

RODMAN & RENSHAW CAPITAL GROUP, INC.  
Form DEF 14A  
March 26, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant    
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

## RODMAN & RENSHAW CAPITAL GROUP, INC.

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(Name of Registrant as Specified In Its Charter)

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

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it is determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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1251 Avenue of the Americas  
New York, New York 10020  
(212) 356-0500

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON WEDNESDAY, MAY 5, 2010  
AT 9:00 AM., EDT

To our stockholders:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders (the Meeting) of Rodman & Renshaw Capital Group, Inc., a Delaware corporation (the Company), which will be held on Wednesday, May 5, 2010 at 9:00 AM eastern daylight savings time at our corporate headquarters located at 1251 Avenue of the Americas, New York, New York 10020, 20<sup>th</sup> Floor, to consider and act upon the following matters, all as more fully described in the accompanying Proxy Statement:

1. To elect a board of directors to serve until the next annual meeting of the Company's stockholders or until their respective successors have been duly elected and qualified;
2. To approve the Company's 2010 Stock Award and Incentive Plan;
3. To ratify the appointment of KPMG LLP as the Company's independent auditors for the 2010 fiscal year; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

Stockholders of record of the Company's Common Stock at the close of business on March 10, 2010, the record date set by the Board of Directors, are entitled to notice of, and to vote at, the Meeting and at any adjournment or postponements thereof.

THOSE WHO CANNOT ATTEND ARE URGED TO SIGN, DATE, AND OTHERWISE COMPLETE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. ANY STOCKHOLDER GIVING A PROXY HAS THE RIGHT TO REVOKE IT ANY TIME BEFORE IT IS VOTED.

By Order of the Board of Directors,

Gregory R. Dow, Secretary

New York, New York  
March 23, 2010

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**Important notice regarding Internet availability of proxy materials for the 2010 Annual Meeting to be held on May 5, 2010**

**The proxy materials for the Annual Meeting, including the 2009 Annual Report and Proxy Statement, are available online at <http://www.rodman.com>**

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**PROXY STATEMENT**

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This proxy statement contains information related to the 2010 Annual Meeting of Stockholders ( Meeting ) of Rodman & Renshaw Capital Group, Inc., a Delaware corporation ( we , us , our , Rodman or the Company ), to be held at our corporate headquarters located at 1251 Avenue of the Americas, New York, New York 10020, 20<sup>th</sup> Floor, on Wednesday, May 5, 2010 at 9:00 AM, EDT, and at any postponements or adjournments thereof. The approximate date of mailing for this proxy statement, proxy card and a copy of our annual report on Form 10-K for the year ended December 31, 2009 is March 26, 2010.

**SOLICITATION AND REVOCATION OF PROXIES**

A form of proxy is being furnished herewith by the Company to each stockholder and, in each case, is solicited on behalf of the Board of Directors of the Company (the Board ) for use at the Meeting. Stockholders are requested to complete, date and sign the accompanying proxy and return it promptly to the Company. Your execution of the enclosed proxy will not affect your right as a stockholder to attend the Meeting and to vote in person. Any stockholder giving a proxy has the right to revoke it at anytime by either (i) a later-dated proxy, (ii) a written revocation sent to and received by the Secretary of the Company prior to the Meeting or (iii) attendance at the Meeting and voting in person.

The entire cost of soliciting these proxies will be borne by the Company. The Company may pay persons holding shares in their names or the names of their nominees for the benefit of others, such as brokerage firms, banks, depositories, and other fiduciaries, for costs incurred in forwarding soliciting materials to their principals. Members of the management of the Company may also solicit some stockholders in person, or by telephone, e-mail or fax, following solicitation by this Proxy Statement, but will not be separately compensated for such solicitation services.

If your shares are registered directly in your name with Corporate Stock Transfer, Inc., our transfer agent, you are considered a stockholder of record. As a stockholder of record at the close of business on March 10, 2010 (the Record Date ), you can vote in person at the Meeting or you can provide a proxy to be voted at the Meeting by signing and returning the enclosed proxy card. If you submit a proxy card, we will vote your shares as you direct. If you submit a proxy card without giving specific voting instructions, those shares will be voted as recommended by the Board. If your shares are held in a stock brokerage account or other nominee, you are considered the beneficial owner of those shares, and your shares are held in street name. If you hold your shares in street name, you will receive instructions from your broker or other nominee describing how to vote your shares. If you do not instruct your broker or nominee how to vote such shares, they may vote your shares as they decide as to each matter for which they have discretionary authority under the rules of the New York Stock Exchange.

\* \* \* \* \*

**STOCKHOLDER S VOTING RIGHTS**

Only holders of record of the Company s Common Stock, \$0.001 par value ( Common Stock ), at the close of business on the Record Date will be entitled to notice of, and to vote at, the Meeting or at any adjournment or postponements thereof. On the Record Date there were 35,349,445 shares of Common Stock outstanding with one vote per share.

Our bylaws provide that the holders of a majority of the shares of our Common Stock issued and outstanding and entitled to vote at the Meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Meeting. Abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum. With respect to the election of directors, withheld votes and broker non-votes will be deemed not to have been cast and will have no legal effect in the election of directors. With respect to the other matters described herein, abstentions will have the same effect as a vote against such proposals, but broker non-votes will have no legal effect on the proposals.

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With respect to the election of directors, assuming a quorum is present, the affirmative vote of a plurality of the votes cast by the holders of the Company's common stock present in person or represented by proxy is required to elect each nominee. Election by a plurality means that the director nominee with the most votes for a particular Board seat is elected for that seat.

With respect to the proposals to approve the 2010 Stock Award and Incentive Plan (the "2010 Plan") and to ratify KPMG LLP as the Company's independent auditors for fiscal year ended December 31, 2010, or any other non-election matter that may come before the meeting, assuming a quorum is present, the affirmative vote of holders of a majority of the shares present in person or represented by proxy at the Meeting and entitled to vote on the matter is required to approve the proposal. As discussed above, for purposes of the vote on any such proposal, abstentions are tantamount to a "no" vote and "broker non-votes" will not be counted and therefore will have no impact on the outcome.

We have retained our transfer agent, Corporate Stock Transfer, Inc., as independent inspector of election to receive and tabulate the votes. Our transfer agent will also certify the results and perform any other acts required by the Delaware General Corporation Law.

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### MANAGEMENT

Set forth below is information concerning our directors and senior executive officers, as of March 15, 2010.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Wesley K. Clark	65	Chairman and Director
Michael Vasinkevich	42	Vice Chairman and Director
Edward Rubin	42	Chief Executive Officer (Principal Executive Officer), President and Director
John J. Borer III	52	Senior Managing Director, Head of Investment Banking and Director
David Horin	41	Chief Financial Officer (Principal Accounting Officer)
Winston Churchill	69	Director
Richard M. Cohen	59	Director
Peter F. Drake	56	Director
Sam Dryden	60	Director
Mark L. Friedman	62	Director
Marvin I. Haas	67	Director

Executive officers are appointed by, and serve at the pleasure of, the Board of Directors. A brief biography of each director and executive officer follows:

*Wesley K. Clark.* General Clark was appointed Chairman on July 10, 2007 and became a director on July 22, 2007. He was appointed chairman of Rodman & Renshaw Holding LLC (" Holding"), our predecessor, in January 2006. In addition to being an educator, writer and commentator, General Clark is chairman and chief executive officer of Wesley K. Clark & Associates, a strategic advisory firm he founded in March 2003. From June 2000 through March 2003, General Clark was a managing director at Stephens, Inc., an investment banking firm based in Arkansas. From June 1966 through June 2000, General Clark served in the U.S. Army where he held numerous staff and command positions and rose to the rank of 4-star general. He served as NATO Supreme Allied Commander and Commander in Chief of the U.S.-European Command from July 1997 through May 2000. In August 2000, General Clark was awarded the Presidential Medal of Freedom, the United States highest civilian honor. General Clark graduated from the United States Military Academy at West Point in 1966. He received a Masters in Philosophy, Politics and Economics from Oxford University where he was a Rhodes Scholar from 1966 to 1968. General Clark serves on the board of directors of AMG Advanced Metallurgical Group N.V., a global producer of specialty metals and metallurgical vacuum furnace systems, Bankers Petroleum Ltd., a Canadian-based oil and gas exploration and production company, Juhl Energy, Inc., a wind energy provider and Prysmian S.r.L.a

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provider of high-technology cables and systems for energy and telecommunication. He is a former director of Adams Aircraft Industries, Inc., Argyle Security, Inc., CVR Energy, Inc., Nutracea Inc. and Summit Global Logistics, Inc.

*Michael Vasinkevich.* Mr. Vasinkevich was appointed Vice Chairman on July 10, 2007 and became a director on July 22, 2007. He was appointed vice chairman of Holding in May 2007. He joined us in July 2002 as senior managing director and was appointed a director of Rodman & Renshaw, LLC ( R&R ), our registered broker-dealer in 2006 and a director of Holding in 2004. From August 1999 through May 2002, Mr. Vasinkevich was a managing director at Ladenburg Thalmann & Co. Inc., and for the last 11 months of his tenure there he was president of capital markets. From November 1998 through July 1999 he was the founder and managing director of Tandem Venture Partners, Ltd., a specialized financial advisory firm focusing on growth companies in the United States and Asia. From June 1997 to November 1998, he was the managing director of the structured finance group at Jesup & Lamont Securities Corp.

*Edward Rubin.* Mr. Rubin was appointed Chief Executive Officer on February 9, 2009, and became President and a director on July 10, 2007. He was appointed president of Holding in May 2007. He originally joined Holding in June 2002 as a senior managing director. He served as President of R&R from September 2006, as a director of R&R since 2006 and as a director of Holding since 2004. From August 1999 through May 2002, Mr. Rubin was a director, corporate finance with Ladenburg Thalmann & Co. Inc. From November 1998 through July 1999, he was the founder and executive vice president of Tandem Venture Partners, Ltd., a specialized financial advisory firm focusing on growth companies in the United States and Asia. From July 1998 to November 1998, he was a vice president in the structured finance group at Jesup & Lamont Securities Corp. From November 1995 through December 1997, Mr. Rubin was assistant general counsel for NCH Capital, an investment fund specializing in investments in Eastern Europe and the former Soviet Union. From September 1993 through November 1995, Mr. Rubin was an associate in two law firms in New York, Friedman & Kaplan and Coudert Brothers. Mr. Rubin received his B.A. in political science from Bernard M. Baruch College in 1989 and his J.D. from New York University School of Law in 1993.

*John J. Borer III.* Mr. Borer became a director on July 22, 2007 and a Senior Managing Director and Co-Head of Investment Banking in September 2007. Since July 2008, he has been Head of Investment Banking. Mr. Borer was our Chief Executive Officer from July 10, 2007 through September 4, 2007. Mr. Borer was appointed chief executive officer of Holding in May 2007. He also served as a director of Holding since April 2004 and a director of R&R since 2002. From 1998 through 2006 he was a senior managing director and the president of R&R. From 1991 through 1998, Mr. Borer was a managing director and head of investment banking at the broker-dealer affiliate of the original Rodman & Renshaw firm. From 1984 through 1991, Mr. Borer was senior vice president and investment manager in the new business development office of Security Pacific Business Credit Inc. From 1979 through 1984, he served as a vice president and business development officer with Barclays American Business Credit in its Los Angeles office. Mr. Borer received his B.S. in Agricultural Economics from the University of California at Davis in 1978 and his J.D. from Loyola Law School in Los Angeles in 1984.

*David Horin.* Mr. Horin became our Chief Financial Officer on March 17, 2008. From 2003 through March 2008, Mr. Horin was the Managing Director of Accounting Policy and Financial Reporting at Jefferies & Company, Inc., the principal operating subsidiary of Jefferies Group, Inc. Prior to his employment at Jefferies & Company, from 2000 to 2003, Mr. Horin was a Senior Manager in KPMG's Department of Professional Practice in New York, where he advised firm members and clients on technical accounting and risk management matters for a variety of public, international and early growth stage entities. Mr. Horin has a Bachelor of Science degree in Accounting from Baruch College at the City University of New York. Mr. Horin is also a Certified Public Accountant.

*Winston Churchill.* Mr. Churchill became a director on October 16, 2007. He has served as the chairman of the board of Cyalume Technologies Holdings Inc. (OTCBB:CYLU), successor by change of name to Vector Intersect Security Acquisition Corp., since May 31, 2006. Since 1996, Mr. Churchill has been the managing general partner of SCP Partners, which manages several private equity and venture capital funds. From 1993 to the present he has been the chairman of CIP Capital Management, Inc., which manages a small business investment company, as defined by the National Association of Small Business Investment Companies. He is currently a director of Innovative Solutions and Support, a company engaged in the design, manufacture, and sale of flight information

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computers, flat panel displays, and monitoring systems; Amkor Technology, Inc., a subcontractor of semiconductor packaging and test services; Griffin Land & Nurseries, a real estate and landscape nursery business; and a number of private portfolio companies. Mr. Churchill received a B.S. in Physics, *summa cum laude*, from Fordham University in 1962, an M.A. in Economics from Oxford University, where he was a Rhodes Scholar, in 1964, and a J.D. from Yale Law School in 1967. He is a trustee of Immaculata University.

*Richard M. Cohen.* Mr. Cohen became a director on August 13, 2007. Since 1996, he has been the President of Richard M. Cohen Consultants, a financial services consulting company that accepts engagements from public and private companies to assist with their corporate governance and corporate finance needs. Since 2003, Mr. Cohen has served as a director of Dune Energy, Inc., a publicly traded energy company for which he served as chief financial officer from November 2003 to April 2005. He is also currently serving as corporate secretary of Dune. Since February 2006, Mr. Cohen has served as a director of Helix Biomedix Inc., and December 2009 he has served as a Director of Cormedix, Inc. From 1984 through 1992, Mr. Cohen was an investment banker at Henry Ansbacher, Furman Selz, where he specialized in mergers & acquisitions, public equity offerings, and restructurings. From 1980 through 1983, Mr. Cohen was a vice president of corporate development at Macmillan, Inc. Mr. Cohen is a certified public accountant (New York State). He received a B.S. from the University of Pennsylvania (Wharton) in 1973 and an M.B.A. from Stanford University in 1975.

*Peter F. Drake.* Dr. Drake became a director on October 16, 2007. Dr. Drake is currently the managing general partner of Mayflower Partners, a healthcare investment fund. From 1999 to 2002, he served as a managing director in the Equity Research Department of Prudential Securities, Inc., following Prudential's acquisition of Vector Securities International, an investment banking firm co-founded by Dr. Drake in 1988. Vector specialized in raising capital for emerging healthcare companies and acted as an advisor in merger and alliance transactions in the healthcare area. Dr. Drake joined the investment banking firm of Kidder, Peabody & Co. as a biotechnology analyst in 1983, becoming a partner in 1986. He currently serves on the board of directors of Trustmark Insurance Co., a healthcare insurance provider, Penwest Pharmaceuticals Co., a publicly traded healthcare company providing drug delivery systems, Cortex Pharmaceuticals, Inc., a publicly traded neuroscience company, and Sequoia Sciences, a privately held biotechnology company focusing on the development of new anti-infectives. Dr. Drake received a B.A. in Biology from Bowdoin College in 1976, a Ph.D. in Biochemistry and Neurobiology from Bryn Mawr College in 1980 and a C.B.A. from the Wharton School of Business at the University of Pennsylvania in 1983.

*Sam Dryden.* Mr. Dryden became a director on July 22, 2007. He had been appointed to the board of directors of Holding in March 2007. Since February 2010, he has served as Director, Agricultural Development of the Bill and Melinda Gates Foundation. He also serves as Senior Advisory Director of Wolfensohn & Company, a corporate advisory and investment firm. From January 1, 2007 until January 31, 2010, he served as a managing director of Wolfensohn & Company where he focuses on private equity investments in biofuels and other alternative energies. He was the chief executive officer of Emergent Genetics, LLC, a life science investment holding company, a position he has held since April 2004. From January 1997 through June 2006, he served as chairman and chief executive officer of Emergent Genetics, Inc., an international biotechnology company. He founded and held executive positions with both Agrigenetics Corporation, now part of Dow AgroSciences, and Big Stone Inc., a private venture-investment and development company, which participated in the founding of over a dozen life science companies. Mr. Dryden is a member of the Council on Foreign Relations where he serves on its Advisory Committee on Intellectual Property and American Competitiveness. Mr. Dryden received his B.A. from Emory University in 1973.

*Mark L. Friedman.* Mr. Friedman became a director on October 16, 2007. Since 2001, he has served as the managing partner of Constellation Investment Partners LLC, a Florida based merchant-banking and special investment firm. In 2003, Mr. Friedman co-founded OnForce, Inc., an online marketplace for onsite technology services. Mr. Friedman was a partner of Shea & Gould, a national law firm, from 1982-1992 and also served as a member of its management committee. He previously served as a director of several public companies, including Allied Digital Technologies Corp. and Disc Graphics, Inc., where he also served as chairman of the audit committee. Mr. Friedman received his B.A. in history, *magna cum laude*, in 1970 and his J.D., *cum laude*, in 1973 from the University of Pennsylvania. He was elected to the Phi Beta Kappa Society and was Articles Editor of the University of Pennsylvania Law Review.

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*Marvin I. Haas.* Mr. Haas became a director on October 16, 2007. From December 2006 through August 2008, Mr. Haas served as a member of the board of directors of Universal Power Group, Inc. and as chairman of its compensation committee and as a member of its corporate governance and nominating committee. From 1993 until its sale to the Sara Lee Corporation in 1999, Mr. Haas served as president and chief executive officer of Chock Full O Nuts Corporation. Since his retirement from Chock Full O Nuts, Mr. Haas has been a private investor. Mr. Haas received a B.A. from Northeastern University in 1965 and an M.B.A. from its Graduate School of Business in 1967.

### Family Relationships

None of the directors or executive officers is related by blood, marriage or adoption.

\* \* \* \* \*

### BENEFICIAL STOCK OWNERSHIP BY PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of March 15, 2010 (except as otherwise noted) for (i) each stockholder known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock; (ii) each of our directors; (iii) each of our named executive officers; and (iv) all of our directors and current executive officers as a group.

Unless otherwise indicated in the footnotes to this table, based on information furnished by such stockholders, each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

Name and Address(1)	Common Stock Beneficially Owned (2)	
	Shares	Percent (3)
<i>Directors and Named Executive Officers</i>		
Wesley K. Clark	435,980 (4)	1.2%
Michael Vasinkevich	(5)	
John J. Borer III	2,444,083	6.9%
Edward Rubin	12,711,683 (6)	36.0%
David Horin	239,195 (7)	*
Sam Dryden	78,284 (8)	*
Richard Cohen	46,434 (8)	*
Winston Churchill	323,299 (8)	*
Mark L. Friedman	126,434 (8)	*
Marvin I. Haas	50,434 (8)	*
Peter F. Drake	115,534 (8)	*
All current officers and directors as a group (11 persons)	16,571,360 (9)	45.7%
<i>5% Stockholders</i>		
Steven T. Newby		
12716 Split Creek Court		
North Potomac, MD 20878	3,740,533 (10)	10.6%

\* Less than 1.0%.

- (1) Unless indicated otherwise, all addresses are c/o Rodman & Renshaw Capital Group, Inc., 1251 Avenue of the Americas, New York, New York 10020.
- (2) Except as otherwise indicated and subject to applicable community property and similar laws, each named person has reported having the sole voting and investment power with respect to his or her shares, other than shares subject to options or other rights to acquire.
- (3) Percentage of Common Stock Beneficially Owned is based on the 35,349,445 shares outstanding as of March 15, 2010. In addition, shares which a person had the right to acquire that are included in his or her beneficial ownership are also deemed outstanding in calculating the percentage ownership of the person but not deemed outstanding as to any other person.
- (4) Includes 425,980 shares underlying options that are currently exercisable.



- (5) Mr. Vasinkevich does not beneficially own any shares. Paul Revere, LLC ( Revere ) beneficially owns 12,711,683 shares. ARF Trust, a trust for the benefit of Mr. Vasinkevich s wife and children, owns a two-thirds membership interest in Revere. See note 6 below.

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- (6) Shares owned by Revere, a former member of Rodman & Renshaw Holding, LLC. The members of Revere are the ARF Trust (two-thirds) and Edward Rubin and a trust for the benefit of his children (collectively one-third). Edward Rubin is the sole trustee of the ARF Trust and the wife and children of Michael Vasinkevich, our Vice Chairman, are its beneficiaries. Mr. Rubin has sole voting and investment power over all of the shares owned by Revere.
- (7) Includes 219,500 shares underlying restricted stock units ( RSUs ).
- (8) Includes 6,666 shares underlying non-qualified options that are currently exercisable or exercisable within 60 days of March 15, 2010 and 39,768 shares underlying RSUs.
- (9) Includes 465,976 shares underlying non-qualified options that are currently exercisable or exercisable within 60 days of March 15, 2010 and 458,108 shares underlying RSUs.
- (10) The information with respect to this stockholder is derived from the Schedule 13G/A filed by the stockholder on January 6, 2010 with the Securities and Exchange Commission, reporting shares beneficially owned at December 31, 2009.

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**PROPOSAL NO. 1  
ELECTION OF DIRECTORS**

Under our bylaws, the number of directors at any one time may not be less than one or more than eleven. The maximum number of directors at any one time may be increased by a vote of a majority of the directors then serving. Currently, the Board of Directors consists of ten members, six of whom qualify as independent under the rules and regulations of the United States Securities and Exchange Commission (the SEC ) and The NASDAQ Stock Market, Inc. ( NASDAQ ). Our charter provides for the annual election of directors. At each annual meeting of stockholders, our directors will be elected for a one-year term and serve until their respective successors have been elected and qualified. It is anticipated that the Board of Directors will meet at least quarterly.

The nominees named herein are presently members of the Board, and each nominee has consented to serve as a director if elected at this year s Meeting. We do not know of any reason why any nominee would be unable to serve as a director. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of any other person that the Board may nominate as a substitute. Proxies cannot be voted for a greater number of persons than the number of nominees shown below.

**Nominees standing for election to the Board**

Name	Age	Title
Wesley K. Clark	65	Chairman and Director
Michael Vasinkevich	42	Vice Chairman and Director
Edward Rubin	42	Chief Executive Officer (Principal Executive Officer) President and Director
John J. Borer III	52	Senior Managing Director, Head of Investment Banking and Director
Winston Churchill	69	Director
Richard M. Cohen	59	Director
Peter F. Drake	56	Director
Sam Dryden	60	Director
Mark L. Friedman	62	Director
Marvin I. Haas	67	Director

The principal occupation and business experience for each nominee is set forth in the section entitled Management above.

**The Board recommends a vote FOR the election of the nominees named above and proxies that are signed and returned will be so voted unless otherwise instructed.**

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**CORPORATE GOVERNANCE AND BOARD COMMITTEES**

**Board Composition**

Currently, the Board of Directors consists of ten members. Our charter provides for the annual election of directors. At each annual meeting of stockholders, our directors will be elected for a one-year term and serve until their respective successors have been elected and qualified. The Annual Meeting to which this Proxy Statement relates is the Company's 2010 Annual Meeting.

**Disclosure of Director Qualifications**

The Board of Directors, acting through the Nominating and Corporate Governance Committee, is responsible for assembling for stockholder consideration a group of nominees that, taken together, have the experience, qualifications, attributes, and skills appropriate for functioning effectively as a Board. The Nominating and Corporate Governance Committee regularly reviews the composition of the Board in light of the Company's changing requirements, its assessment of the Board's performance, and the inputs of stockholders and other key constituencies.

The Nominating and Corporate Governance Committee looks for certain characteristics common to all board members, including integrity, strong professional reputation and record of achievement, constructive and collegial personal attributes, and the ability and commitment to devote sufficient time and energy to Board service.

In addition, the Nominating and Corporate Governance Committee seeks to include on the Board a complementary mix of individuals with diverse backgrounds and skills reflecting the broad set of challenges that the board confronts. These individual qualities can include matters like experience in the company's industry, technical experience (for example, financial or technological expertise), experience gained in situations comparable to the company's (e.g., financial service companies, growth companies, and companies that grow through acquisitions), leadership experience, and relevant geographical experience.

**Director Independence**

Six of our ten directors, Messrs. Cohen, Churchill, Drake, Dryden, Friedman and Haas, qualify as independent under the rules and regulations of the SEC and NASDAQ.

**Board Meetings**

The Board met six times during 2009. A majority of the directors attended all of the meetings of the Board. All persons who were directors during 2009 attended at least 75% of the meetings of the Board and each Committee upon which he was then serving. Absent special circumstances, each director is expected to attend the annual meeting of stockholders. With one exception, all of our directors attended the 2009 Annual Meeting.

**Committees Established by the Board**

The Board of Directors has established three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee has three members, all of whom qualify as independent under the rules and regulations of the SEC and NASDAQ.

**Audit Committee.** The Board of Directors has appointed Richard Cohen, Winston Churchill and Peter F. Drake as the members of the Audit Committee. Mr. Cohen is the chairman of the committee and also qualifies as an audit committee financial expert within the meaning of the rules of the SEC and NASDAQ. The Audit Committee reviews and reports to the Board of Directors on our internal accounting and financial controls and on the accounting principles and auditing practices and procedures to be employed in preparing and reviewing our consolidated financial statements. The Audit Committee is also responsible for engaging and overseeing our independent public auditors, the scope of the audit to be undertaken by such auditors and the pre-approval of any

audit and permitted non-audit services provided by such auditors. During 2009, the Audit Committee held five meetings. We have adopted a Charter establishing and governing the Audit Committee, a copy of which is posted on our website at [www.rodman.com](http://www.rodman.com).

**Compensation Committee.** The Board of Directors has appointed Mark L. Friedman, Sam Dryden and Marvin I. Haas as the members of the Compensation Committee. Mr. Friedman serves as chairman of the committee. The Compensation Committee reviews and, as it deems appropriate, recommends to the Board of Directors policies, practices and procedures relating to the compensation of the officers and other managerial employees, including the determination in its discretion of the amount of annual bonuses, if any, for our executive officers and other professionals, and the establishment and administration of employee benefit plans. The Compensation Committee exercises all authority under our employee equity incentive plans and will advise and consult with our senior executives as may be requested regarding managerial personnel policies. During 2009, the Compensation Committee held five meetings. We have adopted a Charter establishing and governing the Compensation Committee, a copy of which is posted on our website at [www.rodman.com](http://www.rodman.com).

**Nominating and Corporate Governance Committee.** The Board of Directors has appointed Winston Churchill, Peter F. Drake and Mark L. Friedman as the members of the Nominating and Corporate Governance Committee. Mr. Churchill serves as chairman of the committee. The Nominating and Corporate Governance Committee identifies and recommends nominees to the Board of Directors and oversees compliance with our corporate governance guidelines. During 2009, the Nominating and Corporate Governance Committee held one meeting. We have adopted a Charter establishing and governing the Nominating and Corporate Governance Committee, a copy of which is posted on our website at [www.rodman.com](http://www.rodman.com).

**Executive Session.** The non-management directors of the Board of Directors meet in executive session at each meeting of the Board of Directors. The non-management directors have the authority to retain outside consultants and to schedule additional meetings in their discretion.

#### **Stockholder Recommendation for Director Nominations**

As noted above, the Nominating and Corporate Governance Committee considers and establishes procedures regarding recommendations for nomination to the board, including nominations submitted by stockholders. Recommendations of stockholders should be sent to us in a timely manner, either in person or by certified mail, to the attention of our Corporate Secretary. Any recommendations submitted to the Secretary should be in writing and should include whatever supporting material the stockholder considers appropriate in support of that recommendation but must include the information that would be required to be disclosed under the SEC's rules in a proxy statement soliciting proxies for the election of such candidate and a signed consent of the candidate to serve as our director if elected. The Nominating and Corporate Governance Committee will evaluate all potential candidates in the same manner, regardless of the source of the recommendation. Based on the information provided to the Nominating and Corporate Governance Committee, it will make an initial determination whether to conduct a full evaluation of a candidate. As part of the full evaluation process, the Nominating and Corporate Governance Committee may conduct interviews, obtain additional background information and conduct reference checks of the candidate, among other things. The Nominating and Corporate Governance Committee may also ask the candidate to meet with management and other members of the Board. Although the Nominating and Corporate Governance Committee has not adopted a formal policy regarding diversity, it considers a broad range of factors in evaluating a candidate, including the advantages to Rodman that come from having a Board comprised of persons with diverse experiences and perspectives. Thus, the consideration of diversity is not limited to matters of race, gender or national origin, but encompasses the applicant's broad background and is evaluated in light of the existing composition of the Board.

#### **Communications with Non-Management Members of the Board**

The Company's Corporate Governance Policies set forth a process by which stockholders and other interested third parties can send communications to the non-management members of the Board. When interested third parties have concerns, they may make them known to the non-management directors by communication via <https://rodmanandrenshaw.silentwhistle.com/ethfeedback/index.jsp> or toll free number (866) 851-9745. All such

correspondence is provided to the presiding chairman at, or prior to, the next executive session held at a regular Board meeting.

\* \* \* \* \*

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS  
AND DIRECTOR INDEPENDENCE**

Cynthia Van Osch, the wife of John Borer, a director and our Head of Investment Banking, is employed by the Company. During 2008 and 2009, Ms. Van Osch received \$97,894 and \$49,558, respectively, for services rendered.

We were the representative of the underwriters in the initial public offering of Vector Intersect Security Acquisition Corp. ( Vector ) which was consummated in April 2007. Vector was a special purpose acquisition company (SPAC) targeting the homeland security, national security and/or command and control industries. Pursuant to the underwriting agreement, we agreed to deposit a portion of our underwriting fees into the SPAC trust account until the earlier of a business combination or the liquidation of the trust account. We also agreed to forfeit any rights to such fees unless Vector successfully consummated a business combination. In December 2008, Vector consummated a business combination transaction. In connection with that transaction, we agreed to lend to Vector approximately \$1.8 million of the funds held in the trust account for our benefit. The loan is evidenced by an unsecured promissory note bearing interest at the rate of 8% per annum and due on June 30, 2014. At December 31, 2009, the outstanding note balance was approximately \$2 million. Winston Churchill, who became a director of the Company in October 2007, was a director and principal stockholder of Vector at the time of the transactions described above.

**Director and Officer Indemnification**

We have entered into indemnity agreements with our directors and officers indemnifying them against all losses, damages, costs and expenses incurred by them arising out of their service in such capacity, subject to the limitations imposed by Delaware law. This agreement is in addition to our indemnification obligations under our bylaws.

**Tax Indemnification Agreement**

Prior to the July 10, 2007, we operated as a limited liability company (treated as a partnership for income tax purposes) and, as such, our former members, including Revere, generally, will be liable for adjustments to taxes (including federal and state income taxes) attributable to our operations prior to July 10, 2007. In connection with our conversion to a corporation which occurred on July 10, 2007, we entered into a tax indemnification agreement to indemnify our former members, including Revere, and their respective members and stockholders, including John J. Borer III, Edward Rubin and a trust for the benefit of the wife and children of Michael Vasinkevich, against increases in taxes that relate to our activities prior to becoming a corporation. The tax indemnification agreement includes provisions that permit us to control any tax proceeding or contest which might result in our being required to make a payment under the tax indemnification agreement.

**Policies and Procedures for Related Party Transactions**

We have adopted a code of business conduct and ethics, pursuant to which our executive officers, directors and principal stockholders, including their immediate family members and affiliates, are not permitted to enter into a related party transaction with us without the prior consent of our Audit Committee, or other independent committee of the Board in the case where it is inappropriate for our Audit Committee to review such a transaction due to a conflict of interest. All of our directors, executive officers and employees are required to report to our Audit Committee any such related party transaction. In approving or rejecting the proposed transaction, our Audit Committee will consider the relevant facts and circumstances available and deemed relevant to the Audit Committee, including, but not limited to the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products, and, if applicable, the impact on a director's independence. The Audit Committee will approve only those agreements that, in light of known circumstances, are

in, or are not inconsistent with, our best interests, as the Audit Committee determines in the good faith exercise of its discretion.

\* \* \* \* \*

### COMPENSATION OF DIRECTORS

Each member of the Board who is not an employee receives, as compensation for service on the Board: (i) an annual retainer of \$20,000; (ii) \$1,000 for each meeting of the Board attended either in person or telephonically; and (iii) \$750 for each committee meeting attended either in person or telephonically. In addition, each committee chairman receives an additional annual retainer as follows: (i) Audit Committee \$12,500; (ii) Compensation Committee \$7,500; and (iii) Nominating and Corporate Governance Committee \$5,000. Such additional compensation is intended to reflect special efforts of such board members. In 2009, each non-employee director received a RSU grant covering 30,000 shares of our common stock, 10,000 shares of which vested on the date of grant and 10,000 shares of which will vest on the first and second anniversary of the grant date, subject to forfeiture and accelerated vesting upon specified events. In addition, the shares have a selling restriction for two years following the final vesting date. Board members will be reimbursed for reasonable travel expenses associated with attending any board or committee meetings.

The following table sets forth the compensation paid to our directors who are not named executive officers for the year ended December 31, 2009.

#### Director Compensation - 2009

Name	Fees Earned or Paid in Cash	Stock Awards (1)	All Other Compensation	Total
Wesley K. Clark(2)			\$ 292,708	\$ 292,708
Sam Dryden	\$ 29,250	\$ 45,600		74,850
Richard Cohen	43,500	45,600		89,100
Winston Churchill	35,250	45,600		80,850
Peter F. Drake	30,250	45,600		75,850
Mark L. Friedman	37,750	45,600		83,350
Marvin I. Haas	28,250	45,600		73,850

(1) Compensation shown in the Stock Awards column represents the aggregate grant-date fair value of the awards computed in accordance the Financial Accounting Standards Board (FASB) Accounting Standards Codified Topic 718 ( FASB ASC Topic 718 ) (excluding estimated forfeitures based on service-based vesting conditions). Each non-employee director received a grant of 30,000 RSUs on October 30, 2009, so the compensation amount in the table represents the aggregate fair value of the single grant received by the director in 2009. 10,000 RSUs were non-forfeitable upon grant, but will not be eligible for settlement until October 30, 2013, subject to accelerated settlement only upon a change in control of the Company but not upon a termination of service as a director. The grant date fair value of each RSU was \$45,600. This fair value equals the closing price of our common stock on the date of grant, subject to a discount (reduction) based on the restrictions that delay settlement and thus preclude marketability of the underlying shares for a multi-year period. We calculate this discount using a protective put method model. At December 31, 2009, each of the non-employee directors held 3,334 unvested non-qualified stock options and 20,000 unvested RSUs and held 6,666 vested non-qualified stock options and 19,768 vested RSUs. Messrs. Drake and Cohen have elected to defer settlement of the RSUs beyond the scheduled settlement date, until their termination of service as a director.

(2) General Clark is an employee, and receives no separate compensation for service on the Board. His compensation is described below. The amount in the column All Other Compensation represents the amount of compensation we paid to him in 2009.

Wesley K. Clark is employed by us as the Chairman of the Board and serves as a Director. His employment commenced January 30, 2006. Under his current employment agreement, he receives an annual base salary of \$250,000. In addition, he is eligible to receive the following cash bonuses: (i) up to 15% of fees received by R&R, our broker-dealer affiliate, in connection with any transaction introduced by him; and (ii) a discretionary

amount at the end of each calendar quarter. In addition, the agreement: (i) granted him options to purchase 425,980 shares of our common stock at \$3.78 per share, all of which were vested at December 31, 2008; and (ii) provides for payment of an amount if there is a Change of Control Event during the period of employment. In general, the amount cannot exceed \$1,514,942, and would be reduced to the extent that the fair market value of a share of our common stock is less than \$3.78 per share (as adjusted) on the date of the Change of Control Event. We may make the payment, in our absolute discretion, in cash or other property, including the shares or other property which may have been received in the transaction which constituted the Change of Control Event. A Change of Control Event, in general, means the acquisition by any one person, or a group, of more than 50% of the total fair market value or total voting power of our capital stock or of substantially all of our assets.

\* \* \* \* \*

**SUMMARY OF COMPENSATION**

The following table describes the components of the total compensation paid to our named executive officers for 2009 and 2008.

**Summary Compensation Table**

	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Stock Awards<sup>(1)</sup></u>	<u>All Other Compensation</u>	<u>Total</u>
<i>Principal Executive Officer</i>						
Edward Rubin	2009	\$ 150,000	\$ 2,637,794	\$	\$	\$ 2,787,794
President and Chief Executive Officer <sup>(2)</sup>	2008	\$ 150,000	\$	\$	\$	\$ 150,000
Michael Lacovara	2009	\$ 16,667	\$ 400,000	\$	\$ 475,000	\$ 891,667
Former Chief Executive Officer <sup>(3)</sup>	2008	\$ 150,000	\$ 707,500	\$ 214,761	\$	\$ 1,072,261
<i>Principal Accounting Officer</i>						
David Horin	2009	\$ 200,000	\$ 350,000	\$ 31,910	\$	\$ 581,910
Chief Financial Officer	2008	\$ 200,000	\$ 472,500	\$ 241,820	\$	\$ 914,320
Michael Vasinkevich	2009	\$ 150,000	\$ 3,637,794	\$	\$	\$ 3,787,794
Vice Chairman	2008	\$ 150,000	\$	\$	\$	\$ 150,000
John J. Borer III	2009	\$ 150,000	\$ 1,575,825	\$	\$	\$ 1,725,825
Head of Investment Banking	2008	\$ 150,000	\$	\$	\$	\$ 150,000

(1) The stock-based compensation amounts reported in Stock Awards column for both years represent the aggregate grant-date fair value of the awards computed in accordance with FASB ASC Topic 718 (excluding estimated forfeitures based on service-based vesting conditions). We determine the fair value of restricted stock and RSUs as the closing price of our common stock on the date of grant, subject to a discount (reduction) in the case of RSUs that impose restrictions that delay settlement and thus preclude marketability of the underlying shares for periods extending after the lapse of the risk of forfeiture (vesting). We calculate this discount using a protective put method model. The grant of RSUs on February 6, 2009 was subject to a 65% discount based on this methodology.

(2) Also became our Chief Executive Officer effective February 9, 2009.

(3) Employment commenced September 4, 2007 and terminated February 9, 2009.

**Employment Arrangements with Named Executive Officers**

In March 2007, we entered into an employment agreement with each of Michael Vasinkevich, Edward Rubin and John J. Borer III, subsequently modified in July 2007 and October 2009. Each of these agreements is substantially identical and their salient provisions are as follows:

*Term:* Three years, terminating February 28, 2011, with automatic renewals for additional one-year periods unless either party has given at least 90 days notice (an evergreen provision).

*Base Salary:* \$150,000 per annum, subject to increase in the sole discretion of the Compensation Committee.

*Incentive Compensation:* For each fiscal year during the term of their agreements, payment of an amount to these named executive officers, which, when added to the amount of salaries, bonuses, the cost of benefits and all other employee-related expenses (including employment taxes), but excluding equity-based compensation granted prior to October 17, 2007 and certain other items, does not exceed in the aggregate 55% of our gross revenues for such fiscal year, although we may increase this percentage for years subsequent to 2007 with the executive officers' consent. The amount of incentive compensation will be determined by the Compensation Committee based on our overall revenue and profits and the relative productivity of the individual. The incentive compensation paid for 2009 performance is discussed below.

*Benefits.* Each individual is entitled to participate in any retirement plans, pension, insurance, health, disability or other benefit plan or program that is maintained by the Company.

*Termination of Employment.* Under the employment agreements with these executive officers, upon termination of the executive's employment by us other than for cause (as defined in the agreements), the individual is entitled to a lump-sum payment equal to twelve times a monthly amount equal to one-twelfth of the sum of (a) the individual's then current base salary plus (b) the average of the annual incentive compensation paid to the individual for the full fiscal year periods from 2006 through the year preceding the termination. The employment agreements with these executive officers also provide that, if we terminate the employment of these executive officers due to disability, we are obligated to pay a pro rata bonus for the year of termination based on full year results, which may be reduced by the amount of any payments under a disability pay policy, together with continuation of health and welfare benefits for one year.

In August 2007, we entered into an employment agreement with our former Chief Executive Officer, Michael Lacovara, which provided for Mr. Lacovara to serve as our Chief Executive Officer. Mr. Lacovara's employment agreement was unanimously approved by the Board and the Compensation Committee, and the performance-based compensation provisions it contains were also approved by our stockholders. On February 9, 2009, Mr. Lacovara's employment terminated.

The material terms of Mr. Lacovara's employment agreement were as follows:

*Term:* September 4, 2007 through December 31, 2009, with a 90-day evergreen provision.

*Title:* Chief Executive Officer and a member of the Board.

*Base compensation:* \$150,000 per year.

*Level One Incentive Compensation:* Year ended December 31, 2007: \$616,666; Year ended December 31, 2008: \$800,000 plus \$1,050,000 if our consolidated gross revenues for the year ended December 31, 2008 was more than 110% of our consolidated gross revenues for the year ended December 31, 2007; Year ended December 31, 2009: \$800,000 plus \$1,050,000 if our consolidated gross revenues for the year ended December 31, 2009 is more than 120% of our consolidated gross revenues for the year ended December 31, 2007. We were permitted to pay a portion of these bonus amounts in the form of equity awards.



*Additional Incentive Compensation:* Mr. Lacovara was eligible to participate in the Executive Bonus Plan as well as any other plan we adopt for our executives.

*Restricted Stock Grant:* Upon commencement of his employment in September 2007, Mr. Lacovara received 750,000 shares of restricted common stock pursuant to the 2007 Plan. The award provided for the shares to vest in three annual installments on the first, second and third anniversary of the grant date subject to the achievement of targeted revenue goals, subject to accelerated vesting in the event of death, disability, termination without cause, termination for good reason (as defined in the employment agreement) and termination upon a change in control.

*Stock Options:* In October 2007, we granted to Mr. Lacovara options to purchase 750,000 shares of common stock under the 2007 Plan pursuant to the terms of Mr. Lacovara's employment agreement. The exercise price per share is \$5.00. The options provided for vesting in three tranches on the first, second and third anniversary of the grant date, subject to continued employment on such dates, and were subject to accelerated vesting in the event of death, disability, termination without cause, termination for good reason and termination upon a change in control.

*Termination Payment:* Mr. Lacovara's employment agreement governed the terms of his termination of employment on February 9, 2009. Under the employment agreement and the separation agreement we entered into with him, Mr. Lacovara became entitled to a cash severance payment of \$475,000, the payment of a cash bonus of \$400,000 for the second half of calendar year 2008, healthcare coverage continuation until not later than December 31, 2009 (subject to his payment of employee contributions on the same basis as before termination), and accelerated vesting of 500,000 unvested stock options exercisable at \$5.00 per share and 879,605 unvested restricted stock units with a value at February 9, 2009 of \$571,743 (based on the closing price of our common stock at that date).

In February 2008, we entered into an at-will employment agreement with Mr. Horin, our vice president and chief financial officer. Mr. Horin's employment commenced on March 17, 2008. Pursuant to the agreement, Mr. Horin serves at the pleasure of the Board and is entitled to receive base compensation of \$200,000 per year plus an annual bonus to be determined in accordance with our prevailing compensation practices except that, for calendar years 2008 and 2009 such bonuses will not be less than \$350,000 per annum. We are permitted to pay a portion of such bonus in the form of equity awards. In addition, on the commencement date of his employment, Mr. Horin was granted 100,000 restricted shares of our common stock pursuant to a restricted stock agreement which provided for vesting in three annual installments on the first, second and third anniversary of the grant date, provided Mr. Horin has not been terminated for cause or voluntarily terminated prior to vesting, and for accelerated vesting in the event of death, disability, termination without cause, termination for good reason, and termination upon a change in control. This grant was exchanged for 100,000 RSUs in December 2008.

### **Cash Bonus Compensation**

Cash bonus compensation is a key component of our executive compensation program. In 2009, we implemented pre-set, performance based annual incentive awards for the named executive officers (other than our Chief Financial Officer). We also paid a bonus guaranteed under the employment agreements with Mr. Horin; this bonus amount was part of the compensation package which we negotiated in recruiting Mr. Horin to join the management team.

In August 2007, the Compensation Committee and the Board unanimously approved and adopted, and our stockholders approved, our Executive Bonus Plan. The Executive Bonus Plan includes the following key provisions:

The plan is administered by the Compensation Committee of the Board.

The plan has a term of five years, ending August 31, 2012.

The initial participants in the plan were Michael Lacovara, John J. Borer III, Michael Vasinkevich and Edward Rubin. The Compensation Committee may designate other employees as participants.

The Compensation Committee will determine the size of the hypothetical bonus pool to be distributed to the participants and the amount to be allocated to each participant based on performance criteria that it establishes. For 2009, the Committee authorized the funding of the bonus pool in an amount equal to 60% of 2009 total consolidated cash revenues, minus the base compensation payable to the participants and other compensation for employees but excluding from compensation equity-based compensation granted prior to October 17, 2007 and insurance premiums paid in respect of key-man life insurance policies for our benefit.

The Committee sets the allocation of the bonus pool before or early in the performance year, provided that in no event may the amount distributed in any single fiscal year to a participant exceed 25% of our total consolidated gross revenues for such year, as reported on our financial statements. For 2009, the Committee set allocations of this pool as follows: Mr. Borer, 23.0%; Mr. Vasinkevich, 38.5%; and Mr. Rubin, 38.5%. No bonuses would be payable if the funding formula resulted in zero or a negative amount. The maximum bonuses payable likewise were governed by this formula, subject to any lower limit that may be applicable under the Executive Bonus Plan.

The Executive Bonus Plan contains an overall limit on the bonus pool. In no event may the amounts payable pursuant to the plan in any one fiscal year, when added to all of our other compensation and benefits expenses for that year, as reported on our financial statements, exceed 60% of our total consolidated cash revenues for that year, excluding insurance premiums paid with respect to key-man life insurance policies for our benefit and equity-based compensation attributable to awards granted prior to September 30, 2007. As stated above, for 2008, the Committee set the cap on the pool at 55% of total consolidated cash revenues.

For 2009, the funding pool formula resulted in a bonus pool of approximately \$6.9 million which was allocated to the plan participants as set forth in the Summary Compensation Table. In addition, the Compensation Committee granted a special discretionary bonus to Michael Vasinkevich in the amount of \$1 million in view of extraordinary service that resulted in significant revenue to the Company, which amount is included in the Summary Compensation Table as 2009 bonus for this executive officer.

For 2009, we paid a guaranteed bonus of \$350,000 to Mr. Horin under the terms of his employment agreement, reflected as 2009 bonus in the Bonus column of the Summary Compensation Table for this executive officer. We paid an additional bonus in the form of equity compensation by granting 28,748 restricted stock units ( RSUs ) to Mr. Horin in December 2009. Such RSUs had a grant date fair value of \$31,910, and will vest ratably on the first, second and third year anniversary of the grant date, subject to accelerated vesting in the event of death, disability, termination without cause, termination for good reason (as defined in the employment agreement) and termination upon a change in control. We valued the RSUs at their fair value on the date of grant taking into account any post-vesting selling restrictions. See Summary Compensation Table, footnote (1) regarding how the fair value of RSUs is determined.

**Outstanding Equity Awards At Fiscal Year End Fiscal 2009**

The following table shows information concerning grants of outstanding equity awards held by the named executive officers on December 31, 2009.

Name	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised options unexercisable	Option Exercise price	Option expiration date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested (\$)
Edward Rubin						
John J. Borer III						
David Horin					155,916(1)	634,578(2)
Michael Vasinkevich						
Michael Lacovara						

- (1) 66,667 of these are RSUs resulting from a grant of 100,000 shares of restricted stock on March 17, 2008, which vested as to one-third on March 16, 2009, and will vest as to one-third on March 16, 2010 and 2011, respectively. 11,006 of these are RSUs resulting from a grant of 16,509 RSUs granted August 15, 2008, which vest ratably on the first, second and third anniversary dates of the grant. 49,495 of these are RSUs from a grant of 74,243 RSUs granted February 6, 2009, which vest ratably on the first, second and third anniversary dates of the grant. 28,748 of these are RSUs from a grant of 28,748 RSUs granted December 29, 2009, which vest ratably on the first, second and third anniversary dates of the grant. These awards are subject to accelerated vesting in the event of death, disability, termination without cause, termination for good reason (as defined in Mr. Horin's employment agreement) and termination upon a change in control event.
- (2) Market price is calculated based on the closing price per share of common stock on December 31, 2009 of \$4.07.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our equity securities that are registered pursuant to Section 12 of the Exchange Act, to file with the SEC initial reports of ownership and reports of changes in ownership of our equity securities. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely upon a review of the Forms 3, 4 and 5 (and amendments thereto) furnished to us for the fiscal year ended December 31, 2009, we believe that our directors, officers and greater-than-10% beneficial owners complied with all applicable Section 16 filing requirements.

**Compensation Committee Interlocks and Insider Participation**

None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Board of Directors or Compensation Committee.

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**PROPOSAL NO. 2**  
**APPROVAL OF THE 2010 STOCK AWARD AND INCENTIVE PLAN**

**Introduction**

At the 2010 Annual Meeting, we will ask stockholders to approve the 2010 Stock Award and Incentive Plan (the 2010 Plan ), which was approved by our Board of Directors and the Compensation Committee (the Committee ). The Board and Committee approved the 2010 Plan to help us:

Attract, retain, motivate and reward officers, employees, directors, consultants and advisors to Rodman and its subsidiaries and affiliates.

Strengthen our capability to develop and direct a competent management team.

Provide equitable and competitive compensation opportunities.

Authorize incentive awards that appropriately reward achievement of our goals and recognize individual contributions without promoting excessive risk.

Promote creation of long-term value for stockholders by closely aligning the interests of participants with the interests of stockholders.

The Board and the Committee believe that awards linked to common stock and awards with terms tied to our performance provide incentives for the achievement of important business objectives and promote the long-term success of Rodman. Therefore, the Board and Committee view the 2010 Plan as a key element of our overall compensation program.

The 2010 Plan, if approved by stockholders, would replace the 2007 Stock and Incentive Plan (the 2007 Plan ). The Board and the Committee determined to replace the 2007 Plan with a new plan that, like the old plan, provides broadly for equity and incentive awards but which contains updated governance and compliance provisions. We are seeking approval for shares in addition to the number remaining available under 2007 Plan (which shares would be transferred to the 2010 Plan). We expect that the 2010 Plan will meet our needs for the next several years.

Information on the total number of shares available under our existing equity compensation plans and unissued shares deliverable under outstanding options and stock units as of the end of the last fiscal year is presented below under the caption **EQUITY COMPENSATION PLAN INFORMATION**. Pursuant to the 2007 Plan and outstanding awards thereunder at March 15, 2010, if stockholders approve the 2010 Plan the total number of shares subject to outstanding awards under the 2007 Plan (including restricted stock and restricted stock units that remain unvested but excluding stock units that are no longer forfeitable) and available for future awards under the 2010 Plan (which would be our only continuing equity compensation plan) would be as follows:

Shares subject to outstanding awards *	1,455,737
Shares to be available for future equity awards, (under the proposed 2010 Plan)**	10,405,207
	<hr/>
Total shares	11,860,944
	<hr/>
Percentage of outstanding shares ***	33.6%

\* Includes unvested restricted stock and restricted stock units but excludes any vested portions of such awards, which have in effect been fully earned by participants.

\*\* Upon stockholder approval of the 2010 Plan, 6,405,207 shares remaining available under the 2007 Plan would be transferred directly to the 2010 Plan (and are included in the share amount in this row).

\*\*\* Outstanding shares (the denominator in this calculation) include all Common Stock outstanding at March 15, 2010 (including unvested restricted stock) and does not include issuance of unissued shares reserved for outstanding awards or future awards under the existing plans

and the proposed 2010 Plan.

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The 2010 Plan would make four million new shares of common stock available for equity awards, representing approximately 11.1% of the shares outstanding at March 15, 2010. As stated above, shares that remain available under the 2007 Plan would be made available under the 2010 Plan. No new awards would be granted under the 2007 Plan, although the Committee retains full authority regarding outstanding awards under the 2007 Plan, including authority to approve modifications of such awards (repricing would be subject to stockholder approval, however). Shares subject to outstanding awards under the 2007 Plan may become available under the 2010 Plan if such shares are not delivered to the participant, in accordance with the share counting rules explained below under the caption "Shares Available Under the 2010 Plan." In addition, the 2010 Plan would provide for cash incentive awards, including annual incentive awards, which currently are granted under our Executive Bonus Plan.

### Overview of 2010 Plan Awards

The 2010 Plan authorizes a broad range of awards, including:

stock options

stock appreciation rights ( SARs )

restricted stock, a grant of actual shares subject to a risk of forfeiture and restrictions on transfer

deferred stock, a contractual commitment to deliver shares at a future date, which may or may not be subject to a risk of forfeiture (we generally refer to forfeitable deferred stock as "restricted stock units" )

other awards based on Common Stock

dividend equivalents

performance shares or other stock-based performance awards (these include deferred stock or restricted stock awards that may be earned by achieving specific performance objectives)

cash-based performance awards tied to achievement of specific performance objectives

shares issuable in lieu of rights to cash compensation.

### Vote Required for Approval

Approval of the 2010 Plan will require the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the 2010 Annual Meeting. The Board considers the 2010 Plan to be in the best interests of Rodman and our stockholders and therefore recommends that the stockholders vote to approve the 2010 Plan at the 2010 Annual Meeting.

### Reasons for Stockholder Approval

We seek approval of the 2010 Plan by stockholders in order to meet requirements of the Nasdaq Stock Market and to satisfy requirements of tax law to help preserve our ability to claim tax deductions for compensation to executive officers. In addition, the Board regards stockholder approval of the 2010 Plan as desirable and consistent with corporate governance best practices.

Internal Revenue Code Section 162(m) limits the deductions a publicly held company can claim for compensation in excess of \$1 million in a given year paid to the chief executive officer and the three other most highly compensated executive officers serving on the last day of the fiscal year, excluding the chief financial officer. Performance-based compensation that meets certain requirements is not counted against the \$1 million deductibility cap, and therefore remains fully deductible. For purposes of Section 162(m), approval of the 2010 Plan will be deemed to include approval of the general business criteria upon which performance objectives for awards are based, described below under the caption "*Performance-Based Awards*." Stockholder approval of general business criteria, without specific targeted levels of performance, will permit qualification of incentive awards for full tax deductibility for a period of approximately five years under Section 162(m). Stockholder approval of the performance goal inherent in stock options and SARs (increases in the market price of stock) is not subject to a time limit under Section 162(m).

In addition, stockholder approval will permit designated stock options to qualify as incentive stock options ( ISOs ) under the Internal Revenue Code. Such qualification can give the holder of the options more favorable tax treatment, as explained below.

### **Restriction on Repricing and Loans**

The 2010 Plan includes a restriction providing that, without stockholder approval, we will not amend or replace options or SARs previously granted under the Plan in a transaction that constitutes a repricing. For this purpose, a repricing is defined as amending the terms of an option or SAR after it is granted to lower its exercise price, any other action that is treated as a repricing under generally accepted accounting principles, or canceling an option at a time when its strike price is equal to or greater than the fair market value of the underlying stock in exchange for another option, SAR, restricted stock, other equity, cash or other property, unless the cancellation and exchange occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction. Adjustments to the exercise price or number of shares subject to an option or SAR to reflect the effects of a stock split or other extraordinary corporate transaction will not constitute a repricing.

The 2010 Plan does not authorize loans to participants.

### **Description of the 2010 Plan**

The following is a brief description of the material features of the 2010 Plan. This description, including information summarized above, is qualified in its entirety by reference to the full text of the proposed 2010 Plan, a copy of which is attached to this Proxy Statement as Appendix A.

*Shares Available under the 2010 Plan.* If the 2010 Plan is approved by our stockholders, four million shares will be reserved for delivery to participants, plus shares remaining available for new grants under the 2007 Plan and shares recaptured from outstanding awards under the 2007 Plan. Shares used for awards assumed in an acquisition do not count against the shares reserved under the 2010 Plan. The shares reserved may be used for any type of award under the 2010 Plan.

Only the number of shares actually delivered to participants in connection with an award after all restrictions have lapsed will be counted against the number of shares reserved under the 2010 Plan. Thus, shares will remain available for new awards if an award expires, is forfeited, or is settled in cash, if shares are withheld or separately surrendered to pay the exercise price of an option or to satisfy tax withholding obligations relating to an award, if fewer shares are delivered upon exercise of an SAR than the number of shares covered by the SAR, or if shares that had been issued as restricted stock are forfeited. These same share-counting rules will apply to awards under the 2007 Plan, so that shares may become available under the 2010 Plan to the extent that shares are not in fact both delivered and vested in connection with those awards. Under the 2010 Plan, awards may be outstanding relating to a greater number of shares than the aggregate remaining available under the 2010 Plan so long as the Committee ensures that awards will not result in delivery and vesting of shares in excess of the number then available under the 2010 Plan. Shares delivered under the 2010 Plan may be either newly issued or treasury shares.

On March 15, 2010, the last reported sale price of Rodman's Common Stock as reported in the Nasdaq Global Market was \$4.50 per share.

*Per-Person Award Limitations.* The 2010 Plan includes a limitation on the amount of awards that may be granted to any one participant in a given year in order to qualify awards as performance-based compensation not subject to the limitation on deductibility under Section 162(m). Under this annual per-person limitation, no participant may in any year be granted share-denominated awards under the 2010 Plan relating to more than his or her Annual Limit. The Annual Limit equals 2.5 million shares plus the amount of the participant's unused Annual Limit relating to share-based awards as of the close of the previous year, subject to adjustment for splits and other extraordinary corporate events. In the case of cash-denominated Awards, the 2010 Plan limits performance awards, including any annual incentive award that may be earned by a participant, to the participant's defined Annual Limit, which for this purpose equals \$15 million plus the amount of the participant's unused cash Annual Limit as of the close of the previous year. The per-person limit for cash-denominated performance awards does not operate to limit

the amount of share-based awards, and vice versa. These limits apply only to awards under the 2010 Plan, and do not limit our ability to enter into compensation arrangements outside of the 2010 Plan.

*Adjustments.* Adjustments to the number and kind of shares subject to the share limitations and specified in the share-based Annual Limit are authorized in the event of a large and non-recurring dividend or distribution, recapitalization, stock split, stock dividend, reorganization, business combination, other similar corporate transaction, equity restructuring as defined under applicable accounting rules, or other similar event affecting the Common Stock. We are also obligated to adjust outstanding awards (and share-related performance terms, such as share-price targets) upon the occurrence of these types of events to preserve, without enlarging, the rights of Plan participants with respect to their awards. The Committee may adjust performance conditions and other terms of awards in response to these kinds of events or to changes in applicable laws, regulations, or accounting principles, except that adjustments to awards intended to qualify as performance-based generally must conform to requirements imposed by Section 162(m).

*Eligibility.* Executive officers and other employees of Rodman and its subsidiaries, and non-employee directors, consultants and others who provide substantial services to us, are eligible to be granted awards under the 2010 Plan. In addition, any person who has been offered employment by us may be granted awards, but such prospective grantee may not receive any payment or exercise any right relating to the award until he or she has commenced employment or the providing of services. As of March 15, 2010, approximately 125 persons would be potentially eligible for awards under the 2010 Plan. Equity awards currently outstanding under the 2007 Plan were held by a total of 62 current and former Rodman employees and non-employee directors as of March 15, 2010.

*Administration.* The Committee will administer the 2010 Plan, except that the Board may itself act to administer the Plan. However, any grant of an award to a non-employee director will be approved or granted under a policy approved by the Board, with the Committee either recommending or jointly approving such award or policy. (References to the Committee here mean the Committee or the full Board exercising authority with respect to a given award.) The 2010 Plan provides that the composition and governance of the Committee shall be established in the Committee's charter adopted by the Board. Subject to the terms and conditions of the 2010 Plan, the Committee is authorized to select participants, determine the type and number of awards to be granted and the number of shares to which awards will relate or the amount of a performance award, specify times at which awards will be exercisable or settled, including performance conditions that may be required as a condition thereof, set other terms and conditions of such awards, prescribe forms of award agreements, interpret and specify rules and regulations relating to the 2010 Plan, and make all other determinations which may be necessary or advisable for the administration of the 2010 Plan. Nothing in the 2010 Plan precludes the Committee from authorizing payment of other compensation, including bonuses based upon performance, to officers and employees, including the executive officers, outside of the Plan. The 2010 Plan authorizes the Committee to delegate authority to executive officers to the extent permitted by applicable law, but such delegation will not authorize grants of awards to executive officers without direct participation by the Committee. The 2010 Plan provides that members of the Committee and the Board shall not be personally liable, and shall be fully indemnified, in connection with any action, determination, or interpretation taken or made in good faith under the Plan.

*Stock Options and SARs.* The Committee is authorized to grant stock options, including both incentive stock options (ISOs), which can result in potentially favorable tax treatment to the participant, and non-qualified stock options. SARs may also be granted, entitling the participant to receive the excess of the fair market value of a share on the date of exercise over the SAR's designated base price. The exercise price of an option and the base price of an SAR are determined by the Committee, but generally may not be less than the fair market value of the shares on the date of grant. The maximum term of each option or SAR will be ten years. Subject to this limit, the times at which each option or SAR will be exercisable and provisions requiring forfeiture of unvested or unexercised options (and in some cases gains realized upon an earlier exercise) at or following termination of employment or upon the occurrence of other events generally are fixed by the Committee. Options may be exercised by payment of the exercise price in cash, shares having a fair market value equal to the exercise price or surrender of outstanding awards or other property having a fair market value equal to the exercise price, as the Committee may determine. This may include withholding of option shares to pay the exercise price. The Committee also is permitted to establish procedures for broker-assisted cashless exercises. Methods of exercise and settlement and other terms of SARs will be determined by the Committee. SARs may be exercisable for shares or for cash, as determined by the Committee. Options and SARs may be granted on terms that cause such awards not to be subject to Internal



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Revenue Code Section 409A ( Section 409A ), or with terms that cause those awards to be deferral arrangements conforming to the requirements under Section 409A.

*Restricted and Deferred Stock/Restricted Stock Units.* The Committee is authorized to grant restricted stock and deferred stock. Prior to the end of the restricted period, shares granted as restricted stock may not be sold, and will be forfeited in the event of termination of employment in specified circumstances. The Committee will establish the length of the restricted period for awards of restricted stock. Aside from the risk of forfeiture and non-transferability, an award of restricted stock entitles the participant to the rights of a stockholder of Rodman, including the right to vote the shares and to receive dividends (which may be forfeitable or non-forfeitable), unless otherwise determined by the Committee.

Deferred stock gives a participant the right to receive shares at the end of a specified deferral period. Deferred stock subject to forfeiture conditions may be denominated as an award of restricted stock units. The Committee will establish any vesting requirements for deferred stock/restricted stock units granted for continuing services. One advantage of restricted stock units, as compared to restricted stock, is that the period during which the award is deferred as to settlement can be extended past the date the award becomes non-forfeitable, so the Committee can require or permit a participant to continue to hold an interest tied to Common Stock on a tax-deferred basis. Prior to settlement, deferred stock awards, including restricted stock units, carry no voting or dividend rights or other rights associated with stock ownership, but dividend equivalents (which may be forfeitable or non-forfeitable) will be paid or accrue if authorized by the Committee.

*Other Stock-Based Awards, Stock Bonus Awards, and Awards in Lieu of Other Obligations.* The 2010 Plan authorizes the Committee to grant awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Common Stock. The Committee will determine the terms and conditions of such awards, including the consideration to be paid to exercise awards in the nature of purchase rights, the periods during which awards will be outstanding, and any forfeiture conditions and restrictions on awards. In addition, the Committee is authorized to grant shares as a bonus free of restrictions, or to grant shares or other awards in lieu of obligations under other plans or compensatory arrangements, subject to such terms as the Committee may specify.

*Performance-Based Awards.* The Committee may grant performance awards, which may be awards of a specified cash amount or may be share-based awards. Generally, performance awards require satisfaction of pre-established performance goals, consisting of one or more business criteria and a targeted performance level with respect to such criteria as a condition of awards being granted or becoming exercisable or settleable, or as a condition to accelerating the timing of such events. Performance may be measured over a period of any length specified by the Committee. If so determined by the Committee, in order to avoid the limitations on tax deductibility under Section 162(m), the business criteria used by the Committee in establishing performance goals applicable to performance awards to the named executive officers will be selected from among the following:

- revenues, including revenues from specific business activities such as investment banking, principal transactions or commissions;
- earnings measures, including earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items;
- net income or net income per common share (basic or diluted), including these measures from continuing operations;
- return measures, including return on assets (gross or net), return on investment, return on capital, or return on equity;
- cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital;
- net economic profit (operating earnings minus a charge for capital) or economic value created;
- operating margin or profit margin;
- stockholder value creation measures, including stock price or total stockholder return;
- book value per share;
- expense-based performance measures, such control of employee compensation expense;
- dividend payout levels, including as a percentage of net income; and

strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, total market capitalization, agency ratings of financial strength, completion of capital and borrowing transactions, business retention, new product development, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures.

The Committee retains discretion to set the level of performance for a given business criteria that will result in the earning of a specified amount under a performance award. These goals may be set with fixed, quantitative targets, targets relative to our past performance, targets compared to the performance of other companies, such as a published or special index or a group of companies selected by the Committee for comparison, in such other way as the Committee may determine. The Committee may specify that these performance measures will be determined before payment of bonuses, capital charges, non-recurring or extraordinary income or expense, or other financial and general and administrative expenses for the performance period, if so specified by the Committee.

*Other Terms of Awards.* Awards may be settled in cash, shares, other awards or other property, in the discretion of the Committee. The Committee may require or permit participants to defer the settlement of all or part of an award, in accordance with such terms and conditions as the Committee may establish, including payment or crediting of interest or dividend equivalents on any deferred amounts. The 2010 Plan allows vested but deferred awards to be paid out to the participant in the event of an unforeseeable emergency. The Committee is authorized to place cash, shares or other property in trusts or make other arrangements to provide for payment of our obligations under the 2010 Plan. The Committee may condition awards on the payment of taxes, and may provide for mandatory or elective withholding of a portion of the shares or other property to be distributed in order to satisfy tax obligations. Awards granted under the Plan generally may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of descent and distribution, or to a designated beneficiary upon the participant's death, except that the Committee may permit transfers of awards other than incentive stock options on a case-by-case basis, but such transfers will be allowed only for estate-planning purposes and may not include transfers to third parties for value.

The 2010 Plan authorizes the Committee to provide for forfeiture of awards and award gains in the event a participant fails to comply with conditions relating to non-competition, non-solicitation, confidentiality, non-disparagement and other requirements for the protection of our business. Awards under the 2010 Plan may be granted without a requirement that the participant pay consideration in the form of cash or property for the grant (as distinguished from the exercise), except to the extent required by law. The Committee may, however, grant awards in substitution for, exchange for or as a buyout of other awards under the 2010 Plan, awards under our plans, or other rights to payment from us, and may exchange or buy out outstanding awards for cash or other property. The Committee also may grant awards in addition to and in tandem with other awards, awards, or rights. In granting a new award, the Committee may determine that the in-the-money value or fair value of any surrendered award may be applied to reduce the purchase price of any new award, subject to the requirement that repricing transactions must be approved by stockholders.

*Dividend Equivalents.* The Committee may grant dividend equivalents. These are rights to receive payments equal in value to the amount of dividends paid on a specified number of shares of Common Stock while an award is outstanding. These amounts may be in the form of cash or rights to receive additional awards or additional shares of Common Stock having a value equal to the cash amount. The awards may be granted on a stand-alone basis or in conjunction with another award, and the Committee may specify whether the dividend equivalents will be forfeitable or non-forfeitable. Rights to dividend equivalents may be granted in connection with restricted stock units or deferred stock, so that the participant can earn amounts equal to dividends paid on the number of shares covered by the award while the award is outstanding.

*Vesting, Forfeitures, and Related Award Terms.* The Committee has discretion in setting the vesting schedule of options, SARs, restricted stock and other awards, the circumstances resulting in forfeiture of awards, the post-termination exercise periods of options, SARs and similar awards, and the events resulting in acceleration of the right to exercise and the lapse of restrictions, or the expiration of any deferral period, on any award.

In addition, the 2010 Plan provides that, in the event of a Change in Control of the Company, outstanding Awards generally will immediately vest and be fully exercisable, and any restrictions, deferral of settlement and forfeiture conditions of such Awards will lapse, with goals relating to performance-based awards deemed met to the extent specified in the performance-award documents. However, the Committee can specify different provisions applicable to a Change in Control in a participant's award agreement. A Change in Control means generally (i) any person or group acquires voting securities and as a result is a beneficial owner of 50% or more of the voting power of the Company's voting securities, (ii) a change in the Board's membership such that, in any 12-month period, the members serving at the beginning of the period and those elected or nominated with the approval of two-thirds of the vote of those original members and the successors elected or nominated by them, cease to constitute a majority of the Board, or (iii) a sale or liquidation of all or substantially all of the assets of the Company. The distribution of awards upon a Change in Control may be limited by applicable restrictions under Code Section 409A.

*Amendment and Termination of the 2010 Plan.* The Board may amend, suspend, discontinue, or terminate the 2010 Plan or the Committee's authority to grant awards thereunder without stockholder approval, except as required by law or regulation or under the Nasdaq Stock Market rules. Nasdaq Stock Market rules require stockholder approval of any material amendment to plans such as the 2010 Plan. Under these rules, however, stockholder approval will not necessarily be required for all amendments which might increase the cost of the 2010 Plan or broaden eligibility. Unless earlier terminated, the authority of the Committee to make grants under the 2010 Plan will terminate ten years after the latest stockholder approval of the 2010 Plan, and the 2010 Plan will terminate when no shares remain available and we have no further obligation with respect to any outstanding award.

### **Federal Income Tax Implications of the 2010 Plan**

We believe that under current law the following U.S. Federal income tax consequences generally would arise with respect to awards under the 2010 Plan.

Options and SARs that are not deemed to be deferral arrangements under Code Section 409A would have the following tax consequences: The grant of an option or an SAR will create no federal income tax consequences for the participant or Rodman. A participant will not have taxable income upon exercising an option that is an ISO, except that the alternative minimum tax may apply. Upon exercising an option that is not an ISO, the participant generally must recognize ordinary income equal to the difference between the exercise price and the fair market value of the freely transferable or non-forfeitable shares acquired on the date of exercise. Upon exercising an SAR, the participant must generally recognize ordinary income equal to the cash or the fair market value of the shares received.

Upon a disposition of shares acquired upon exercise of an ISO before the end of the applicable ISO holding periods, the participant must generally recognize ordinary income equal to the lesser of (i) the fair market value of the ISO shares at the date of exercise minus the exercise price or (ii) the amount realized upon the disposition of the ISO shares minus the exercise price. For all options, a participant's sale of shares acquired by exercise of the option generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the participant's tax basis in such shares. The tax basis normally is the exercise price plus any amount he or she recognized as ordinary income in connection with the option's exercise (or upon sale of the option shares in the case of an ISO). A participant's sale of shares acquired by exercise of an SAR generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the participant's tax basis in the shares, which normally is the amount he or she recognized as ordinary income in connection with the SAR's exercise.

We normally can claim a tax deduction equal to the amount recognized as ordinary income by a participant in connection with the exercise of an option or SAR, but no tax deduction relating to a participant's capital gains. Accordingly, we will not be entitled to any tax deduction with respect to an ISO if the participant holds the shares for the applicable ISO holding periods prior to selling the shares.

Awards other than options and SARs that result in a transfer to the participant of cash or shares or other property generally will have terms intended to meet applicable requirements under Section 409A, which regulates deferred compensation. If no restriction on transferability or substantial risk of forfeiture applies to amounts distributed to a participant, the participant generally must recognize ordinary income equal to the cash or the fair

market value of shares actually received. Thus, for example, if we grant an award of restricted stock units that has vested or requires or permits deferral of receipt of cash or shares under a vested award, the participant should not become subject to income tax until the time at which shares or cash are actually distributed, and we would become entitled to claim a tax deduction at that time.

On the other hand, if a restriction on transferability and substantial risk of forfeiture applies to shares or other property actually distributed to a participant under an award (such as, for example, a grant of restricted stock), the participant generally must recognize ordinary income equal to the fair market value of the transferred amounts at the earliest time either the transferability restriction or risk of forfeiture lapses. In all cases, we can claim a tax deduction in an amount equal to the ordinary income recognized by the participant, except as discussed below. A participant may elect to be taxed at the time of grant of restricted stock or other property rather than upon lapse of restrictions on transferability or the risk of forfeiture, but if the participant subsequently forfeits such shares or property he or she would not be entitled to any tax deduction, including as a capital loss, for the value of the shares or property on which he or she previously paid tax.

Any award that is deemed to be a deferral arrangement (that is, not excluded or exempted under the tax regulations) will be subject to Section 409A. Participant elections to defer compensation under such awards and as to the timing of distributions relating to such awards must meet requirements under Section 409A in order for income taxation to be deferred upon vesting of the award and tax penalties avoided by the participant.

Some options and SARs may be subject to Section 409A, which regulates deferral arrangements. In such case, the distribution to the participant of shares or cash relating to the award would have to be restricted in order for the participant not to be subject to tax and a tax penalty at the time of vesting. In particular, the participant's discretionary exercise of the option or SAR could not be permitted over a period extending more than a year in most cases. If the distribution and other award terms meet Section 409A's requirements, the participant would realize ordinary income at the time of distribution of shares or cash rather than exercise, with the amount of ordinary income equal to the distribution date value of the shares or cash less any exercise price actually paid. We would not be entitled to a tax deduction at the time of exercise, but would become entitled to a tax deduction at the time shares are delivered at the end of the deferral period.

As discussed above, compensation that qualifies as performance-based compensation is excluded from the \$1 million deductibility cap of Internal Revenue Code Section 162(m), and therefore remains fully deductible by the company that pays it. Under the 2010 Plan, options and SARs granted with an exercise price or base price at least equal to 100% of fair market value of the underlying stock at the date of grant, performance awards to employees the Committee expects to be named executive officers at the time compensation is received, and certain other awards which are conditioned upon achievement of performance goals are intended to qualify as such performance-based compensation. A number of requirements must be met in order for particular compensation to so qualify, however, so there can be no assurance that such compensation under the 2010 Plan will be fully deductible under all circumstances. In addition, other awards under the 2010 Plan, such as non-performance-based restricted stock and restricted stock units, generally will not so qualify, so that compensation paid to certain executives in connection with such awards may, to the extent it and other compensation subject to Section 162(m)'s deductibility cap exceed \$1 million in a given year, not be deductible by Rodman as a result of Section 162(m). Compensation to certain employees resulting from vesting of awards in connection with a change in control or termination following a change in control also may be non-deductible under Internal Revenue Code Sections 4999 and 280G.

The foregoing provides only a general description of the application of federal income tax laws to certain awards under the 2010 Plan. This discussion is intended for the information of stockholders considering how to vote at the 2010 Annual Meeting and not as tax guidance to participants in the 2010 Plan, as the consequences may vary with the types of awards made, the identity of the recipients and the method of payment or settlement. Different tax rules may apply, including in the case of variations in transactions that are permitted under the 2010 Plan (such as payment of the exercise price of an option by surrender of previously acquired shares). The summary does not address in any detail the effects of other federal taxes (including possible golden parachute excise taxes) or taxes imposed under state, local or foreign tax laws.

**New Plan Benefits Under the 2010 Plan**

Future awards under the 2010 Plan will be granted in the discretion of the Committee. Except as explained below, the type, number, recipients, and other terms of such future awards cannot be determined at this time. Information regarding our recent practices with respect to annual incentive awards and stock-based compensation under existing plans is presented in the Summary Compensation Table and 2009 Outstanding Equity Awards at Fiscal Year-End elsewhere in this Proxy Statement and in our financial statements for the fiscal year ended December 31, 2009 included in the Annual Report which accompanies this Proxy Statement.

We have authorized certain incentive awards to executive officers under the 2010 Plan, subject to stockholder approval of the Plan, in order that those awards can qualify for full tax deductibility by us if they are subsequently earned and paid out. These awards are annual incentive awards for the fiscal year ending December 31, 2010. The annual incentive awards will become payable for fiscal 2010 performance only if a corporate performance goal is achieved, specifically that non-GAAP net income before payment of executive bonuses is a positive dollar amount. This non-GAAP net income amount is adjusted upward and downward to adjust for certain effects of non-cash principal transactions, non-recurring legal fees and the impairment of goodwill and other intangible assets. If the specified level of this performance measure is achieved, the level of achievement of certain other performance goals including an operating profit and net revenues from investment banking (placement transactions), merchant banking and principal investing transactions -- will also be considered to determine the final amount of the annual incentive award. The amounts payable under the applicable formulas cannot be determined, so the table below shows as the target amount the amount that would have been payable had the incentive awards been payable in 2009 based on the actual level of performance achieved in 2009, and without the exercise of any discretion by the Committee:

**New Plan Benefits**  
**2010 Stock Award and Incentive Plan**

<u>Name and Position</u>	<u>Payout for Performance at Specified Level</u>		
	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
Edward Rubin President and Chief Executive Officer	\$	\$ 5,650,156	\$ *
Michael Vasinkevich Vice Chairman	\$	\$ 5,650,156	\$ *
David Horin Chief Financial Officer	\$	\$	\$
John J. Borer III. Head of Investment Banking	\$	\$ 1,994,173	\$ *
Current Executive Officers as a Group (4 in number)	\$	\$ 13,294,484	\$ *
Non-Executive Officer employees as a Group	\$	\$	\$
Non-Employee Directors as a Group	\$	\$	\$

\* The maximum amount payable under the applicable formula cannot be determined; see, Description of Plan Per Person Award Limitations above.

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If stockholders decline to approve the 2010 Plan, no awards will be granted or paid out under the 2010 Plan, but awards may continue to be granted under the 2007 Plan or under other authority of the Board of Directors and the Committee.

*The Board of Directors considers the 2010 Plan to be in the best interests of Rodman and our stockholders and therefore recommends that stockholders vote FOR approval of the 2010 Plan at the Annual Meeting.*

**Equity Compensation Plan Information**

In August 2007, the Compensation Committee and the Board unanimously approved and adopted and our stockholders ratified the 2007 Plan. In October 2008, the plan was amended to increase the number of shares that it covered.

The following table summarizes the options and restricted stock units outstanding and shares available for future grant of equity awards under Company plans as of December 31, 2009. The shares covered by outstanding options and restricted stock units and the exercise prices of options are subject to adjustment for changes in capitalization stock splits, stock dividends and similar events.

**Equity Compensation Plan Table**

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
<b>Equity Compensation Plans Approved By Security Holders</b>			
Grants under the 2007 Stock and Incentive Plan	2,607,167(1)	\$0.12(2)	6,405,207(3)
<b>Equity Compensation Plans Not Approved By Security Holders</b>			
Common Stock Options <sup>(4)</sup>	4,046,812	\$4.06	Not applicable
<b>Total</b>	<b>6,653,979</b>	<b>\$2.51<sup>(5)</sup></b>	<b>6,405,207</b>

(1) Includes options covering 60,000 shares and a restricted stock