

COWEN GROUP, INC.
Form SC 13D
November 12, 2009

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

SCHEDULE 13D

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

Cowen Group, Inc.

(Name of Issuer)

Class A Common Stock, Par Value \$.01

(Title of Class of Securities)

223622 101

(CUSIP Number)

David K. Boston, Esq.

Laura L. Delanoy, Esq.

Willkie Farr & Gallagher LLP

787 Seventh Avenue

New York, NY 10019

(212) 728-8000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 2, 2009

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(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

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

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

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CUSIP No. 223622 101

1	Name of Reporting Person RCG Holdings LLC	
2	Check the Appropriate Box if a Member of a Group	
	(a)	x
	(b)	o
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	o
6	Citizenship or Place of Organization Delaware	
7	Sole Voting Power 37,536,826	
8	Shared Voting Power 0	
9	Sole Dispositive Power 37,536,826	
10	Shared Dispositive Power 0	
11	Aggregate Amount Beneficially Owned by Each Reporting Person 37,536,826	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares	o
13	Percent of Class Represented by Amount in Row (11) 67.9%	
14	Type of Reporting Person OO	

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 223622 101

1. Name of Reporting Person
C4S & CO., L.L.C.
2. Check the Appropriate Box if a Member of a Group
(a) x
(b) o
3. SEC Use Only
4. Source of Funds
OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|----|--------------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7 | Sole Voting Power
37,536,826 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
37,536,826 |
| | 10 | Shared Dispositive Power
0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
37,536,826
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares o
13. Percent of Class Represented by Amount in Row (11)
67.9%
14. Type of Reporting Person
OO

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CUSIP No. 223622 101

- | | | |
|---|---|--|
| 1. | Name of Reporting Person
PETER A. COHEN | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
OO | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
USA | |
| | 7 | Sole Voting Power
0 |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8 | Shared Voting Power
37,536,826 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
37,536,826 |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
37,536,826 | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares | o |
| 13. | Percent of Class Represented by Amount in Row (11)
67.9% | |
| 14. | Type of Reporting Person
IN | |

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CUSIP No. 223622 101

- | | | |
|---|---|--|
| 1. | Name of Reporting Person
MORGAN B. STARK | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
OO | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
USA | |
| | 7 | Sole Voting Power
0 |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8 | Shared Voting Power
37,536,826 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
37,536,826 |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
37,536,826 | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares | o |
| 13. | Percent of Class Represented by Amount in Row (11)
67.9% | |
| 14. | Type of Reporting Person
IN | |

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CUSIP No. 223622 101

- | | | |
|---|---|--|
| 1. | Name of Reporting Person
JEFFREY M. SOLOMON | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
OO | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
USA | |
| | 7 | Sole Voting Power
0 |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8 | Shared Voting Power
37,536,826 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
37,536,826 |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
37,536,826 | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares | o |
| 13. | Percent of Class Represented by Amount in Row (11)
67.9% | |
| 14. | Type of Reporting Person
IN | |

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CUSIP No. 223622 101

- | | | |
|---|---|--|
| 1. | Name of Reporting Person
THOMAS W. STRAUSS | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
OO | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
USA | |
| | 7 | Sole Voting Power
0 |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8 | Shared Voting Power
37,536,826 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
37,536,826 |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
37,536,826 | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares | o |
| 13. | Percent of Class Represented by Amount in Row (11)
67.9% | |
| 14. | Type of Reporting Person
IN | |

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Item 1. Security and Issuer

This statement on Schedule 13D relates to the Class A Common Stock, par value \$.01 per share (the Shares), of Cowen Group, Inc., a Delaware corporation (the Issuer). The principal executive offices of the Issuer are located at 599 Lexington Avenue, 20th Floor, New York, New York 10022.

Item 2. Identity and Background

(a) This statement is filed by:

(i) RCG Holdings LLC, a Delaware limited liability company (RCG);

(ii) C4S & Co., L.L.C., a Delaware limited liability company (C4S), which serves as managing member of RCG;

(iii) Peter A. Cohen, who serves as one of the managing members of C4S;

(iv) Morgan B. Stark, who serves as one of the managing members of C4S;

(v) Thomas W. Strauss, who serves as one of the managing members of C4S; and

(vi) Jeffrey M. Solomon, who serves as one of the managing members of C4S.

Each of the foregoing is referred to as a Reporting Person and collectively as the Reporting Persons. Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The address of the principal office of each of RCG, C4S, and Messrs. Cohen, Stark, Strauss and Solomon is 599 Lexington Avenue, 20th Floor, New York, New York 10022.

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(c) RCG is a holding company which holds shares of common stock of the Issuer on behalf of its members. C4S serves as managing member of RCG. Messrs. Cohen, Strauss, Stark and Solomon serve as co-managing members of C4S.

(d) No Reporting Person has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Messrs. Cohen, Stark, Strauss, and Solomon are citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration

On November 2, 2009, the transactions (the Transactions) contemplated by the Transaction Agreement and Agreement and Plan of Merger, dated as of June 3, 2009 (the Transaction Agreement), by and among the Issuer, Cowen Holdings, Inc. (f/k/a Cowen Group, Inc.) (Cowen Holdings), Lexington

Merger Corp. (Merger Sub), Ramius LLC (f/k/a Park Exchange LLC) (Ramius) and RCG, were consummated. Upon the closing of the Transactions, Merger Sub merged with and into Cowen Holdings, with Cowen Holdings being the surviving corporation and becoming a wholly owned subsidiary of the Issuer; and Ramius, a wholly owned subsidiary of the Issuer, acquired substantially all of the assets and assumed substantially all of the liabilities of RCG. At the closing of the Transactions, 37,536,826 shares of the Issuer's Class A Common Stock were issued to RCG (such shares, the Reported Shares). The Issuer is the parent of both Cowen Holdings and Ramius following the consummation of the Transactions.

References to and descriptions of the Transaction Agreement set forth above in this Item 3 are not intended to be complete and are qualified in their entirety by reference to the full text of the Transaction Agreement, a copy of which is attached hereto as Exhibit 99.2.

Item 4. Purpose of Transaction

The information set forth or incorporated by reference in Items 3 and 6 is hereby incorporated by reference herein. RCG acquired beneficial ownership of the Reported Shares upon consummation of the Transactions. As a result of C4S serving as the managing member of RCG, and Messrs. Cohen, Solomon, Stark and Strauss serving as managing members of C4S, each of the Reporting Persons may be deemed to have acquired beneficial ownership of the Reported Shares for purposes of Rule 13d-3 promulgated under the Act (Rule 13d-3). RCG appointed six of the members of the board of directors of the Issuer pursuant to the Transaction Agreement as of the closing of the Transactions. The Reported Shares represent substantially all of RCG's assets. The Reported Shares have been allocated to different members of RCG, including Messrs. Cohen (2,997,813 allocated Shares), Solomon (587,881 allocated Shares), Stark (2,435,132 allocated Shares, including Shares allocated to Mr. Stark's wife) and Strauss (2,874,001 allocated Shares, including Shares allocated to an entity controlled by Mr. Strauss). The ability of the members to withdraw capital from RCG are limited by certain restrictions, as described in Item 6 below.

No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon completion of any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, withdrawals of capital from RCG by its members, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, selling some or all of their Shares or purchasing additional Shares.

Item 5. Interest in Securities of the Issuer

The aggregate percentage of Shares reported owned by each person named herein is based upon 55,292,998 Shares outstanding as of November 2, 2009.

A. RCG

(a) RCG is the beneficial owner for purposes of Rule 13d-3 of 37,536,826 Shares, which it owns directly.

Percentage: Approximately 67.9%.

(b) 1. Sole power to vote or direct vote: 37,536,826

2. Shared power to vote or direct vote: 0

3. Sole power to dispose or direct the disposition: 37,536,826

4. Shared power to dispose or direct the disposition: 0

(c) Other than the acquisition of the Reported Shares by RCG upon the consummation of the Transactions, RCG did not enter into any transactions in the Shares in the past 60 days. The Reported Shares held by RCG have been allocated to the members of RCG, including Messrs. Cohen, Stark, Strauss and Solomon.

B. C4S

(a) C4S, as the managing member of RCG, may be deemed the beneficial owner for purposes of Rule 13d-3 of the 37,536,826 Shares owned by RCG.

Percentage: Approximately 67.9%.