler O'Neill applied forward earnings multiples ranging from 11.50x to 19.50x. This range was selected by Sandler O'Neill as it represented a 25% deviation in either direction from the midpoint of the previously described comparable group's median forward earnings multiple. Sandler O'Neill also applied book value multiples ranging from 80.0% to 130.0%. This range was selected by Sandler O'Neill as it represented a 25% deviation in either direction from the midpoint of the previously described comparable group's median book value multiple. As illustrated in the following tables for discount rates between 14% and 19%, this analysis indicated an imputed range of values per share of Cowen's common stock of \$2.07 to \$4.07 when applying an 11.50x to 19.50x earnings multiple and \$4.22 to \$7.96 when applying an 80.0% to 130.0% book value multiple.

#### Cowen Price Per Share Based on Price / Estimated Forward EPS Multiple(14)

Discount Rate	11.50x	13.50x	15.50x	17.50x	19.50x
<b>14.0%</b>	\$ 2.40	\$ 2.82	\$ 3.24	\$ 3.65	\$ 4.07
<b>15.0%</b>	\$ 2.33	\$ 2.73	\$ 3.14	\$ 3.54	\$ 3.95
<b>16.0%</b>	\$ 2.26	\$ 2.65	\$ 3.05	\$ 3.44	\$ 3.83
<b>17.0%</b>	\$ 2.19	\$ 2.57	\$ 2.96	\$ 3.34	\$ 3.72
<b>18.0%</b>	\$ 2.13	\$ 2.50	\$ 2.87	\$ 3.24	\$ 3.61
<b>19.0%</b>	\$ 2.07	\$ 2.43	\$ 2.79	\$ 3.15	\$ 3.50

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<b>Discount Rate</b>	<b>80.0%</b>	<b>92.5%</b>	<b>105.0%</b>	<b>117.5%</b>	<b>130.0%</b>
<b>14.0%</b>	\$4.90	\$5.67	\$6.43	\$7.20	\$7.96
<b>15.0%</b>	\$4.75	\$5.50	\$6.24	\$6.98	\$7.72
<b>16.0%</b>	\$4.61	\$5.33	\$6.05	\$6.77	\$7.49
<b>17.0%</b>	\$4.47	\$5.17	\$5.87	\$6.57	\$7.27
<b>18.0%</b>	\$4.34	\$5.02	\$5.70	\$6.38	\$7.06
<b>19.0%</b>	\$4.22	\$4.88	\$5.53	\$6.19	\$6.85

In connection with its analyses, Sandler O'Neill considered and discussed with the Cowen Board of Directors how the present value analyses of Cowen would be affected by changes in the underlying assumptions, including variations with respect to net income. Sandler O'Neill performed an analysis that estimated the present value per share of future cash flow streams to Cowen's stockholders under various circumstances and economic conditions that would affect the terminal earnings for the year ending December 31, 2012. Sandler O'Neill applied forward earnings multiples ranging from 11.50x to 19.50x (representing a 25% deviation in either direction from the midpoint of the previously described comparable group's median forward earnings multiple) to terminal earnings of \$3.7 million to \$25.0 million. Sandler O'Neill selected the terminal earnings range of \$3.7 million to \$25 million. This range was selected based on publicly available I/B/E/S estimates for 2009 and 2010 for Cowen and an I/B/E/S estimated long term growth rate of 6.5% for the years thereafter and this resulted in terminal year earnings of \$3.7 million. For illustrative purposes, Sandler O'Neill then applied higher terminal earnings at \$5 million and in \$5 million increments up to \$25 million. As illustrated in the following table, this analysis indicated an imputed range of values per share of Cowen's common stock of \$1.59 to \$18.35.

**Cowen Price Per Share Based on Price / Estimated Forward EPS Multiple(13,14)**

<b>Terminal Earnings (\$MM)</b>	<b>11.50x</b>	<b>13.50x</b>	<b>15.50x</b>	<b>17.50x</b>	<b>19.50x</b>
<b>\$3.7</b>	\$ 1.59	\$ 1.86	\$ 2.14	\$ 2.42	\$ 2.69
<b>\$5.0</b>	\$ 2.16	\$ 2.54	\$ 2.92	\$ 3.29	\$ 3.67
<b>\$10.0</b>	\$ 4.33	\$ 5.08	\$ 5.83	\$ 6.59	\$ 7.34
<b>\$15.0</b>	\$ 6.49	\$ 7.62	\$ 8.75	\$ 9.88	\$11.01
<b>\$20.0</b>	\$ 8.66	\$10.16	\$11.67	\$13.17	\$14.68
<b>\$25.0</b>	\$10.82	\$12.70	\$14.58	\$16.47	\$18.35

(13)

The discounted cash flow analysis assumed a discount rate of 17.54%, calculated as the *Risk Free Rate* (10-Year Treasury Yield as of 5/29/09 of 3.46%, Source: Bloomberg) plus *Ibbotson Industry Premium* (Security and Commodity Brokers, Dealers, Exchanges and Services Industry Premium of 4.04%) plus *Ibbotson Size Premium* (size premium for market capitalization between \$1.6 million and \$453.3 million of 3.74%) plus *Ibbotson 60-Year Equity Risk Premium* (6.30%).

(14)

Forward price/estimated EPS multiples and price/book value multiples represent 25% range around comparable median multiples as the midpoint.

Sandler O'Neill noted that the discounted cash flow and terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

**2. Ramius Net Present Value Analysis.** Sandler O'Neill performed an analysis that estimated the present value of future cash flow streams to Ramius's investors.

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**A. Comparable Company Analysis.** Sandler O'Neill used publicly available information to compare selected financial and market trading information of a group of asset managers selected by Sandler O'Neill as comparable to Ramius with respect to valuations and operating statistics. In Sandler O'Neill's opinion, due to the different types of products and services offered by Ramius (hedge fund, fund of funds, real estate and cash management), there are no pure comparable companies. As a result, Sandler O'Neill selected both diversified asset managers (who primarily use more traditional, liquid investment strategies) and alternative asset managers (who primarily use more illiquid, non-traditional investments). The market price of both sets of companies is largely driven by assets under management and investment performance of those assets, each of which directly impacts revenues. The performance of Ramius is also driven largely by assets under management and investment performance of those assets. The group, or Peer Group, consisted of the following publicly traded asset managers:

<b>Diversified</b>	<b>Alternative</b>
Affiliated Managers Group, Inc.	Blackstone Group, L.P.
AllianceBernstein Holding, L.P.	Brookfield Asset Management, Inc.
Blackrock, Inc.	Fortress Investment Group, LLC
Eaton Vance Corp.	Och-Ziff Capital Management Group, LLC
Franklin Resources, Inc.	
Invesco Ltd.	
Legg Mason, Inc.	

The analysis compared publicly available historical, current market, and estimated financial information and the mean data for the Peer Group as of and for the 12-month period ended March 31, 2009. The table below sets forth the comparative data as of and for the 12-month period ended March 31, 2009, with pricing data as of May 29, 2009.

	<b>Diversified</b>	<b>Alternative</b>	<b>Total Peer Group</b>
Market Capitalization (in millions)	\$ 7,567	\$ 6,914	\$ 7,330
Price/52-Week High	48.9%	45.1%	47.5%
Price/Estimated 2010 EPS(15)	16.8x	17.2x	16.9x
Price/Book Value	17.6%	13.4%	16.1%
Price/Tangible Book Value	147.5%	140.2%	145.7%
Long-Term Growth	10.0%	12.8%	11.0%
Dividend Yield	3.7%	5.9%	4.5%

(15)

Based on consensus I/B/E/S median EPS estimates; Source: Bloomberg.

**B. Discounted Cash Flow Analysis and Terminal Value Analysis.** Sandler O'Neill performed an analysis that estimated the present value per share of future cash flow streams to Ramius's investors. The discounted cash flow analysis applied discount rates ranging from 13% to 18%, based on the assumed discount rate of 15.75% (see footnote 16). To approximate the aggregate terminal value of Ramius at December 31, 2012, Sandler O'Neill applied forward earnings multiples ranging from 12.00x to 20.00x, which represents a 25% range around the comparable group median forward earnings multiple as the midpoint. Sandler O'Neill also applied book value multiples ranging from 110.0% to 180.0%, which represents a 25% range around the comparable group mean book value multiple as the midpoint. As illustrated in the following tables for discount rates between 13% and 18%, this analysis indicated an imputed range of values Ramius equity of \$317.9 million to \$616.6 million when applying an 12.00x to 20.00x earnings multiple and \$265.1 million to \$504.9 million when applying a 110.0% to 180.0% book value multiple.

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<b>Discount Rate</b>	<b>12.00x</b>	<b>14.00x</b>	<b>16.00x</b>	<b>18.00x</b>	<b>20.00x</b>
<b>13.0%</b>	\$369.9	\$431.6	\$493.2	\$554.9	\$616.6
<b>14.0%</b>	\$358.7	\$418.5	\$478.3	\$538.1	\$597.8
<b>15.0%</b>	\$347.9	\$405.9	\$463.9	\$521.9	\$579.8
<b>16.0%</b>	\$337.5	\$393.8	\$450.0	\$506.3	\$562.5
<b>17.0%</b>	\$327.5	\$382.1	\$436.7	\$491.3	\$545.9
<b>18.0%</b>	\$317.9	\$370.9	\$423.9	\$476.9	\$529.9

**Ramius Aggregate Value (in millions) Based on Price / Book Value Multiple(17)**

<b>Discount Rate</b>	<b>110.0%</b>	<b>120.0%</b>	<b>145.0%</b>	<b>160.0%</b>	<b>180.0%</b>
<b>13.0%</b>	\$308.5	\$364.6	\$406.7	\$448.8	\$504.9
<b>14.0%</b>	\$299.2	\$353.6	\$364.4	\$435.1	\$489.5
<b>15.0%</b>	\$290.2	\$342.9	\$382.5	\$422.0	\$474.8
<b>16.0%</b>	\$281.5	\$332.7	\$371.1	\$409.5	\$460.6
<b>17.0%</b>	\$273.2	\$322.8	\$360.1	\$397.3	\$447.0
<b>18.0%</b>	\$265.1	\$313.4	\$349.5	\$385.7	\$433.9

In connection with its analyses, Sandler O'Neill considered and discussed with the Cowen Board of Directors how the present value analyses of Ramius would be affected by changes in the underlying assumptions, including variations with respect to net income. Sandler O'Neill performed an analysis that estimated the present value per share of future cash flow streams to Ramius's investors under various circumstances that would affect the earnings streams for the years ending December 31, 2009 through 2012. Sandler O'Neill applied forward earnings multiples ranging from 12.00x to 20.00x and book value multiples from 110.0% to 180.0% to percentage over- or underperformance of budget, ranging from -40.0% to 40.0%. As illustrated in the following tables, these analyses indicated imputed ranges of Ramius's aggregate value of \$204.0 million to \$793.5 million when applying forward earnings multiples and \$257.8 million to \$506.4 million.

**Ramius Aggregate Value (in millions) Based on Price / Estimated Forward EPS Multiple(16,17)**

<b>% Up (Down) From Budget</b>	<b>12.00x</b>	<b>14.00x</b>	<b>16.00x</b>	<b>18.00x</b>	<b>20.00x</b>
<b>40.0%</b>	\$476.1	\$555.4	\$634.8	\$714.1	\$793.5
<b>30.0%</b>	\$442.1	\$515.8	\$589.4	\$663.1	\$736.8
<b>20.0%</b>	\$408.1	\$476.1	\$544.1	\$612.1	\$680.1
<b>10.0%</b>	\$374.1	\$436.4	\$489.8	\$561.1	\$623.5
<b>0.0%</b>	\$340.1	\$396.7	\$453.4	\$510.1	\$566.8
<b>(10.0%)</b>	\$306.1	\$357.1	\$408.1	\$459.1	\$510.1
<b>(20.0%)</b>	\$272.1	\$317.4	\$362.7	\$408.1	\$453.4
<b>(30.0%)</b>	\$238.0	\$277.7	\$317.4	\$357.1	\$396.7
<b>(40.0%)</b>	\$204.0	\$238.0	\$272.1	\$306.1	\$340.1

Table of Contents**Ramius Aggregate Value (in millions) Based on Price / Book Value Multiple(16,17)**

<b>% Up (Down)</b>					
<b>From Budget</b>	<b>110.0%</b>	<b>130.0%</b>	<b>145.0%</b>	<b>160.0%</b>	<b>180.0%</b>
<b>40.0%</b>	\$ 309.5	\$ 365.7	\$ 408.0	\$ 450.2	\$ 506.4
<b>30.0%</b>	\$ 303.0	\$ 358.1	\$ 399.4	\$ 440.8	\$ 495.8
<b>20.0%</b>	\$ 296.6	\$ 350.5	\$ 390.9	\$ 431.3	\$ 485.3
<b>10.0%</b>	\$ 290.1	\$ 342.8	\$ 382.4	\$ 421.9	\$ 474.7
<b>0.0%</b>	\$ 283.6	\$ 335.2	\$ 373.9	\$ 412.5	\$ 464.1
<b>(10.0%)</b>	\$ 277.2	\$ 327.5	\$ 365.3	\$ 403.1	\$ 453.5
<b>(20.0%)</b>	\$ 270.7	\$ 319.9	\$ 356.8	\$ 393.7	\$ 443.0
<b>(30.0%)</b>	\$ 264.2	\$ 312.3	\$ 348.3	\$ 384.3	\$ 432.4
<b>(40.0%)</b>	\$ 257.8	\$ 304.6	\$ 339.8	\$ 374.9	\$ 421.8

(16)

The discounted cash flow analysis assumed a discount rate of 15.75%, calculated as the *Risk Free Rate* (10-Year Treasury Yield as of 5/29/09 of 3.46%, Source: Bloomberg) plus *Ibbotson Industry Premium* (Investment Advice Industry Premium of 4.25%) plus *Ibbotson Size Premium* (size premium for market capitalization between \$453.4 million and \$1.849 billion of 1.74%) plus *Ibbotson 60-Year Equity Risk Premium* (6.30%).

(17)

Forward price/estimated EPS multiples and price/book value multiples represent 25% range around comparable median multiples as the midpoint.

Sandler O'Neill noted that the discounted cash flow and terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results. In performing its analyses Sandler O'Neill made certain assumptions which included certain industry trends including little or no increase in transaction volumes and asset growth, higher rates of fund withdrawals and write downs of illiquid assets, increased head count and other exposure reductions.

**3. Pro Forma Transaction Analysis.** Sandler O'Neill analyzed certain potential pro forma effects of the transactions, using the following assumptions:

the transactions close on September 30, 2009;

100% of the assets and liabilities of Ramius are exchanged for New Parent Class A common stock at an exchange ratio of 2.4776x or 40,250,708 shares issued, which includes the shares issued to purchase from HVB the remaining 50% interest in Ramius's fund of funds business not currently owned by Ramius;

earnings projections for Cowen and Ramius are consistent with estimated projections as discussed with management of both companies for 2009 and 2010; and

purchase accounting adjustments, charges and transaction costs associated with the transactions and cost savings are as determined by members of the senior management of Cowen.

The analysis indicated that for the year ending December 31, 2009, the pro forma company's estimated earnings per share would be -\$0.34 (which includes 2009 fourth quarter earnings of Ramius estimated as 25% of projected full year earnings for 2009; shares of Cowen restricted stock and restricted stock units, based on shares of Cowen common stock outstanding as of May 31, 2009; 1,100,000 shares of New Parent Class A common stock to be issued to certain employees of Cowen; and 13,500 shares of Cowen common stock underlying stock options using the treasury method), compared with Cowen's estimated stand-alone 2009 earnings per share of -\$1.20 (which assumes I/B/E/S EPS estimates are fully diluted to reflect all shares of restricted stock having vested into shares of Cowen common stock). The analysis also indicated that for

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the year ending December 31, 2010, the transactions would be approximately 89.06% accretive to Cowen's estimated earnings per share, based on the pro forma



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company's estimated earnings per share of \$0.52 (which includes shares of Cowen restricted stock and restricted stock units, based on shares of Cowen common stock outstanding as of May 31, 2009; 1,100,000 shares of New Parent Class A common stock to be issued to certain employees of Cowen; and 13,500 shares of Cowen common stock underlying stock options using the treasury method), compared with Cowen's estimated stand-alone 2010 earnings per share of \$0.27 (which assumes I/B/E/S EPS estimates are fully diluted to reflect all shares of restricted stock having vested into shares of Cowen common stock).

In connection with its analyses, Sandler O'Neill considered and discussed with the Cowen Board of Directors how the pro forma analyses would be affected by changes in the underlying assumptions, including variations with respect to the growth rate of earnings per share of each of Cowen and Ramius. Sandler O'Neill noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

Cowen has agreed to pay Sandler O'Neill a transaction fee in connection with the transactions of \$1.75 million (less the opinion fee described below), which is payable in cash and is contingent on the consummation of the transactions between Cowen and Ramius. Cowen also agreed to pay Sandler O'Neill a fee of \$500,000 for delivering to Cowen an opinion, which was paid in cash at the time the opinion was rendered. Cowen has also agreed to reimburse Sandler O'Neill's reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Sandler O'Neill and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against specified expenses and liabilities, including liabilities under the securities laws.

Sandler O'Neill has in the past provided other investment banking services to Cowen and received compensation for such services. In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to Cowen or its respective affiliates and may actively trade the debt and/or equity securities of Cowen and its respective affiliates for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

**Ramius's Reasons for the Transactions**

Ramius's managing member consulted with Ramius's legal and financial advisors and determined that the transactions are in the best interests of Ramius and its members. In reaching its conclusion to approve the transaction agreement, Ramius's managing member considered the following:

its view that Cowen is an established investment bank with a long history and strong culture and the transactions provide Ramius with an opportunity to build a financial services firm with asset management, investment banking, research and brokerage capabilities;

the fact that the transactions would provide the combined company with an expanded and permanent capital base;

the fact that the combined company is expected to have more diverse revenue streams;

its view that, as part of a public company, the combined company will be better able to attract and retain talent; and

the fact that following the completion of the transactions members of Ramius should have improved liquidity as a result of the combined company being a public company.

In the course of its deliberations, Ramius's managing member also considered a variety of risks and other potentially negative factors concerning the transaction, including the following:

the fact that, as a public company, there would be increased expenses incurred to comply with its disclosure obligations;



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the possibility that the synergies and other financial and strategic benefits expected to be achieved in the transactions may not be obtained on a timely basis or at all;

the risks and costs that could be borne by Ramius if the transactions are not completed, including the diversion of management and employee attention during the period after the signing of the transaction agreement, potential employee attrition and the potential effect on Ramius's business and client relations; and

the significant costs involved in connection with entering into the transaction agreement and asset exchange agreement and completing the transactions.

**Public Trading Markets**

Cowen common stock trades on the NASDAQ Global Select Market under the symbol "COWN." When the transactions are completed, Cowen common stock will automatically be exchanged for New Parent Class A common stock, which is expected to continue to trade on the NASDAQ Global Select Market under the symbol "COWN."

**Dividend Policy**

Cowen has not historically paid dividends on its common stock. No decision has been made at this time with respect to the dividend policy of New Parent following the completion of the transactions. Future dividends by New Parent, if any, will depend on New Parent's earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by its board of directors.

**Cowen Stockholders Do Not Have Dissenters' Appraisal Rights in the Transactions**

Appraisal rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a significant business combination, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the Delaware General Corporation Law.

Section 262 of the Delaware General Corporation Law provides that stockholders have the right, in some circumstances, to dissent from corporate action and to instead demand payment of the fair value of their shares. Stockholders do not have appraisal rights with respect to shares of any class or series of stock if such shares of stock, or depositary receipts in respect thereof, are either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders, unless the stockholders receive in exchange for their shares anything other than shares of stock of the surviving or resulting corporation (or depositary receipts in respect thereof) or of any other corporation that is publicly listed or held by more than 2,000 holders of record, cash in lieu of fractional shares or fractional depositary receipts described above or any combination of the foregoing.

Therefore, because Cowen common stock is listed on the NASDAQ Global Select Market and holders of Cowen's common stock will receive shares of Class A common stock of New Parent as the resulting company, holders of Cowen common stock will not be entitled to dissenters' appraisal rights in the transactions with respect to their shares of Cowen common stock.

**Delisting and Deregistration of Cowen Common Stock after the Transactions**

When the transactions are completed, it is anticipated that the Class A common stock of New Parent will trade on NASDAQ Global Select Market under the ticker symbol "COWN." Cowen common stock currently listed on the NASDAQ Global Select Market and traded under the ticker symbol "COWN" will therefore cease to be quoted on the NASDAQ Global Select Market after the

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closing of the transactions and will be deregistered under the Securities Exchange Act of 1934, as amended.

**Regulatory Approvals Required for the Transactions**

Cowen and Ramius have each agreed to use reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the transaction agreement. These approvals include approval from or notices to the SEC, FINRA, the Financial Services Administration in the United Kingdom, the Securities and Futures Commission of Hong Kong, the Financial Services Agency of Japan, the Commission of the Surveillance of the Financial Sector in Luxembourg, the NASDAQ, the Commodities Future Trading Commission, the Department of Justice (or the DOJ), the Federal Trade Commission (or the FTC) and various other federal, state and foreign regulatory authorities and self-regulatory organizations. Cowen and Ramius have completed, or will shortly complete, the filing of applications and notifications to obtain the required regulatory approvals.

***U.S. Antitrust Clearance.*** Under the HSR Act and the rules promulgated thereunder by the FTC, the transactions may not be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the DOJ and specified waiting period requirements have been satisfied. Cowen and Ramius filed the requisite HSR Act notification forms on July 8, 2009 and on July 28, 2009, the HSR Act waiting period, which was scheduled to expire at 11:59 p.m. on August 7, 2009, was terminated early. Both before and after the expiration of the waiting period, the FTC and the DOJ retain the authority to challenge the transactions on antitrust grounds.

In addition, the transactions may be reviewed by the state attorneys general in the various states in which Cowen and Ramius operate. While Cowen and Ramius believes there are substantial arguments to the contrary, these authorities may claim that there is authority, under the applicable state and federal antitrust laws and regulations, to investigate and/or disapprove the transactions under the circumstances and based on the review set forth in applicable state laws and regulations. There can be no assurance that one or more state attorneys general will not attempt to file an antitrust action to challenge the transactions. As of the date of this document, neither Cowen nor Ramius has been notified by any state attorneys general indicating that they plan to review the transactions.

***Other Requisite U.S. Approvals, Notices and Consents.*** Notifications and/or applications requesting approval must be submitted to various regulatory and self-regulatory organizations in connection with the transactions, including applications and notices to FINRA in connection with the indirect change in control, as a result of the transactions, of particular subsidiaries directly or indirectly owned by Cowen and Ramius, including their registered broker-dealer subsidiaries. Cowen and Ramius will file and submit applications and notices required to be submitted to obtain these approvals and provide these notices.

***Foreign Approvals.*** Approvals also may be required from, or notices must be submitted to, foreign regulatory authorities in connection with the transactions and the change in ownership of particular businesses that are controlled by Cowen and Ramius abroad, including the Financial Services Authority in the United Kingdom, the Securities and Futures Commission of Hong Kong, the Financial Services Agency of Japan and the Commission of the Surveillance of the Financial Sector in Luxembourg. Cowen and Ramius have filed, or shortly will file, all applications and notices required to be submitted to obtain these approvals and any other approvals that may be required to complete the transactions.

***Timing.*** There can be no assurances that all of the regulatory approvals described above will be obtained and, if obtained, there can be no assurances as to the timing of any approvals, Cowen's and Ramius's ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals.

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Cowen and Ramius believe that the transactions do not raise substantial antitrust or other significant regulatory concerns and that Cowen and Ramius can obtain all requisite regulatory approvals on a timely basis without the imposition of any condition that would have a material adverse effect on Cowen or Ramius. The parties' obligation to complete the transactions is conditioned on the receipt of all required regulatory approvals.

It is presently contemplated that if any governmental approvals or actions are required beyond those listed above, such approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained. The parties are required to use their reasonable best efforts to file all the necessary documentation and obtain all consents of third parties that are necessary to complete the transactions and to comply with the terms and conditions of all consents, approvals and authorizations of any third party or governmental entity.

**Interests of Certain Persons in the Transactions**

In considering the recommendation of the Cowen Board of Directors that you vote to approve and adopt the transaction agreement and approve the issuance of New Parent Class A common stock to Ramius, you should be aware that some of Cowen's executive officers and directors have financial interests in the transactions that are different from, or in addition to, those of Cowen's stockholders generally. The independent members of Cowen's Board of Directors were aware of and considered these interests, among other matters, in evaluating and negotiating the transaction agreement and the transactions, and in recommending to the stockholders that the transaction agreement be approved and adopted. For purposes of all of the Cowen agreements and plans described below (other than employment agreements with Messrs. Malcolm and White), the completion of the transactions contemplated by the transaction agreement will constitute a change in control.

**Equity Compensation Awards.** The terms of Cowen's equity compensation plans and the applicable award agreements provide that upon a change in control of Cowen unvested stock options and restricted shares will vest in full. The transaction agreement provides that, upon completion of the transaction, each then-outstanding Cowen stock option and restricted stock unit will be converted into a New Parent stock option and restricted stock unit, respectively. In addition, other than with respect to Messrs. Malcolm and White, who have waived accelerated vesting of stock-based awards upon completion of the transaction in connection with their entry into new employment agreements with Cowen and New Parent, upon completion of the transaction, each then-outstanding Cowen restricted share will be converted into the right to receive one (1) share of New Parent Class A common stock. Messrs. Malcolm's and White's restricted shares will be converted into New Parent restricted shares. Based on Cowen equity compensation holdings as of July 8, 2009, and assuming the transactions are completed on November 1, 2009, upon completion of the transactions:

the number of unvested stock options to acquire shares of Cowen common stock all at an exercise price of \$16.00 held by each of Messrs. Malcolm, White, McCarthy, Conner, Egert and Dibble, that would vest are 0, 0, 0, 6,440, 2,572, and 1,286, respectively, and the number that would not vest upon completion of the transaction, but would vest upon a subsequent qualifying termination of employment, held by each of Messrs. Malcolm, White, McCarthy, Conner, Egert and Dibble are 51,695, 9,638, 0, 0, 0, and 0, respectively; and

the number of unvested restricted shares of Cowen common stock held by each of Messrs. Malcolm, White, McCarthy, Conner, Egert and Dibble that would vest upon completion of the transaction are 0, 0, 18,992, 15,587, 7,772, and 3,046, respectively, and the number that would not vest upon completion of the transaction, but would vest upon a subsequent qualifying termination of employment, held by each of Messrs. Malcolm, White, McCarthy, Conner, Egert and Dibble are 150,498, 35,330, 0, 0, 0 and 0, respectively.

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Cowen's five non-employee directors (as a group) hold 14,177 restricted stock units, all of which were vested on the date of grant and do not hold any stock options or restricted shares.

The above numbers do not include any awards of restricted stock to be granted to Messrs. Malcolm or White after completion of the transactions pursuant to their new employment agreements with Cowen and New Parent as described below, the 30,000 restricted shares of New Parent Class A common stock that are to be granted to Mr. Connor, subject to the completion of the transaction, or equity-based awards that may be granted at this special meeting to Cowen's non-employee directors consistent with Cowen's policies for director compensation.

**Deferred Cash Awards.** In 2008, Cowen granted deferred cash awards to all of its executive officers under Cowen's equity compensation plans. The terms of Cowen's equity compensation plans and the deferred cash award agreements provide that upon a change in control of Cowen unvested deferred cash awards will vest in full, but will continue to be paid in accordance with their normal payment schedule. Based on the deferred cash awards granted to them as of July 8, 2009, and assuming the transactions are completed on November 1, 2009, upon completion of the transactions, the value of the deferred cash awards in which each of Messrs. Malcolm, White, McCarthy, Conner, Egert and Dibble will vest upon completion of the transaction are \$37,500, \$37,500, \$37,500, \$37,500, \$27,000, and \$7,500, respectively.

***Employment Agreements and Severance Policy.***

**New Employment Agreements with Messrs. Malcolm and White.** In connection with their entry into the transaction agreement, Cowen and New Parent entered into employment agreements with Messrs. Malcolm and White which will become effective when the transactions are completed and, in the case of Mr. Malcolm, will supersede his existing employment agreement with Cowen. Mr. White did not have a preexisting agreement with Cowen.

The employment agreements provide, among other things, with respect to Mr. Malcolm, that he will be employed as the Chief Executive Officer and President of New Parent's Broker-Dealer Subsidiary, will serve as a member of New Parent's Board of Directors and as a member of New Parent's Executive Management Committee and Operating Committee, and with respect to Mr. White, that he will be employed as a Managing Director and Chief Financial Officer of New Parent and will serve as a member of New Parent's Operating Committee. Messrs. Malcolm and White will be entitled to annual base salaries of \$450,000 and \$400,000, respectively, and will be eligible to receive an annual performance-based bonus as determined, with respect to Mr. Malcolm, by the Compensation Committee of the Board of Directors and, with respect to Mr. White, by Mr. Malcolm and the Chief Executive Officer of New Parent. Mr. Malcolm is entitled to a guaranteed minimum bonus of \$200,000 for each completed calendar year ending during the term of employment.

Under the terms of these new employment agreements, Messrs. Malcolm and White waived their rights to accelerated vesting of their Cowen equity compensation awards on completion of the transactions and Messrs. Malcolm and White also agreed not to sell any shares held by them as of the completion of the transactions or received in respect of equity awards granted prior to the completion of the transactions until the one-year anniversary of the transactions, with exceptions for qualifying terminations of their employment, a change in control of New Parent and the payment of taxes. Mr. Malcolm also waived his rights to severance under his existing agreement, which would have entitled him to a \$5 million change in control severance payment and a lump sum payment of \$2.25 million in respect of senior advisor fees in connection with a qualifying termination of his employment following completion of the transactions.

Under the terms of his new employment agreement, Mr. Malcolm will receive, in lieu of any change in control related payments under his existing employment agreement with Cowen, a cash payment of \$1.5 million and a restricted equity grant of 288,832 shares of New Parent Class A common

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stock when the transactions are completed. The restricted equity grant will vest in two equal installments on each of the second and third anniversaries of the completion of the transactions, subject to earlier vesting if Mr. Malcolm is terminated under specified circumstances or if there is a change in control of New Parent. When the transactions are completed, New Parent will grant Mr. White 115,533 restricted shares of New Parent Class A common stock with the same vesting and other terms as those described above for Mr. Malcolm.

If Mr. Malcolm's or Mr. White's employment is terminated by New Parent without "cause" or by the executive with "good reason," the executive will be entitled to the following:

specified accrued obligations;

vesting of his New Parent equity compensation awards and exercisability of any stock options for the remainder of their terms; and

with respect to Mr. Malcolm, a cash payment equal to the sum of \$2.25 million, his prior year's base salary and the cash portion of his prior year's bonus, as well as vesting of his interest in Cowen Healthcare Royalty Partners consistent with his existing agreement with Cowen.

Mr. Malcolm's cash severance payments are subject to his signing and not revoking a separation and release agreement.

Mr. Malcolm's employment agreement retains the senior advisor provisions from his existing employment agreement with Cowen, except that he may not retire prior to the date in the first quarter of 2012 on which 2011 annual bonuses are paid. Accordingly, if Mr. Malcolm terminates his full-time employment due to his retirement, he would serve as a senior advisor to New Parent for a three-year term, at an annual base salary of \$750,000, and New Parent would provide him, his spouse and his dependents with health and medical benefits during this three-year term (to the extent permitted by the terms of the applicable plans). Provided that Mr. Malcolm complies with the covenant not to compete to which he will be subject while a senior advisor, any unvested New Parent equity awards held by Mr. Malcolm will continue to vest in accordance with their terms. In addition, in the event of a change in control of New Parent while Mr. Malcolm is a senior advisor, he would generally be entitled to receive a lump-sum cash payment equal to the unpaid balance of his base salary for the remainder of the three-year term.

Messrs. Malcolm and White have agreed to abide by an ongoing confidentiality obligation to not solicit customers and employees while they are employed by New Parent and for one year after their employment with New Parent ends, and to not compete during the term of their employment with New Parent. In addition, if Mr. Malcolm becomes a senior advisor as described above, he would be subject to a similar agreement not to solicit while employed as a senior advisor and for two years after he is no longer employed as a senior advisor and a similar agreement not to compete while employed as a senior advisor and for one year after he is no longer employed as a senior advisor.

***Existing Employment Agreement with Mr. Malcolm.*** As described above, Cowen is currently party to an employment agreement with Mr. Malcolm which will be superseded and replaced by the new employment agreement described above when the transactions are completed. His agreement provides that, in the event that during the twelve-month period following a change of control, Mr. Malcolm would have terminated his employment for "good reason" or Cowen would have terminated his employment without "cause," he would have been entitled to receive:

an immediate lump-sum payment in an amount equal to \$5 million, plus \$2.25 million in respect of senior advisor fees to which he would have been entitled under his existing agreement plus the cash value of three years of continued health and medical benefits for him, his spouse and his dependents;

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vesting of any equity compensation awards and exercisability of any stock options for the remainder of their terms; and

vesting of his interest in Cowen Healthcare Royalty Partners.

**Severance Benefits.** Employees without an individual employment or severance agreement providing for severance payments or benefits will be entitled to severance payments and benefits no less favorable than those agreed to in the transaction agreement if they are terminated without "cause" prior to January 1, 2011. The minimum amount of each employee's payments and benefits will be based on his years of service with Cowen as of the date of termination and the severance schedule agreed to in connection with the transactions. Assuming that the transaction is completed on November 1, 2009, Messrs. McCarthy, Conner, Egert and Dibble, respectively, would be entitled to no less than the following if terminated without cause prior to January 1, 2011:

cash severance payments of no less than approximately \$14,423, \$86,538, \$19,231 and \$14,423, respectively; and

continued medical, vision and/or dental benefits at the level of coverage that the executive and his dependents were receiving on the date the executive was terminated at active employee premium rates (with Cowen continuing to subsidize its portion of the rate) until the end of the calendar month in which the executive was terminated and eligibility for COBRA coverage thereafter, with Cowen:

paying 100% of the executive's COBRA premiums for the calendar month immediately following the calendar month in which the executive was terminated; and

paying 65% of the executive's COBRA premiums for the eight calendar months following such calendar month.

Severance benefits are contingent upon the executive's signing and not revoking a release of claims against Cowen and its affiliates. Payments under the severance policy will be reduced to the extent that they are non-deductible under Section 280G of the Internal Revenue Code of 1986, as amended.



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**THE TRANSACTION AGREEMENT**

*The following describes aspects of the transactions, including material terms of the transaction agreement. The following description of the transaction agreement is subject to, and qualified in its entirety by reference to, the transaction agreement, which is attached to this document as Appendix A and is incorporated by reference in this document. You are urged to read the transaction agreement carefully and in its entirety, as it is the legal document governing the transactions.*

**Structure of the Transactions**

Cowen and Ramius have jointly formed and own New Parent, a Delaware corporation. New Parent, in turn, has organized Merger Sub, a Delaware corporation, and Exchange Sub, a Delaware limited liability company, both of which are wholly owned subsidiaries of New Parent. The transaction agreement provides that, at the completion of the transactions, Merger Sub will merge with and into Cowen, with Cowen surviving the merger, and Ramius will transfer to Exchange Sub substantially all of Ramius's assets and Exchange Sub will assume substantially all of Ramius's liabilities. As a result, New Parent will be a majority-owned subsidiary of Ramius, Cowen will become a wholly owned subsidiary of New Parent, and Exchange Sub will remain a wholly owned subsidiary of New Parent. New Parent will then change its name to "Cowen Group, Inc.," and Exchange Sub will change its name to "Ramius LLC."

At the completion of the transactions, New Parent will indirectly assume all of the liabilities of Ramius with the exception of certain liabilities related to Ramius's Employee Ownership Program, liabilities relating to the portion of awards outstanding under the Ramius Fund of Funds Group LLC Participation Program representing a right to receive percentage interests in Ramius and a \$500,000 secured revolving credit facility that may be made available to Ramius by HVB at closing, and issue 37,536,826 shares of New Parent Class A common stock to Ramius (we refer to this as the asset exchange consideration) in exchange for Ramius transferring to Exchange Sub all of its assets with the exception of (i) \$500,000 in cash which it is retaining in order to pay ongoing administrative expenses, such as audit fees, and (ii) any recovery in excess of \$7.0 million from a pending arbitration Ramius had initiated against a securities underwriter. The arbitration pertains to a securities fraud claim involving a 2001 collateralized bond obligation and was initiated by Ramius against the underwriter on behalf of itself and certain of its funds which had purchased the collateralized bond obligation. As part of their negotiations of the transactions, Ramius and Cowen agreed that if an arbitration award was granted, New Parent would receive the first \$7.0 million and Ramius would receive any amounts awarded in excess of \$7.0 million to be allocated between the funds and Ramius (after the reimbursement to Ramius of its expenses) in proportion to the respective losses incurred from the collateralized bond obligation. At the same time, each share of Cowen common stock issued and outstanding immediately prior to the completion of the transactions will automatically be converted into the right to receive one share of New Parent Class A common stock (we refer to this as the Cowen merger consideration). As of the date of the transaction agreement, 15,134,637 shares of Cowen common stock were outstanding (including freely tradable shares, restricted shares and shares underlying restricted stock units), and thus, subject to changes in the number of shares of Cowen common stock outstanding, it is expected that approximately 15,134,637 shares of New Parent Class A common stock will be issued to current Cowen stockholders in connection with the transactions. See the section titled "Other Agreements Related to the Transactions Asset Exchange Agreement" beginning on page 106, which describes the issuance of shares of New Parent Class A common stock to HVB (an affiliate of BA Alpine Holdings, Inc., a third party investor in Ramius) pursuant to the asset exchange agreement.

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**Treatment of Cowen Equity-Based Awards**

The transaction agreement specifies how equity compensation awards issued by Cowen prior to completion of the transactions will be treated in the transactions. When the transactions are completed (and except as provided with respect to Messrs. Malcolm and White who have waived accelerated vesting of their Cowen equity awards in connection with the transactions, as discussed above):

each outstanding option issued by Cowen to purchase Cowen common stock under a Cowen stock plan will vest in full and be automatically converted into an option to purchase the equivalent number of shares of New Parent Class A common stock, at an exercise price per share equal to the exercise price per share of the option immediately prior to the completion of the transactions;

each outstanding restricted share of Cowen common stock will vest in full and automatically be converted into the right to receive one share of New Parent Class A common stock; and

each outstanding restricted share unit will vest in full and be automatically converted into a restricted share unit with respect to the number of shares of New Parent Class A common stock equal to shares of Cowen common stock subject to the Cowen restricted stock unit immediately prior to the closing of the transactions, and the obligations with respect to the New Parent restricted stock units will be payable or distributable in accordance with the terms of the agreement relating to the New Parent restricted stock units.

When the transactions are completed, New Parent will assume the rights and obligations of Cowen under the Cowen stock plans with respect to the assumed stock options and assumed restricted stock units. New Parent has also agreed to reserve additional shares of New Parent Class A common stock to satisfy its obligations under the assumed stock options and assumed restricted share units and to file a registration statement with the SEC on an appropriate form to the extent necessary to register the New Parent Class A common stock subject to the assumed stock options and assumed restricted stock units.

**Closing and Effective Time of the Transactions**

The transactions will be completed only if all of the following occur:

the Cowen stockholders approve and adopt the transaction agreement and approve the issuance of shares of New Parent Class A common stock to Ramius;

Cowen and Ramius obtain all required governmental and regulatory consents and approvals; and

all other conditions to the transactions discussed in the section titled "The Transaction Agreement - Conditions to Complete the Transactions" beginning on page 103 and in the transaction agreement are either satisfied or waived.

The transactions will become effective when each of the following events has occurred:

a certificate of merger with respect to the merger of Merger Sub with and into Cowen is filed with the Secretary of State of the State of Delaware;

a bill of sale and assignment and assumption agreement is executed by Ramius and Exchange Sub; and

New Parent has issued the shares of New Parent Class A common stock to Ramius.

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However, Cowen and Ramius may agree to a later time for completion of the transactions and specify such time in the certificate of merger in accordance with Delaware law. In the transaction agreement, Cowen and Ramius have agreed to complete the transactions no later than three business days after the last of the conditions described in the transaction agreement have been satisfied or waived, or on another mutually agreed date. It is anticipated that the effective time of the transactions

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will occur during the fourth quarter of 2009, but there are no guarantees as to when or if the transactions will be completed.

**Delivery of Transaction Consideration**

When the transactions are completed, New Parent will deliver to Ramius a stock certificate representing the asset exchange consideration. At the same time, each certificate representing shares of outstanding Cowen common stock, and any uncertificated shares held in book-entry form, will automatically be deemed to represent the equivalent number of shares of New Parent Class A common stock. However, if an exchange of certificates is required by law or requested by a holder of Cowen common stock, New Parent will exchange the certificates on a one-share-for-one-share basis. All shares of Cowen common stock will then be cancelled.

*Lost Certificates*

If a certificate for Cowen common stock has been lost, stolen or destroyed, New Parent will issue the Cowen merger consideration payable under the transaction agreement when it receives appropriate evidence as to the loss, theft or destruction of the certificate, along with appropriate and customary indemnification.

*Stock Transfer Books*

The stock transfer books of Cowen will be closed when the transactions are completed, and there will be no further registration of transfers of shares of Cowen common stock on the records of Cowen. If, after the transactions are completed, a certificate representing shares of Cowen common stock is presented to New Parent or Cowen, the certificate will be converted into the right to receive the Cowen merger consideration with respect to the number of shares represented by the certificate.

**Governance**

After the completion of the transactions, the board of directors of New Parent will have ten directors. Four directors will have been appointed by Cowen, and six directors will have been appointed by Ramius. Pursuant to the asset exchange agreement, Ramius has given BA Alpine Holdings, Inc., a third party investor in Ramius and an affiliate of HVB, the right to appoint one of its six directors. Six of the ten directors will be independent under NASDAQ rules. Peter A. Cohen will serve as Chairman of the board of directors and Chief Executive Officer of New Parent, and John E. Toffolon, Jr. will serve as Lead Director of the board of directors of New Parent. For more information on the board of directors, officers and governance of New Parent after the transactions are completed, see the sections titled "Board and Management of New Parent" beginning on page 117 and "Corporate Governance of New Parent" beginning on page 124.

**Representations and Warranties**

The transaction agreement contains representations and warranties of each of Cowen and Ramius, made solely for the benefit of the other. The assertions embodied in those representations and warranties may have been made as of specific dates and are qualified by information in the confidential disclosure schedules that the parties have exchanged in connection with signing the transaction agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the transaction agreement. Moreover, certain representations and warranties in the transaction agreement were used for the purpose of allocating risk between Cowen and Ramius. Accordingly, you should not rely on the representations and warranties in the transaction agreement as characterizations of the actual state of facts about Cowen or Ramius.

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The transaction agreement contains representations and warranties of Cowen and Ramius relating to their respective businesses, regarding, among other things, the following items:

corporate matters, including due organization and qualification;

capitalization;

authority to execute and deliver the transaction agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the transactions;

required governmental filings and consents;

financial statements, internal controls and accounting or auditing practices;

broker's fees payable in connection with the transactions;

the absence of material adverse changes;

conduct of business in the ordinary course of business since December 31, 2008;

legal proceedings;

tax matters;

employee matters;

certain contracts;

property;

intellectual property;

insurance;

compliance with laws, permits, the timely filing of reports with governmental entities, and the absence of investigations and enforcement actions by regulatory agencies;

risk management instruments and derivatives;

interested party transactions;

tax treatment of the Cowen merger; and

the accuracy of information supplied for inclusion in this document and other similar documents.

In addition, Cowen has made other representations and warranties to Ramius as to the following matters:

with respect to Cowen Healthcare Royalty Partners, L.P., an indirect, non-wholly owned subsidiary of Cowen (which we refer to as CHRP), performance by Cowen and its subsidiaries under agreements relating to CHRP, due organization of CHRP, the accuracy of information included in offering and similar documents of CHRP, financial statements of CHRP, and consents and approvals related to CHRP;

state takeover laws; and

receipt of an opinion from its financial advisor.

In addition, Ramius has made representations and warranties to Cowen related to its funds and investment management and other fund agreements.

For purposes of determining whether the closing condition that requires a party's representations and warranties to be true and correct in all respects on the date the transactions are completed has been met (described later in this document), a party's representations and warranties are generally

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subject to a "material adverse effect" qualification. As a result, breaches of a party's representations and warranties (other than representations regarding fundamental matters relating to the capitalization of Cowen and ownership of the subsidiaries of Cowen and Ramius, which must be true in all material respects) are deemed not to have occurred under the transaction agreement for purposes of the related closing condition, unless all breaches by a party in the aggregate have, or are reasonably likely to have, a material adverse effect on that party. A material adverse effect includes any event, change, circumstance or development which has or is reasonably likely to have a material adverse effect on the financial condition, results of operations or business of a party and its subsidiaries taken as a whole, or the ability of a party to timely complete the transactions contemplated by the transaction agreement. In determining whether a material adverse effect has occurred or would reasonably be expected to occur with respect to the financial condition, results of operations or business of a party, the parties will disregard any effects resulting from the following:

changes, after the date of the transaction agreement, in generally accepted accounting principles or regulatory accounting requirements generally applicable to companies in the industries in which a party and its subsidiaries operate (to the extent the effects of the change do not have a materially disproportionate effect on a party relative to other industry participants);

changes, after the date of the transaction agreement, in laws, rules, regulations or the interpretation of laws, rules or regulations by governmental entities of general applicability to companies in the industries in which the party and its subsidiaries operate (to the extent the effects of the change do not have a materially disproportionate effect on a party relative to other industry participants);

actions or omissions taken with the prior written consent of the other party or expressly required by the transaction agreement;

changes in global, national or regional market conditions (including acts of terrorism and war) or general business, economic or market conditions (including generally in prevailing interest rates, currency exchange rates, credit markets and price levels or trading volumes in the securities markets), in each case generally affecting the industries in which the party or its subsidiaries operate and including changes to any previously correctly applied asset marks as a result (to the extent the effects of the change do not have a materially disproportionate effect on a party relative to other industry participants);

the execution or public disclosure of the transaction agreement, including any losses of employees that occur as a result;

failure, in and of itself, to meet earnings projections, but not including any underlying causes;

changes in the trading price of a party's common stock, in and of itself, but not including any underlying causes; or

with respect to Ramius and its subsidiaries only, withdrawals from Ramius's funds that are consistent with withdrawals from the funds over the past twelve months.

The representations and warranties in the transaction agreement do not survive the completion of the transactions.

**Covenants and Agreements**

Each of Cowen and Ramius has undertaken customary covenants that place restrictions on it and its subsidiaries until completion of the transactions. In general, each party has agreed to:

conduct its business in the ordinary course in all material respects;





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use reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships, including retaining the services of key officers and employees; and

take no action that would reasonably be expected to adversely affect or materially delay its ability (or the ability of New Parent, Merger Sub or Exchange Sub) to obtain any necessary regulatory and governmental approvals, perform its covenants or complete the transactions.

In addition to the general covenants above, each party further agreed that, except as expressly permitted by the terms of the transaction agreement (including the schedules to the agreement) or with the other party's prior written consent, it will not, and will not permit its subsidiaries to, undertake the following actions prior to completion of the transactions:

incur indebtedness or in any way assume the indebtedness of another person, except in the ordinary course of business consistent with past practice and, in any event, not to exceed \$500,000;

except with respect to Ramius, adjust, split, combine or reclassify any of its capital stock;

except for distributions by Ramius that are required pursuant to the limited liability company agreement of Ramius or pursuant to any grant agreement evidencing an award under equity compensation plans of Ramius, make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or membership interests, as applicable, or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for or representing the right to purchase or otherwise receive any shares of its capital stock or membership interests, as applicable;

except with respect to Ramius, grant any type of equity-based award with respect to shares of capital stock under any stock plan or otherwise, or grant any person any right to acquire any shares of its capital stock or other equity interests;

except with respect to Ramius, issue any additional shares of capital stock, membership interests, voting debt or other securities, except pursuant to the exercise of Cowen stock options or the settlement or vesting of Cowen restricted shares or Cowen restricted stock units that are outstanding as of the date of the transaction agreement or issuances by a subsidiary to its parent company;

except as required by law or by the terms of existing benefit plans:

materially increase the compensation or benefits of any of the current or former members, managers, directors, officers or employees;

pay any amounts to employees not required by any current plan or agreement (other than base salary in the ordinary course of business consistent with past practice);

become a party to, establish, amend, commence participation in, make any adjustment, terminate or commit itself to the adoption of any equity or equity-based compensation plan, compensation (including any employee co-investment fund), severance, pension, retirement, profit-sharing, welfare benefit or other employee benefit plan or agreement or employment agreement with or for the benefit of any employee (or newly hired employees);

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make any guarantees of compensation or bonus to any employee (or newly hired employees); or

accelerate the vesting of any equity or equity-based compensation or other incentive compensation under any benefit plan;

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sell, transfer, pledge, lease, license, mortgage, encumber or otherwise dispose of any material amount of its properties or assets to any person (other than a subsidiary) or cancel, release or assign any material amount of indebtedness to any person, in each case other than in the ordinary course of business consistent with past practice or pursuant to previously disclosed contracts;

enter into any new line of business or change in any material respect its business or operations, including any material change in the types, nature or composition of its services;

transfer ownership, or grant any license or other material rights, to any person or entity of or in respect of any material intellectual property, other than grants of non-exclusive licenses pursuant to license agreements entered into in the ordinary course of business consistent with past practice;

make any material investment either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other person, including any investment in one or a series of transactions of more than \$1 million in the aggregate (other than pursuant to previously disclosed contracts);

amend, breach, terminate or allow to lapse any material permit other than amendments required by applicable law or in the ordinary course of business consistent with past practice;

restructure or change its investment securities portfolio, its derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported, in any material respect;

except with respect to Ramius and its Subsidiaries, and other than with respect to CHRP, form or make any investment in any pooled investment vehicle (including each portfolio or series of a portfolio, if any);

take any action, or knowingly fail to take any action, which action or failure to act could be reasonably likely to prevent the Cowen merger from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

except with respect to Ramius, amend its charter, by-laws or other constitutive documents;

amend or waive any provisions of any confidentiality or standstill agreements in place with any third parties;

amend, otherwise modify or knowingly violate in any material respect the terms of any contract, or create, renew or amend any contract (except as may be required by applicable law) which imposes a material restriction on it, its subsidiaries' or its affiliates' ability to conduct business, other than in the ordinary course of business consistent with past practice;

make any capital expenditures in excess of \$250,000;

acquire any business or person that would be material to the operation of its business, taken as a whole, or enter into any contract, letter of intent or similar arrangement with respect to the foregoing;

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enter into, amend or become subject to any joint venture, partnership, strategic alliance, stockholders agreement, co-marketing, co-promotion, joint development or similar arrangement, except in the ordinary course of business consistent with past practice;

commence or settle any material claim, action or proceeding;

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implement or adopt any material change in its tax financial accounting principles, practices or methods, other than as may be required by law, generally accepted accounting principles or regulatory guidelines;

file or amend any material tax return, make or change any material tax election, or settle or compromise any material tax liability or tax contest;

sell, assign, transfer, lease or otherwise dispose of, or grant any interests in, any material real property;

exercise or fail to exercise any renewal option under any material lease or other similar occupancy agreement for real property;

acquire any interest in any additional real property;

change any method of accounting or accounting practice except for any changes required by reason of a change in generally accepted accounting principles or in law; or

commit or agree to take any action prohibited by any of the conduct of business covenants made in the transaction agreement.

The transaction agreement also contains covenants relating to the preparation of this document, obtaining regulatory and Cowen stockholder approval, access to information of the other company, the authorization of the listing on shares of New Parent Class A common stock on the NASDAQ Global Select Market, controlling transaction-related litigation and public announcements with respect to the transactions contemplated by the transactions agreement. The parties have also agreed to consult with one another with respect to certain tax matters.

**Reasonable Best Efforts of Cowen to Obtain the Required Stockholder Vote**

Cowen has agreed to use its reasonable best efforts to hold a meeting of its stockholders as soon as is reasonably practicable for the purpose of Cowen stockholders voting on the approval and adoption of the transaction agreement and approval of the issuance of the shares of New Parent Class A common stock to Ramius and the approval of the Amended 2007 Equity and Incentive Plan. Approval of the Amended 2007 Equity and Incentive Plan is not a condition to closing of the transactions contemplated by the transaction agreement. Cowen will use its reasonable best efforts to obtain such stockholder approval. The transaction agreement requires Cowen to submit the transaction agreement to a stockholder vote even if its Board of Directors no longer recommends approval and adoption of the transaction agreement. The Cowen Board of Directors has unanimously approved and adopted the transaction agreement and the transactions it contemplates and adopted resolutions directing that the transaction agreement and transactions it contemplates be submitted to the Cowen stockholders for their consideration. If Cowen has not received the requisite number of votes required to adopt the transaction agreement by the date on which the stockholder meeting is scheduled, Cowen may, or Ramius may direct Cowen to, adjourn the meeting solely for the purpose of soliciting additional proxies to a date that is no later than ten days after the date of the originally scheduled meeting.

**Agreement Not to Solicit Other Offers**

Cowen and Ramius have each agreed that it, its subsidiaries and each of their officers, directors, employees, agents and representatives will not, directly or indirectly:

initiate, solicit, encourage or facilitate (including by way of furnishing information) any inquiries or proposals for any "Alternative Proposal" (as defined below);

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participate in any discussions or negotiations regarding any "Alternative Transaction" (as defined below); or

enter into any agreement regarding an Alternative Transaction.

However, prior to Cowen obtaining its stockholder approval, the Cowen Board of Directors is permitted to furnish information concerning itself and its subsidiaries to any person that makes an Alternative Proposal, and to consider and participate in discussions and negotiations with respect to an Alternative Proposal, if:

such Alternative Proposal did not result from or arise out of a breach of the no-solicitation covenant;

Cowen enters into a confidentiality agreement with the person making the Alternative Proposal which is no less favorable than the confidentiality agreement that it entered into with Ramius; and

the Cowen Board of Directors concludes in good faith that the Alternative Proposal is reasonably likely to lead to a "Superior Proposal" (as defined below).

As used in the transaction agreement, an "Alternative Proposal" means any inquiries or proposals regarding any merger, share exchange, consolidation, sale of assets, sale of membership interests or capital stock or similar transactions involving a party or any of its subsidiaries that, if completed, would constitute an Alternative Transaction.

As used in the transaction agreement, "Alternative Transaction" means any offer, proposal or inquiry relating to, or any third party indication of interest in, the following (excluding any transactions contemplated by the transaction agreement):

a transaction in which any person or group, directly or indirectly, acquires or would acquire more than 15% of the consolidated assets of a party or its subsidiaries or 15% or more of any class of equity or voting securities (including membership interests) of a party or its subsidiaries whose assets, individually or in the aggregate, make up more than 15% of the consolidated assets of a party;

a tender offer or exchange offer that, if completed, would result in a third party beneficially owning 15% or more of the consolidated assets of a party or its subsidiaries or 15% or more of any class of equity or voting securities (including membership interests) of a party or its subsidiaries whose assets, individually or in the aggregate, make up more than 15% of the consolidated assets of a party; or

a merger, share exchange, consolidation, sale of interests, business combination, reorganization, recapitalization, liquidation or similar transaction involving a party or its subsidiaries whose assets, individually or in the aggregate, make up more than 15% of the consolidated assets of a party.

As used in the transaction agreement, "Superior Proposal" means any third party proposal to acquire all of the equity, assets, net revenue or net income of Cowen and its subsidiaries that the Cowen Board of Directors determines in its reasonable good faith judgment, after consultation with its financial advisor and outside legal counsel, would be more favorable (including from a financial point of view) to Cowen's stockholders than the transactions contemplated by the transaction agreement and is reasonably likely to be completed. In determining whether a proposal is a "Superior Proposal," the Cowen Board of Directors must take into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the identity of the person making the proposal.

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The Cowen Board of Directors has agreed, except as provided in the next paragraph, that:

it will not, and will not publicly propose to, withdraw, modify or qualify its recommendation of the transaction agreement or the transactions to Cowen's stockholders; and

it will not, and will not publicly propose to, approve, recommend or fail to recommend against any Alternative Proposal.

The Cowen Board of Directors may nonetheless take the actions described as prohibited in the paragraph above if the following conditions are met:

it receives an unsolicited Alternative Proposal not arising out of a breach of the no-solicitation covenant that is a Superior Proposal and the Superior Proposal has not been withdrawn;

it determines in good faith, after consultation with outside legal counsel, that in light of the Superior Proposal, the failure to take such any of the actions listed above would violate its fiduciary duties to Cowen stockholders;

it has provided to Ramius, at least five business days in advance, with written notice of its intention to change its recommendation, which notice must specify the identity of the person making the proposal and the material terms of the proposal (and, if the proposal is in writing, Cowen must provide Ramius with a copy), along with a statement that the Board of Directors has determined the proposal is a Superior Proposal; and

during the notice period, Cowen and its advisors have negotiated in good faith with Ramius (if Ramius desires to negotiate) to make adjustments to the terms and conditions of the transaction agreement so that the Alternative Proposal would no longer be a Superior Proposal.

If the Alternative Proposal is amended in a material way, Cowen must provide Ramius with written notice of the material amendment at least two business days prior to changing its recommendation and, during such notice period, Cowen and its advisors must negotiate in good faith with Ramius (if Ramius desires to negotiate) to make adjustments to the terms and conditions of the transaction agreement so that the Alternative Proposal as amended would no longer be a Superior Proposal.

Cowen and Ramius have each agreed:

to notify the other party promptly (but in no event later than 24 hours) after it receives an Alternative Proposal, any material modification of an Alternative Proposal, any request for non-public information relating to such party or its subsidiaries or any request for access to the properties, books or records of the party or any of its subsidiaries;

to notify the other party orally and in writing of the receipt of an Alternative Proposal, and the notice must indicate the identity of the party making the proposal and summarize the material terms of the proposal (and, if the proposal or request for information was made in writing, the party must provide the other party with a copy of the proposal or request); and

to keep the other party fully informed, on a current basis, of any material changes in the status and any material changes in the terms of any Alternative Proposal.

Cowen has also agreed that it will not terminate, waive, amend or modify any provision of any existing standstill or confidentiality agreement that it has previously entered into and has agreed to enforce the provisions of these existing agreements.

### **Employee Matters**

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The employees of Ramius and the Ramius benefit plans will be transferred to Exchange Sub either immediately prior to or on completion of the transactions, except for specified Ramius benefits which



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will not be transferred. The current benefit plans of Cowen and Ramius will stay in effect after completion of the transactions until new plans of New Parent are put into place. The new plans must treat similarly situated employees on a substantially equivalent basis and cannot discriminate between former Cowen and former Ramius employees. In any event, for the first year after the completion of the transactions, former Cowen employees are entitled to receive compensation and benefits substantially comparable in the aggregate to the compensation and benefits to which they were entitled immediately prior to the completion of the transactions. In addition, any Cowen employees terminated without "cause" after the completion of the transactions, who are not party to an employment or severance agreement otherwise providing for severance payments or benefits, are entitled to severance benefits no less favorable than those agreed to in the transaction agreement, which are substantially identical to those applicable prior to the transactions.

With respect to any new benefit plans in which employees of Cowen or Ramius first become eligible to participate after completion of the transactions (and did not participate prior to the completion of the transactions), New Parent must:

waive all pre-existing conditions, exclusions and waiting periods applicable to the employee and his or her eligible dependents (except to the extent the pre-existing conditions, exclusions and waiting periods would apply under an analogous Cowen or Ramius benefit plan, as applicable);

provide each employee and his or her eligible dependents credit for any co-payments and deductibles paid prior to the completion of the transactions under a Cowen or Ramius benefit plan in satisfying any applicable deductible or out-of-pocket requirements under any new plans; and

provide the employees with a customary service credit for purposes of eligibility to participate, vesting credit, entitlement to benefits and levels of benefits in any new plan.

When the transactions are completed, New Parent will honor all Cowen benefit plans and Ramius benefit plans in accordance with their terms. The transactions will be treated as a "change in control" for purposes of applicable Cowen employee benefit and compensation plans and agreements, other than to the extent an individual employee waives such treatment in writing. In addition, the interests under the Ramius equity participation programs will vest in full on completion of the transactions. Exchange Sub will assume the obligations of Ramius to make the cash payments in satisfaction of the awards granted under the Ramius phantom interest program.

**Indemnification and Insurance**

The transaction agreement requires the current rights of the officers and directors of Cowen and the managers and members of Ramius and their respective subsidiaries to indemnification under these entities' organizational documents to continue in effect for six years after completion of the transactions. The transaction agreement also provides that, upon completion of the transactions, New Parent, the Cowen surviving corporation and Exchange Sub will indemnify, defend and hold harmless and provide advancement of expenses to, all past and present officers directors, managers and members of Cowen and Ramius and each of their subsidiaries against all losses or liabilities incurred in their capacities as a director, officer, manager or member to the fullest extent permitted by applicable law.

The transaction agreement requires New Parent to maintain, for a period of six years after completion of the transactions, Cowen's and Ramius's respective current directors' and officers' liability insurance policies, or policies of at least the same coverage and amount and containing terms and conditions that are not less advantageous than the current policies, with respect to acts or omissions occurring prior to completion of the transactions. However, New Parent is not required to incur an annual premium expense greater than 200% of the annual premiums currently paid by Cowen or Ramius. If New Parent is unable to maintain a policy because the annual premium expense is greater

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than 200% of Cowen's or Ramius's respective current annual directors' and officers' liability insurance premiums, New Parent is obligated to obtain as much insurance as is available for the amount that is 200% of Cowen's and Ramius's respective premiums. New Parent can satisfy these obligations by having Cowen purchase a "tail" policy prior to the completion of the transactions from an insurer with substantially the same or better credit rating as the current carriers for Cowen's and Ramius's respective existing directors' and officers' insurance policies in effect as of the date of the transaction agreement.

**Assignment of Contracts and Warranties; Payment of Assumed Liabilities**

At the completion of the transactions, Ramius will assign to Exchange Sub all of its rights under contracts entered into by Ramius prior to the completion of the transactions, except for specified rights under the transaction agreement, the asset exchange agreement and other agreements related to the transactions. However, no contracts will be assigned if it would violate any laws or the terms of the contract, and, if permitted under the terms of the contract, any performance obligations of Ramius will be subleased or subcontracted to Exchange Sub until the contract can be fully transferred to Exchange Sub. Ramius has agreed to use commercially reasonable efforts to obtain any required consents of counterparties to its contracts in order to be able to assign them, and Cowen has agreed to cooperate with Ramius in this effort. Cowen and Exchange Sub have also agreed to take all reasonably necessary actions to perform the obligations of Ramius under the assigned contracts in accordance with their terms if neither assignment, subleasing or subcontracting is allowed by the counterparty. Ramius will pay over to Exchange Sub any amounts received by Ramius after the closing of the transactions that result from the performance by Exchange Sub of the assigned contracts, and Exchange Sub will reimburse Ramius for any costs Ramius incurs in performing the assigned contracts after the completion of the transactions.

Exchange Sub will promptly pay all the assumed liabilities of Ramius when they become due, except to the extent that any liability is being contested in good faith and appropriate reserves have been made for the liability on the books and records of Exchange Sub.

**Asset Exchange Agreement**

New Parent has agreed to, and each of Ramius and Cowen have agreed to cause New Parent to, fulfill its obligations under the asset exchange agreement (see the section titled "Other Agreements Related to the Transactions Asset Exchange Agreement" beginning on page 106 for a more detailed description), including causing New Parent, on behalf of Merger Sub, to issue at the completion of the transactions the shares of New Parent Class A common stock and the additional consideration paid either in cash or debt to HVB in accordance with the terms of the asset exchange agreement. Cowen has also agreed not to take any action, or to fail to take any action, that would cause the representations made by New Parent in the asset exchange agreement not to be true in all material respects at the closing of the transactions.

**Expenses and Fees**

In general, each of Cowen and Ramius will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the transaction agreement. However, the costs and expenses of printing and mailing this document, all filing and other fees paid to the SEC in connection with the transactions and the filing fee for the notification under the HSR Act shall be borne equally by Cowen and Ramius. Additionally, in qualifying circumstances, Cowen will be required to pay transaction-related expenses of Ramius of up to \$750,000, as further described in the section titled "The Transaction Agreement Termination Fee" beginning on page 105 below.

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**Conditions to Complete the Transactions**

The respective obligations of Cowen and Ramius to complete the transactions are subject to the fulfillment or waiver of the following conditions:

the approval and adoption of the transaction agreement by Cowen stockholders;

the approval of the listing of the New Parent Class A common stock to be issued in connection with the transactions on NASDAQ (including the shares to be issued pursuant to the asset exchange agreement), subject to official notice of issuance;

the termination or expiration of any waiting periods applicable to the transactions, including under the HSR Act, and the receipt of all other approvals required under other antitrust or competition laws;

the registration statement with respect to the New Parent Class A common stock to be issued in connection with the transaction having become effective under the Securities Act of 1933 and no stop order or proceedings for that purpose having been initiated or threatened by the SEC;

the absence of any order, decree or injunction by any court or other governmental entity or other law that prohibits or makes illegal completion of the transactions contemplated by the transaction agreement; and

all of the conditions precedent to the completion of the transactions under the asset exchange agreement (other than the closing of the transactions and other conditions that, by their nature, are intended to be satisfied at the completion of the transactions) having been satisfied.

Cowen's obligation to complete the transactions is also separately subject to the satisfaction or waiver of the following conditions:

the truth and correctness of the representations and warranties of Ramius in the transaction agreement, subject to the materiality standard provided in the transaction agreement (and as described earlier in this document), and the performance by Ramius in all material respects of its obligations under the transaction agreement and the receipt of certificates from the managing member of Ramius to that effect;

the receipt by Cowen of a legal opinion with respect to certain U.S. federal income tax consequences of the Cowen merger; and

the receipt and effectiveness of all governmental and other approvals, registrations and consents, and the expiration of all related waiting periods required to complete the transactions.

Ramius's obligation to complete the transactions is also separately subject to the satisfaction or waiver of the following conditions:

the truth and correctness of the representations and warranties of Cowen in the transaction agreement, subject to the materiality standard provided in the transaction agreement (and as described earlier in this document), and the performance by Cowen in all material respects of its obligations under the transaction agreement and the receipt of certificates from an officer of Cowen to that effect;

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the receipt and effectiveness of all governmental and other approvals, registrations and consents, and the expiration of all related waiting periods required to complete the transactions;

execution by New Parent of the registration rights agreement granting registration rights to Ramius and to a third party investor in Ramius (see the section "Other Agreements Relating to

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the Transactions Registration Rights Agreement" beginning on page 109 for more information); and

the receipt of a copy of any certificates of officers of Cowen relied upon by counsel in rendering the legal opinion with respect to certain U.S. federal income tax consequences of the Cowen merger as delivered to Cowen.

There can be no assurances as to when or if all of the conditions to the transactions can or will be satisfied or waived by the appropriate party. As of the date of this document, the parties have no reason to believe that any of these conditions will not be satisfied.

**Amendment and Waiver of the Transaction Agreement**

Subject to applicable law, the parties may amend the transaction agreement by written agreement. However, after any approval of the transactions contemplated by the transaction agreement by the Cowen stockholders, there may not be, without further approval of those stockholders, any amendment of the transaction agreement that requires further stockholder approval under applicable law.

At any time prior to the completion of the transactions, each of Cowen and Ramius, by action taken or authorized by its respective board of directors or managing member, to the extent legally allowed, may:

extend the time for the performance of any of the obligations or other acts of the other party;

waive any inaccuracies in the representations and warranties of the other party; or

waive compliance by the other party with any of the other agreements or conditions contained in the merger agreement.

However, the extension or waiver will only be valid if it is in a written document signed on behalf of the party granting the extension or waiver, but the extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition will not operate as a waiver of any subsequent other failure.

**Termination of the Transaction Agreement**

The transaction agreement can be terminated at any time prior to completion of the transactions by mutual written consent and by either party in the following circumstances:

if any of the required regulatory approvals are denied or completion of the transactions has been enjoined, prohibited or made illegal by a court or other governmental entity (and the denial or prohibition is final and nonappealable);

if the transactions have not been completed by December 31, 2009, unless the failure to complete the transactions by that date is due to a breach of the transaction agreement by the party seeking to terminate the transaction agreement;

if there is a breach by the other party that would cause the failure of the closing conditions described above, unless the breach is capable of being, and is, cured within thirty days following written notice of the breach to the party committing the breach (provided that the terminating party has not breached any representation, warranty, covenant or agreement that would result in the conditions to closing not being satisfied); or

if the Cowen stockholders fail to approve and adopt the transaction agreement at the special meeting convened for purposes of approving and adopting the transaction agreement.

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In addition, Ramius may terminate the transaction agreement in the following circumstances:

Cowen's Board of Directors fails to recommend the approval and adoption of the transaction agreement by the Cowen stockholders, or if the Board of Directors changes its recommendation, or resolves to do either of these things;

Cowen fails to call a stockholders' meeting to vote on the approval and adoption of the transaction agreement; or

Cowen materially breaches its obligations with respect to soliciting, discussing or agreeing to Alternative Proposals.

If the transaction agreement is terminated, it will become void, and there will be no liability on the part of Cowen or Ramius, except that termination will not relieve a breaching party from liability for any fraud or willful breach and the confidentiality agreement between the parties and other customary provisions will survive termination. In addition, if the transaction agreement is terminated, a termination fee is payable under certain circumstances as set forth below.

**Termination Fee**

The transaction agreement contains provisions requiring Cowen to pay to Ramius a termination fee of \$3.5 million and/or expenses of Ramius of up to \$750,000 in the event the transaction agreement is terminated under the following circumstances:

if Ramius terminates the transaction agreement because the Cowen Board of Directors withdrew, modified or qualified its recommendation of the transactions to the Cowen stockholders (or failed to recommend the transactions entirely), or if Cowen failed to call the stockholder meeting or materially breached its no-solicitation obligations, Cowen must pay Ramius the termination fee and Ramius's expenses;

if Cowen or Ramius terminates the transaction agreement because the Cowen stockholders did not approve the transactions, then Cowen must pay one-half of Ramius's expenses; and, if at any time after signing of the transaction agreement and before the Cowen stockholder meeting was held, an Alternative Proposal for more than 50% of the assets or stock of Cowen was announced, and within twelve months of termination of the transaction agreement, Cowen executes definitive agreements with respect to any Alternative Transaction, Cowen must pay Ramius the termination fee and the other one-half of Ramius's expenses; and

if Cowen or Ramius terminates the transaction agreement because the completion of the transactions has not occurred by December 31, 2009, and, at any time after signing of the transaction agreement and before the Cowen stockholder meeting was held, an Alternative Proposal for more than 50% of the assets or stock of Cowen was announced, then Cowen must pay Ramius's expenses, and if, within twelve months after the termination of the transaction agreement, Cowen executes definitive agreements with respect to any Alternative Transaction, Cowen must also pay Ramius the termination fee.

**Schedules and Exhibits to the Transaction Agreement**

Various schedules and exhibits to the transaction agreement have not been filed with the SEC. A description of these schedules and exhibits can be found in the transaction agreement, which is attached as Appendix A hereto. Any schedules omitted to be filed with the SEC will be supplementally furnished to the SEC upon the SEC's request.

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**OTHER AGREEMENTS RELATED TO THE TRANSACTIONS**

*The following summary describes the material provisions of the asset exchange agreement, the registration rights agreement, the amendments to the investment agreements between Ramius and affiliates of BA Alpine Holdings, Inc., a third party investor in Ramius, and the voting agreement between Ramius and certain employee stockholders of Cowen, which have been entered into in connection with the transactions. A copy of the asset exchange agreement is attached as Appendix B, and is incorporated by reference into this document.*

**Asset Exchange Agreement**

Concurrently with the execution of the transaction agreement, Ramius, Cowen, New Parent, Merger Sub, HVB (an affiliate of BA Alpine Holdings, Inc.) and HVB AG (an affiliate of BA Alpine Holdings, Inc.) entered into the asset exchange agreement. Under the terms of the asset exchange agreement and subject to the terms and conditions contained in the asset exchange agreement, Merger Sub will purchase from HVB the 50% interest in the Ramius fund of funds business that HVB owns in exchange for (i) 2,713,882 shares of New Parent Class A common stock, subject to certain adjustments, and (ii) approximately \$10.4 million of additional consideration, which may be paid either in cash or debt as more fully described below. We refer to this transaction as the fund of funds asset exchange. The remaining 50% interest in the Ramius fund of funds business currently owned by Ramius will be transferred to Exchange Sub under the terms of the transaction agreement.

**New Parent Class A Common Stock and Debt Consideration**

As part of the consideration to be paid to HVB under the terms of the asset exchange agreement, New Parent, on behalf of Merger Sub, will deliver to HVB at the closing of the fund of funds asset exchange a promissory note in principal amount equal to approximately \$10.4 million, subject to adjustment as more fully described below. However, if New Parent enters into a \$25 million secured revolving credit facility with HVB AG at or immediately prior to the closing of the fund of funds asset exchange, New Parent will instead borrow approximately \$10.4 million under this secured revolving credit facility and pay such amount in cash to HVB.

As part of the consideration to be paid to HVB under the terms of the asset exchange agreement, New Parent, on behalf of Merger Sub, will issue 2,713,882 shares of New Parent Class A common stock to HVB (which we refer to as the HVB Shares) at the closing of the fund of funds asset exchange. If the HVB Shares would exceed 4.9% of the issued and outstanding shares of New Parent Class A common stock immediately following the closing of the fund of funds asset exchange, (i) the number of HVB Shares will be reduced so as to equal 4.9% of the issued and outstanding shares of New Parent Class A common stock and (ii) the principal amount of the promissory note to be issued to HVB (or, alternatively, the amount to be borrowed under the \$25 million secured revolving credit facility and paid in cash to HVB) will be increased by \$8.6555 for every share deducted from the HVB Shares.

**Representations and Warranties of the Parties**

The representations and warranties of each of the parties to the asset exchange agreement (including Cowen and Ramius) have been made solely for the benefit of the other parties to the asset exchange agreement. The assertions embodied in these representations and warranties may have been made as of specific dates and may be qualified by information in the confidential disclosure schedules that the parties have exchanged in connection with the signing of the asset exchange agreement. Disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the transaction agreement. Moreover, certain representations and warranties in the asset exchange agreement were used for the purpose of allocating risk between the parties to the transaction agreement. Accordingly, you should not rely on the

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representations and warranties in the asset exchange agreement as characterizations of the actual state of facts about any of the parties to the asset exchange agreement.

Each of Ramius, HVB and New Parent has made a number of representations and warranties to each other party in the asset exchange agreement, including representations and warranties relating to the following matters:

corporate organization, qualifications to do business and corporate standing;

corporate authority to enter into the asset exchange agreement and the ancillary agreements thereto and to complete the fund of funds asset exchange;

absence of any conflict or violation of their respective organizational documents or any applicable legal requirements, as a result of entering into and carrying out the obligations contained in the asset exchange agreement; and

required approvals and consents with respect to the fund of funds asset exchange.

HVB has also made representations and warranties relating to its good and marketable title to its interest in the Ramius fund of funds business.

New Parent has also made representations and warranties relating to its capitalization and the due authorization and valid issuance of the HVB Shares.

**Conditions to the Obligations of the Parties**

Each party's obligation to complete the fund of funds asset exchange is subject to the satisfaction or waiver of the following conditions:

the completion of the transactions under the transaction agreement, including the asset exchange between Ramius and Exchange Sub; and

the absence of any order, injunction or decree issued by any court or agency of competent jurisdiction or other law preventing or making illegal the completion of the fund of funds asset exchange.

HVB's obligation to complete the fund of funds asset exchange is further subject to the satisfaction or waiver of the following conditions:

the representations and warranties of Ramius are accurate, subject to the materiality standard in the asset exchange agreement;

each of Ramius, New Parent, Merger Sub and Cowen must have performed and complied with, in all material respects, all of their respective covenants and obligations under the asset exchange agreement;

the HVB Shares must have been authorized for listing on NASDAQ, subject to official notice of issuance; and

if the \$25 million secured revolving credit facility has not been entered into by HVB AG and New Parent, the \$10.4 million promissory note and the related security agreement must have been executed by New Parent and its subsidiaries, as



applicable.

The obligations of Ramius, New Parent and Merger Sub to complete the fund of funds asset exchange is further subject to the satisfaction or waiver of the following conditions:

the representations and warranties of HVB are accurate, subject to the materiality standard in the asset exchange agreement;

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HVB and HVB AG must have performed and complied with, in all material respects, all of their respective covenants and obligations under the asset exchange agreement; and

certain agreements (including the \$10.4 million promissory note and related security agreement, if applicable) between HVB and certain of its affiliates, on the one hand, and Ramius and New Parent and certain of their respective affiliates, on the other hand, must be in full force and effect.

**Designee to the New Parent Board of Directors**

Under the terms of the asset exchange agreement, so long as HVB and its affiliates beneficially own at least 4.9% of the common stock of New Parent (including shares held by Ramius that are attributable to BA Alpine Holdings, Inc.), BA Alpine Holdings, Inc., a third party investor in Ramius and an affiliate of HVB, will have the right to nominate one director to the board of directors of New Parent, and New Parent will include such designee on the slate of nominees proposed by New Parent in connection with any vote to elect the board of directors of New Parent. To the extent legally permitted, the designee will also have the right to serve on committees of the board of directors of New Parent. For so long as a designee of BA Alpine Holdings, Inc. serves as a director of New Parent, HVB and its affiliates will only transfer the HVB Shares in accordance with New Parent's insider trading policy.

**Restrictions on Transfer**

Under the terms of the asset exchange agreement, HVB has agreed to transfer restrictions with respect to the HVB Shares. Following the closing of the fund of funds asset exchange for a period of six months as described below, HVB will not transfer any of the HVB Shares other than (i) to wholly owned affiliates, (ii) to the extent necessary to prevent HVB from being in violation of federal, state or foreign banking laws, including the Bank Holding Company Act of 1956, as amended, or (iii) in non-market private sales to third party investors, so long as, without the consent of the Ramius, no such private sale, individually or in the aggregate, results in any third party investor beneficially owning in excess of 10% of the outstanding shares of New Parent Class A common stock.

Following the six-month anniversary of the closing of the fund of funds asset exchange, HVB will be allowed to freely transfer the HVB Shares to the extent that HVB, together with its affiliates (including BA Alpine Holdings, Inc.) and permitted transferees, continue to beneficially own 50% of the aggregate number of shares of New Parent common stock that HVB and its affiliates beneficially owned at the closing of the fund of funds asset exchange, including shares beneficially owned indirectly through Ramius.

In addition, these transfer restrictions will terminate following the second anniversary of the closing of the fund of funds asset exchange or after the occurrence of any of the following events:

a material breach by Ramius of certain agreements between Ramius and HVB and certain of its affiliates, which is not cured within ten days of receipt of notice by Ramius;

the failure of Ramius to vote all of its shares of New Parent Class A common stock in favor of the election to the board of directors of New Parent of a designee of BA Alpine Holdings, Inc., so long as BA Alpine Holdings, Inc. is entitled to designate a nominee as discussed above;

if the managing member of Ramius ceases to be controlled by at least two of Peter A. Cohen, Morgan B. Stark, Thomas W. Strauss and Jeffrey M. Solomon; or

any merger, consolidation, tender offer or any other transaction resulting in the stockholders of New Parent immediately before such transaction owning less than a majority of the aggregate voting power of the resultant entity or any sale of all or substantially all of the assets of New Parent.

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**Expenses**

Under the terms of the asset exchange agreement, Ramius has agreed to reimburse an affiliate of HVB for up to \$650,000 of its fees and expenses incurred in connection with the fund of funds asset exchange and its evaluation of the related transactions.

**Registration Rights Agreement**

In connection with the transactions, BA Alpine Holdings, Inc., HVB AG and HVB (each of which is a subsidiary of UniCredit Group and which we refer to collectively as the HVB Parties), Ramius and New Parent have agreed to enter into a registration rights agreement at the closing of the transactions, which will set forth certain rights of the HVB Parties and Ramius and its members with respect to their shares of New Parent common stock (including, with respect to BA Alpine Holdings, Inc., shares held by Ramius that are attributable to BA Alpine Holdings, Inc.).

**Registration Statements**

Under the terms of the registration rights agreement, so long as New Parent is not eligible to use Form S-3 to register shares of its common stock, the HVB Parties (or Ramius, acting on their behalf and at their direction) will be entitled to demand that New Parent prepare and file a registration statement on Form S-1 with respect to any shares of New Parent Class A common stock held or acquired (including directly or indirectly through Ramius) by the HVB Parties, Ramius or the members of Ramius or any permitted transferee of an HVB Party and any stock of New Parent issued as a dividend or other distribution with respect to such shares of New Parent Class A common stock (which we refer to collectively as the registrable securities). Upon such demand, New Parent will use its reasonable best efforts to cause such registration statement to be declared effective, provided, that the registration statement will not be required to become effective prior to one day after the six-month anniversary of the closing of the transactions.

New Parent will also use its reasonable best efforts to qualify and maintain its eligibility to use Form S-3 for secondary sales by the HVB Parties, Ramius and the members of Ramius (including BA Alpine Holdings, Inc.) as soon as practicable following the execution of the registration rights agreement. Once New Parent is eligible to use Form S-3, it will file an automatic registration statement on Form S-3 and use its reasonable best efforts to effect and maintain the registration of all shares of registrable securities on Form S-3 and for so long as Ramius or an HVB Party holds registrable securities, subject to certain limitations.

**Underwritten Offerings**

New Parent will also cooperate with the HVB Parties in a distribution of registrable securities in an underwritten offering, subject to customary market cutback restrictions under which the HVB Parties will receive priority over other holders of registrable securities. New Parent will be obligated to pay all registration expenses (including the fees and expenses of one counsel for the holders of registrable securities participating in any offering) incurred in connection with the registration rights agreement other than underwriting discounts and selling commissions applicable to sales of registrable securities. Under the terms of the registration rights agreement, the HVB Parties may demand a total of six underwritten offerings and may require New Parent to support three such offerings, including by causing senior executives of New Parent to participate in marketing efforts with respect to such offerings, including customary "road shows."

If New Parent gives notice of a registered public offering of its Class A common stock involving an underwriting for its own account or for the account of the HVB Parties, New Parent will notify the holders of registrable securities of such offering and the holders of registrable securities may participate in such offering, subject to customary market cutback restrictions under which the HVB Parties will receive priority over other holders of registrable securities and New Parent.

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**Additional Rights and Obligations**

Subject to the limitations contained in the registration rights agreement, New Parent will be permitted to postpone a filing of a registration statement, and sales of registrable securities will be suspended, for a period that does not exceed sixty days, and not to exceed 120 days in any twelve-month period, if an event has occurred as a result of which any registration statement or prospectus would, in New Parent's reasonable judgment based on advice of outside counsel, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if New Parent notifies the holders of registrable securities that such actions would, in the good faith judgment of outside counsel, require the disclosure of material non-public information which New Parent has a bona fide business purpose for preserving as confidential and which New Parent would not otherwise be required to disclose.

The registration rights agreement will require New Parent to indemnify each holder of registrable securities against certain losses that may be suffered by such holders in connection with registrations made pursuant to the registration rights agreement. Furthermore, each holder whose registrable securities are included in a registration statement agrees to indemnify New Parent and each other holder of registrable securities to the extent that any losses result from information furnished in writing by that holder expressly for use in a registration statement.

**Amendment to Investment Agreement with Ramius**

In connection with the transactions, Ramius and Alpine Cayman Islands Limited, an affiliate of BA Alpine Holdings, Inc., amended the investment agreement with respect to Alpine Cayman Islands Limited's investment in certain Ramius funds. Alpine Cayman Islands Limited has agreed that until September 30, 2010, it will not withdraw a portion of its investment if as a consequence of such withdrawal, the value of its investment would be less than \$250 million, subject to specified exceptions. Beginning on September 30, 2010 and on each subsequent calendar quarter end date, there is no restriction on withdrawing a portion of the investment equal to at least \$40 million from the Ramius funds plus any additional amounts that are permitted to be withdrawn from such investment on such date as is specified in the amendment to the investment agreement.

Notwithstanding the limitations described above, Alpine Cayman Islands Limited may also reduce its investments if:

following the closing of the transactions, the value of its investment in the Ramius funds and the amount of assets under management in the Ramius funds attributable to third party investors other than Alpine Cayman Islands Limited and its affiliates fall below certain levels;

if Ramius ceases to be controlled by at least two of Peter A. Cohen, Morgan B. Stark, Thomas W. Strauss and Jeffrey M. Solomon;

any merger, consolidation, tender offer or any other transaction resulting in the stockholders of New Parent immediately before such transaction owning less than a majority of the aggregate voting power of the resultant entity or any sale of all or substantially all of the assets of New Parent;

the Ramius funds are no longer managed by New Parent or one of its subsidiaries; or

certain individuals, or Ramius, directly or indirectly, on behalf of these individuals, dispose of shares of New Parent common stock other than as permitted by certain provisions of Ramius's organizational documents.

In addition, if the Ramius funds in which Alpine Cayman Islands Limited is invested suspend or otherwise restrict withdrawals from the funds, Alpine Cayman Islands Limited would be entitled to withdraw a portion of its investment in such funds on a pro rata basis with third party investors in these funds.

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**Amendment to Investment Agreement with Ramius Fund of Funds Group LLC**

In connection with the transactions, Ramius and HVB AG, an affiliate of BA Alpine Holdings, Inc., amended the investment agreement with respect to an investment in certain funds of Ramius Fund of Funds Group LLC. It has been agreed that until September 30, 2010, a portion of this investment may not be withdrawn if after such withdrawal, the value of the investment would be less than \$350 million, subject to specified exceptions. Beginning on September 30, 2010 and on each subsequent calendar quarter end date, there is no restriction on withdrawing a portion of the investment equal to at least \$60 million from the funds of Ramius Fund of Funds Group LLC plus any additional amounts that are permitted to be withdrawn from such investment on such date as is specified in the amendment to the investment agreement.

Notwithstanding the limitations described above, the investment in the Ramius Fund of Funds Group LLC may be reduced if:

following the closing of the transactions, the value of the investment in the funds of Ramius Fund of Funds Group LLC falls below a certain level;

if Ramius ceases to be controlled by at least two of Peter A. Cohen, Morgan B. Stark, Thomas W. Strauss and Jeffrey M. Solomon;

any merger