

RODMAN & RENSHAW CAPITAL GROUP, INC.

Form 4

October 17, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Lacovara Michael

2. Issuer Name and Ticker or Trading Symbol  
RODMAN & RENSHAW  
CAPITAL GROUP, INC. [RODM]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
  
1270 AVENUE OF THE AMERICAS  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/15/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Executive Officer

NEW YORK, NY 10020

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price                             |
| Common Stock                    | 10/15/2007                           |  | P                              |   | 75,000  | A  | \$ 5                              |
|                                 |                                      |  |                                |   | 825,000 <sup>(1)</sup>  | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Option                                     | \$ 5   | 10/15/2007                           |  | A                              | 750,000   | (2)  | 10/14/2017  | Common Stock | 750,000                    |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Lacovara Michael<br>1270 AVENUE OF THE AMERICAS<br>NEW YORK, NY 10020 | X             |           | Chief Executive Officer |       |

## Signatures

/s/ Michael  
Lacovara  
10/15/2007  
Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 750,000 of these shares are restricted shares issued pursuant to a Restricted Stock Grant Agreement dated September 4, 2007, and shall vest as follows: one-third of the shares shall vest on August 31, 2008, 2009 and 2010, respectively, if the consolidated gross revenues of Rodman & Renshaw Capital Group, Inc. (the "Company") for the twelve months ended June 30, 2008, 2009 and 2010, respectively, shall be more than 110%, 120% and 130%, respectively, of the consolidated gross revenues of the Company for the twelve months ended June 30, 2007. Further, these shares are subject to accelerated vesting and forfeiture upon the happening of certain events as provided for in the Restricted Stock Grant Agreement.
- (2) Exercisable to acquire one-third of the underlying shares on the first anniversary of the grant date and to acquire an additional one-third of the underlying shares on each of the second and third anniversaries of the grant date. Further, options for half of the underlying shares are subject to accelerated vesting and forfeiture upon the happening of certain events as provided for in the applicable Option Grant Agreement.
- (3) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.