Macquarie Global Infrastructure Total Return Fund Inc.
Form N-PX
August 22, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-PX

ANNUAL REPORT OF PROXY VOTING RECORD OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-21765

Macquarie Global Infrastructure Total Return Fund Inc.

(Exact name of registrant as specified in charter)

125 West 55th Street, New York, NY 10019

(Address of principal executive offices) (Zip code)

ALPS Fund Services, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203

(Name and Address of Agent for Service)

Registrant s Telephone Number, including Area Code: **(303) 623-2577**

Date of fiscal year end: **November 30**

Date of reporting period: **July 1, 2007 - June 30, 2008**

Item 1 Proxy Voting Record.

Company	**Ticker**	**ISIN**	**Meeting Date**	**A brief identification of the matter voted on**	**Proposed by Issuer or Security Holder**	**Voted**	**Vote Cast**	**With or Against Management**
Aeroports de Paris	ADP	FR0010340141	5/28/2008	Ordinary Business				
				Approve Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Accept Consolidated Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Approve Allocation of Income and Dividends of EUR 1.63 per Share	Mgmt	Yes	For	With
				Approve Special Auditors Report Regarding Related-Party Transactions	Mgmt	Yes	For	With
				Approve Transaction with Francois Rubichon	Mgmt	Yes	For	With
				Approve Remuneration of Directors in the Aggregate Amount of EUR 140,000	Mgmt	Yes	For	With
				Authorize Repurchase of Up to Five Percent of Issued Share Capital	Mgmt	Yes	Against	Against
				Special Business				
				Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to Aggregate Nominal Amount of EUR 150 Million	Mgmt	Yes	For	With
				Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 150 Million	Mgmt	Yes	Against	Against
				Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above	Mgmt	Yes	Against	Against
				Authorize Capitalization of Reserves of Up to EUR 150 Million for Bonus Issue or Increase in Par Value	Mgmt	Yes	For	With
				Approve Employee Stock Purchase Plan	Mgmt	Yes	For	With
				Authorize Capital Increase of Up to EUR 150 Million for Future Exchange Offers	Mgmt	Yes	Against	Against
				Authorize Capital Increase of up to 10 Percent of Issued Capital for Future Acquisitions	Mgmt	Yes	For	With
				Approve Reduction in Share Capital via Cancellation of Repurchased Shares	Mgmt	Yes	For	With
				Amend Articles of Association Re: Record Date	Mgmt	Yes	For	With
				Cancellation of Article 28 of Bylaws	Mgmt	Yes	For	With
				Authorize Filing of Required Documents/Other Formalities	Mgmt	Yes	For	With
AIRPORTS OF THAILAND PUBLIC CO LTD	AOT/F	TH0765010010	1/25/2008	Approve Minutes of Previous Annual General Meeting	Mgmt	Yes	For	With
				Acknowledge 2007 Operating Results	Mgmt	Yes	For	With
				Accept Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Approve Payment of Dividend of Baht 0.40 Per Share	Mgmt	Yes	For	With
				Elect Kampree Kaocharern, Thaworn Phanichpan, Suphoth Sublom, Nontaphon Nimsomboon, and Maitree Srinarawat as Directors	Mgmt	Yes	For	With
				Approve Annual Remuneration, Meeting Allowance, and Bonus Payment of Directors	Mgmt	Yes	For	With

	Approve Office of the Auditor General as Auditors and Fix Their Remuneration	Mgmt	Yes	For	With
	Amend Articles of Association Re: Additional Sub-Committees	Mgmt	Yes	For	With
	Other Business	Mgmt	Yes	Against	Against

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
AIRPORTS OF THAILAND PUBLIC CO LTD	AOT/F	TH0765010010	3/14/2008	Open Meeting	Mgmt	Yes	For	With
				Approve Minutes of Previous AGM Dated Jan. 25, 2008	Mgmt	Yes	For	With
				Elect Directors	Mgmt	Yes	For	With
				Other Business	Mgmt	Yes	Against	Against
Auckland International Airport	AIA	NZAIAE0001S8	11/20/2007	Elect Joan Withers as Director	Mgmt	Yes	For	With
				Elect Richard Didsbury as Director	ShrHolder	Yes	For	N/A
				Elect John Brabazon as Director	ShrHolder	Yes	For	N/A
				Elect Lloyd Morrison as Director	ShrHolder	Yes	For	N/A
				Approve Increase in Directors Remuneration from NZ$660,000 to NZ$1.15 Million per annum	Mgmt	Yes	For	With
				Authorize Board to Fix Remuneration of the Auditors	Mgmt	Yes	For	With
Auckland International Airport	AIA	NZAIAE0001S8	3/13/2008	Approve of NZ Airport NC Ltd Making the Offer for 39.53 Percent of the Ordinary Shares in Auckland International Airport Ltd	Mgmt	Yes	For	Against
Australian Infrastructure Fund (frmly Australian Infrastruct	AIX	AU000000AIX8	11/14/2007	Receive Financial Statements and Statutory Reports for the Financial Year Ended June 30, 2007	N/A	N/A	N/A	N/A
				Elect John Harvey as Director (Company Only)	Mgmt	Yes	For	With
				Elect Mike Hutchinson as Director (Company Only)	Mgmt	Yes	For	With
				Elect Peter McGregor as Director (Company Only)	Mgmt	Yes	For	With
				Approve Remuneration Report for the Financial Year Ended June 30, 2007 (Company Only)	Mgmt	Yes	For	With
				Amend Constitution of the Company Re: Electronic Payments of Distributions (Company Only)	Mgmt	Yes	For	With
				Amend Constitution of the Trust Re: Electronic Payments of Distributions (Trust Only)	Mgmt	Yes	For	With
				Amend Constitution of the Trust Re: Classification of Unitholders Funds (Trust Only)	Mgmt	Yes	For	With
				Amend Constitution of the Trust Re: Hastings Remuneration Structure (Trust Only)	Mgmt	Yes	For	With
				Approve Issuance of Performance Fees in the Form of AIX Securities to Hastings Funds Management Ltd (Hasting) (Company and Trust)	Mgmt	Yes	For	With
Babcock & Brown Infrastructure Group	BBI	AU000000BBI2	11/7/2007	Receive Financial Statements and Statutory Reports for the Financial Year Ended June 30, 2007	N/A	N/A	N/A	N/A
				Approve Remuneration Report for the Financial Year Ended June 30, 2007	Mgmt	Yes	Against	Against

	Elect Peter Hofbauer as Director	Mgmt	Yes	For	With
	Approve Issuance of up to 168.9 Million Stapled Securities to Babcock & Brown WA Rail Investments Pty Limited in Consideration for the Acquisition of the Remaining 49% of WestNet Rail	Mgmt	Yes	For	With

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
CHALLENGER INFRASTRUCTURE FUND	CIF	AU000000CIF1	10/8/2007	Ratify Past Issuance of 34.38 Million Class A Stapled Securities at an Issue Price A$4.00 Each to Institutional and Sophisticated Investors and Senior Managers of Challenger Financial Services Group Made on April 27, 2007	Mgmt	Yes	For	With
Cheung Kong Infrastructure Holdings Ltd	1038	BMG2098R1025	5/15/2008	Accept Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Approve Final Dividend	Mgmt	Yes	For	With
				Elect Kwok Eva Lee as Director	Mgmt	Yes	For	With
				Elect Sng Sow-mei alias Poon Sow Mei as Director	Mgmt	Yes	For	With
				Elect Colin Stevens Russel as Director	Mgmt	Yes	For	With
				Elect Lan Hong Tsung, David as Director	Mgmt	Yes	For	With
				Elect Lee Pui Ling, Angelina as Director	Mgmt	Yes	For	With
				Elect George Colin Magnus as Director	Mgmt	Yes	For	With
				Appoint Deliotte Touche Tohmatsu as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	Yes	For	With
				Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	Yes	Against	Against
				Authorize Repurchase of Up to 10 Percent of Issued Share Capital	Mgmt	Yes	For	With
				Authorize Reissuance of Repurchased Shares	Mgmt	Yes	Against	Against
Cintra Concesiones de Infraestructuras de Transporte SA	CIN	ES0118900010	3/27/2008	Accept Individual Financial Statements and Statutory Reports for Fiscal Year Ended Dec. 31, 2007	Mgmt	Yes	For	With
				Accept Consolidated Financial Statements and Statutory Reports for Fiscal Year Ended Dec. 31, 2007	Mgmt	Yes	For	With
				Approve Allocation of Income for Fiscal Year Ended Dec. 31, 2007	Mgmt	Yes	For	With
				Approve Discharge of Board During Fiscal Year 2007	Mgmt	Yes	For	With
				Approve Increase in Capital via Capitalization of Reserves in Accordance with Article 153.1a; Amend Article 5 Accordingly	Mgmt	Yes	For	With
				Reelect Auditors for Company and Consolidated Group	Mgmt	Yes	For	With
				Reelect Joaquin Ayuso Garcia to the Board	Mgmt	Yes	Against	Against
				Elect New Director	Mgmt	Yes	Against	Against
				Approve Stock Option Plan	Mgmt	Yes	For	With
				Approve Stock Option Plan for the CEO	Mgmt	Yes	For	With
				Approve Participation of Executive Directors and Senior Executives in Stock Option Plan	Mgmt	Yes	For	With
				Authorize Repurchase of Shares; Approve Allocation of Repurchased	Mgmt	Yes	For	With

	Shares to Service Stock Option Plan				
	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	Yes	For	With

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
DP WORLD LTD	DPW	AEDFXA0M6V00	5/29/2008	Ordinary Business				
				Accept Financial Statements and Auditor s Reports for the Period Ended Dec. 31, 2007	Mgmt	Yes	For	With
				Approve Dividends of $0.0133 per Share in Respect of the Period Ended Dec. 31, 2007	Mgmt	Yes	For	With
				Reelect John Parker as a Director	Mgmt	Yes	For	With
				Reelect Mohammed Sharaf as a Director	Mgmt	Yes	For	With
				Reelect Yuvraj Narayan as a Director	Mgmt	Yes	For	With
				Reelect KPMG LLP as Independent Auditor from May 29, 2008 AGM until the Next AGM	Mgmt	Yes	For	With
				Authorize Board to Fix Remuneration of KPMG LLG as Independent Auditor	Mgmt	Yes	For	With
				Authorize Board to Issue Shares Up to $553.33 Million or Equal to One-Third of the Issued Share Capital of the Company; This Authority Expires on the Conclusion of the Next AGM and May 28, 2013	Mgmt	Yes	For	With
				Special Business				
				Eliminate Preemptive Rights Up to $83 Million, Representing Five Percent of the Nominal Value of the Current Issued Share Capital	Mgmt	Yes	For	With
				Authorize Share Repurchase Up to 581 Million Shares at $0.10 Each Through the DIFX; This Authority Expires at the Conclusion of the next AGM or within 15 Months of Passing of this Resolution	Mgmt	Yes	For	With
E.ON AG (formerly Veba AG)	EON	DE0007614406	4/30/2008	Receive Financial Statements and Statutory Reports for Fiscal 2007				
				Approve Allocation of Income and Dividends of EUR 4.10 per Share	Mgmt	Yes	For	With
				Approve Discharge of Management Board for Fiscal 2007	Mgmt	Yes	For	With
				Approve Discharge of Supervisory Board for Fiscal 2007	Mgmt	Yes	For	With
				Reelect Ulrich Hartmann to the Supervisory Board	Mgmt	Yes	For	With
				Reelect Ulrich Hocker to the Supervisory Board	Mgmt	Yes	For	With
				Reelect Ulrich Lehner to the Supervisory Board	Mgmt	Yes	For	With
				Elect Bard Mikkelsen to the Supervisory Board	Mgmt	Yes	For	With
				Reelect Henning Schulte-Noelle to the Supervisory Board	Mgmt	Yes	For	With
				Elect Karen de Segundo to the Supervisory Board	Mgmt	Yes	For	With
				Elect Theo Siegert to the Supervisory Board	Mgmt	Yes	For	With
				Reelect Wilhelm Simson to the Supervisory Board	Mgmt	Yes	For	With
				Reelect Georg von Waldenfels to the Supervisory Board	Mgmt	Yes	For	With
					Mgmt	Yes	For	With

	Elect Werner Wenning to the Supervisory Board				
	Ratify PricewaterhouseCoopers AG as Auditors for Fiscal 2008	Mgmt	Yes	For	With
	Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares; Authorize Use of Financial Derivatives of up to 5 Percent of Issued Share Capital When Repurchasing Shares	Mgmt	Yes	For	With
	Approve Conversion of Bearer Shares into Registered Shares	Mgmt	Yes	For	With

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
				Approve 3:1 Stock Split; Approve EUR 266.8 Million Capitalization of Reserves for Purpose of Stock Split; Amend Articles to Reflect Changes in Capital	Mgmt	Yes	For	With
				Amend Articles Re: Allow Electronic Distribution of Company Communications	Mgmt	Yes	For	With
				Amend Articles Re: Remuneration Policy for Nominating Committee	Mgmt	Yes	For	With
				Amend Articles Re: Chairman of General Meeting	Mgmt	Yes	For	With
				Approve Affiliation Agreement with E.ON Fuenfzehnte Verwaltungs GmbH	Mgmt	Yes	For	With
				Approve Affiliation Agreement with E.ON Sechzehnte Verwaltungs GmbH	Mgmt	Yes	For	With
East Japan Railway Co	9020	JP3783600004	6/24/2008	Management Proposals				
				Approve Allocation of Income, With a Final Dividend of JY 5000	Mgmt	Yes	For	With
				Amend Articles To: Increase Authorized Capital - Amend Articles to Reflect Digitalization of Share Certificates	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
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				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Elect Director	Mgmt	Yes	For	With
				Approve Payment of Annual Bonuses to Directors and Statutory Auditors	Mgmt	Yes	For	With
				Shareholder Proposals				
				Amend Articles to Allow Company to Determine Issues Related to Safety, Environment, and Labor Policies at Shareholder Meetings	ShrHolder	Yes	Against	With
				Rectify Labor Policies	ShrHolder	Yes	Against	With
				Amend Articles to Require Disclosure of Individual Compensation for Directors	ShrHolder	Yes	For	Against
				Amend Articles to Require Appointment of Outside Directors	ShrHolder	Yes	Against	With
				Amend Articles to Require Shareholder Approval to Appoint Senior Advisors and Determine Their Compensation	ShrHolder	Yes	Against	With
				Remove Director from Office	ShrHolder	Yes	Against	With
				Remove Director from Office	ShrHolder	Yes	Against	With
				Remove Director from Office	ShrHolder	Yes	Against	With
				Remove Director from Office	ShrHolder	Yes	Against	With
				Remove Director from Office	ShrHolder	Yes	Against	With
				Appoint Shareholder Nominee to the Board	ShrHolder	Yes	Against	With
				Appoint Shareholder Nominee to the Board	ShrHolder	Yes	Against	With
				Appoint Shareholder Nominee to the Board	ShrHolder	Yes	Against	With
				Appoint Shareholder Nominee to the Board	ShrHolder	Yes	Against	With
				Appoint Shareholder Nominee to the Board	ShrHolder	Yes	Against	With
				Cut Director Compensation by 10 Percent	ShrHolder	Yes	Against	With
				Approve Alternate Income Allocation Proposal to Establish Reserve for Reemployment of Former JNR Employees	ShrHolder	Yes	Against	With
				Approve Alternate Income Allocation Proposal to Establish Reserve for Consolidation of Local Rail Lines	ShrHolder	Yes	Against	With
Electricite de France	EDF	FR0010242511	12/20/2007	Special Business				
				Approve Spin-Off Agreement and Its Remuneration to C6	Mgmt	Yes	For	With
				Remove Article 18 of Association Pursuant to item 1 and Renumber the Bylaws	Mgmt	Yes	For	With
				Authorize Filing of Required Documents/Other Formalities	Mgmt	Yes	For	With

Company	Ticker	ISIN	Meeting Date	A brief identification of the matter voted on	Proposed by Issuer or Security Holder	Voted	Vote Cast	With or Against Management
Electricite de France	EDF	FR0010242511	5/20/2008	Ordinary Business	Mgmt	Yes	For	With
				Approve Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Accept Consolidated Financial Statements and Statutory Reports	Mgmt	Yes	For	With
				Approve Allocation of Income and Dividends of EUR 1.28 per Share	Mgmt	Yes	For	With
				Approve Alternate Income Allocation Proposal and Dividends of EUR 0.84 per Share	ShrHolder	Yes	Against	With
				Approve Special Auditors Report Regarding Related-Party Transactions	Mgmt	Yes	For	With
				Approve Remuneration of Directors in the Aggregate Amount of EUR 174,000	Mgmt	Yes	For	With
				Authorize Repurchase of Up to 10 Percent of Issued Share Capital	Mgmt	Yes	Against	Against
				Approve Transaction with Daniel Camus	Mgmt	Yes	For	With
				Elect Bruno Lafont as Director	Mgmt	Yes	For	With
				Authorize Filing of Required Documents/Other Formalities	Mgmt	Yes	For	With
Enagas	ENG	AU000000ENV4	10/30/2007	Amend Article 6-BIS in Compliance with Law of Jul. 2, 12/2007 Re: Limits to Participation in Company s Capital in Compliance with	Mgmt	Yes	Against	Against
				Fix Number of and Elect Xavier de Irala Estevez Representing Shareholder Bilbao Bizkaia Kutxa	Mgmt	Yes	For	With
				Amend Remuneration of Directors for 2007 Fiscal Year	Mgmt	Yes	For	With
				Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	Yes	For	With
Enagas	ENG	AU000000ENV4	4/24/2008	Accept Individual and Consolidated Financial Statements and Statutory Reports for 2007	Mgmt	Yes	For	With
				Approve Allocation of Income and Dividends of EUR X Per Share	Mgmt	Yes	For	With
				Discharge Directors	Mgmt	Yes	For	With
				Reelect Deloitte & Touche as Auditors	Mgmt	Yes	For	With
				Fix the Number of Directors at 17; Amend Article 35 of Company Bylaws	Mgmt	Yes	For	With
				Elect Pena Rueda, S.L. as Director	Mgmt	Yes	For	With
				Elect Bilbao Bizkaia Kutxa (BBK) as Director	Mgmt	Yes	For	With
				Elect Sociedad de Participaciones Industriales (SEPI) as Director	Mgmt	Yes	For	With
				Approve Remuneration of Directors in the Amount of EUR X	Mgmt	Yes	For	With
				Receive Complementary Report to the Management Report	Mgmt	Yes	For	With
				Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	Yes	For	With
Enbridge Inc.	ENB	CA29250N1050	5/7/2008	Elect Director David A. Arledge	Mgmt	Yes	For	With
				Elect Director James J. Blanchard	Mgmt	Yes	For	With
				Elect Director J. Lorne Braithwaite	Mgmt	Yes	For	With
				Elect Director Patrick D. Daniel	Mgmt	Yes	For	With

Company	**Ticker**	**ISIN**	**Meeting Date**	**A brief identification of the matter voted on**	**Proposed by Issuer or Security Holder**	**Voted**	**Vote Cast**	**With or Against Management**
				Elect Director J. Herb England	Mgmt	Yes	For	With
				Elect Director David A. Leslie	Mgmt	Yes	For	With
				Elect Director Robert W. Martin	Mgmt	Yes	For	With

(dollars in thousands)

	Alternative Investment Management	**Broker-Dealer**	**Total 2010**	**Alternative Investment Management**		
Economic Income Revenues						
Investment banking	$	$ 6,005	$ 6,005	$	$ 6,005	NM
Brokerage		29,575	29,575		29,575	NM
Management fees	12,587	28	12,615	14,596	(1,981)	(13.6)%
Incentive income (loss)	1,982		1,982	(2,122)	4,104	NM
Investment income (loss)	11,192	229	11,421	(620)	12,041	NM
Other revenue	(51)	124	73	359	(286)	(79.7)%
Total economic income revenues	**25,710**	**35,961**	**61,671**	**12,213**	**49,458**	405.0%
Economic Income Expenses						
Compensation and benefits	16,184	25,136	$ 41,320	14,907	$ 26,413	177.2%
Non-compensation expenses	8,899	24,468	33,367	10,006	23,361	233.5%
Reimbursement from affiliates	(1,887)		(1,887)	(3,414)	1,527	(44.7)%
Total economic income expenses	**23,196**	**49,604**	**72,800**	**21,499**	**51,301**	238.6%
Net economic income (loss) (before non-controlling interest)	2,514	(13,643)	(11,129)	(9,286)	(1,843)	19.8%
Non-controlling interest				421	(421)	NM
Economic income (loss)	**$ 2,514**	**$ (13,643)**	**$ (11,129)**	**$ (8,865)**	$ (2,264)	25.5%

Economic Income Revenues

Total economic income revenues were $61.7 million for three months ended March 31, 2010, an increase of $49.5 million compared to economic income revenues of $12.2 million for the prior year quarter.

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Alternative Investment Management Segment

Alternative investment management segment economic income revenues were $25.7 million for the three months ended March 31, 2010, an increase of $13.5 million compared to a revenues of $12.2 million for the prior year quarter.

Management Fees. Management fees for the segment decreased $2.0 million, or 14%, to $12.6 million for the three months ended March 31, 2010 compared with $14.6 million for the prior year quarter. The decrease was due to the decrease in assets under management as well as the impact of certain management fee reductions for certain affiliates of UniCredit which became effective in conjunction with the closing of the Transactions.

Incentive Income (Loss). Incentive income for the segment was $2.0 million for the three months ended March 31, 2010 compared to a loss of $2.1 million for the prior year quarter. The loss in the prior year quarter was primarily due to a reversal of previously recorded incentive income allocations from Ramius's interests in the general partner of a certain real estate fund pursuant to the terms of the governing documents of such fund. The incentive income for the three months ended March 31, 2010 primarily relates to fees earned on one of our fund of funds products that surpassed its high water mark in December 2009 as well as fees earned on a portion of our Value and Opportunity fund. However, many of our funds still have high-water marks so that Ramius will not earn incentive income with respect to the investments of the fund investors who suffered such losses in 2008 until the investors recover their losses.

Investment Income. Investment income for the segment was a gain of $11.2 million for the three months ended March 31, 2010 compared with a loss of $0.6 million for the prior year quarter. The increase is a result of positive fund performance in the current year period versus negative performance in the prior year period. A portion of our investment performance in the quarter was related to positive developments with regard to certain identified assets currently held by Lehman Brothers International (Europe) which resulted in marking these positions up from 20 cents on the dollar to 72 cents on the dollar during the quarter.

Other Revenue. Other revenue for the segment was a loss of $0.1 million for the three months ended March 31, 2010 compared with a gain of $0.4 million for the prior year quarter. The decrease was primarily due to a reduction in retail commissions earned in the first quarter of 2010 compared to the same period last year, in addition to losses on both the disposal of fixed assets and foreign currency fluctuations on foreign assets for the three months ended March 31, 2010.

Broker-Dealer Segment

Broker-dealer segment economic income revenues were $36.0 million for the three months ended March 31, 2010. There were no broker-dealer segment revenues in the prior year quarter as the historic results of operations only reflect the legacy Ramius business.

Investment Banking. Investment banking revenues were $6.0 million for the three months ended March 31, 2010, representing the investment banking activity of Cowen Holdings for the quarter. During the quarter, the Company completed 4 underwriting transactions, 1 private capital raising transactions and 4 strategic advisory transactions. There were no investment banking revenues in the first quarter of 2009 as the historic results of operations only reflect the legacy Ramius business.

Brokerage. Brokerage revenues were $29.6 million for three months ended March 31, 2010, representing the brokerage activity of Cowen Holdings for the quarter. There were no brokerage revenues in the first quarter of 2009 as the historic results of operations only reflect the legacy Ramius business.

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Economic Income Expenses

Compensation and Benefits. Total compensation and benefits expense was $41.3 million for the three months ended March 31, 2010, an increase of $26.4 million compared to $14.9 million in the prior year quarter. The increase was primarily attributable to the inclusion of three months of legacy Cowen compensation and benefits expense in the first quarter of 2010.

Compensation and benefits expenses for the alternative investment management segment increased $1.3 million, or 9%, to $16.2 million for the three months ended March 31, 2010 compared with $14.9 million in the prior year quarter. The increase was driven by higher accruals for incentive compensation offset partially by lower base salaries and benefit expense associated with a reduction in head count.

Compensation and benefits expenses for the broker-dealer segment were $25.1 million for the three months ended March 31, 2010, which represents the operations of legacy Cowen for the quarter. There were no broker-dealer segment compensation and benefits expenses in the prior year quarter as the historic results of operations only reflect the legacy Ramius business.

Non-compensation Expenses. Total non-compensation expenses increased $23.4 million to $33.4 million for the three months ended March 31, 2010 compared to $10.0 million in the prior year quarter. The increase was due to the inclusion of three months of non-compensation expenses associated with the legacy Cowen Holdings business in the first quarter of 2010, partially offset by a decrease in non-compensation expense from the alternative investment management business.

Non-compensation expenses for the alternative investment management segment were $8.9 million for the three months ended March 31, 2010. Non-compensation expenses for the broker-dealer segment were $24.5 million for the three months ended March 31, 2010, which represents the quarterly results of legacy Cowen Holdings. The following table shows the components of the non-compensation expenses, in total, for the three months ended March 31, 2010 and 2009:

	Three Months Ended March 31,		Period-to-Period	
	2010	2009	$ Change	% Change
	(dollars in thousands)			
Non-compensation expenses:				
Interest expense	$ 116	$ 342	$ (226)	(66.1)%
Professional, advisory and other fees	2,388	1,402	986	70.3%
Occupancy and equipment	5,645	2,531	3,114	123.0%
Floor brokerage and trade execution	4,945		4,945	NM
Service fees, net	3,812	606	3,206	529.0%
Communications	3,308	274	3,034	1107.3%
Marketing and business development	3,846	1,485	2,361	159.0%
Depreciation and amortization	2,494	1,236	1,258	101.8%
Other	6,813	2,130	4,683	219.6%
Total	**$ 33,367**	**$ 10,006**	**$ 23,361**	233.5%

Reimbursement from Affiliates. Reimbursements from affiliates, which relate to the alternative investment management segment, decreased $1.5 million, or 45%, to $1.9 million for the three months ended March 31, 2010 compared with $3.4 million in the prior year quarter. The decrease was attributable to lower assets under management in the 2010 period as such allocations are largely made based on a percentage of assets under management.

Non-Controlling Interest. Non-Controlling interest represents the portion of the net income or loss attributable to certain non-wholly owned subsidiaries that is allocated to other investors.

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Liquidity and Capital Resources

We continually monitor our liquidity position. The working capital needs of the Company's business have been met through current levels of equity capital, current cash and cash equivalents, and anticipated cash generated from our operating activities, including management fees, incentive income, returns on the Company's own capital, investment banking fees and brokerage commissions. The Company expects that its primary working capital liquidity needs over the next twelve months will be to:

- pay our operating expenses, primarily consisting of compensation and benefits and general and administrative expenses;
- repay borrowings and related interest expense; and
- provide capital to facilitate the growth of our existing business.

Based on our historical results, management's experience, our current business strategy and current assets under management, the Company believes that its existing cash resources will be sufficient to meet its anticipated working capital and capital expenditure requirements for at least the next twelve months. Our cash reserves include cash, cash equivalents, assets readily convertible into cash such as our securities held in inventory. Securities inventories are stated at fair value and are generally readily marketable. As of March 31, 2010, we had cash and cash equivalents of $12.9 million. At March 31, 2010, the Company's investment in the Enterprise Fund was valued at $256.2 million. The Company withdrew approximately $35.2 million from the Enterprise Fund effective January 1, 2010. In December 2009, the Company completed a public offering of 17,292,698 shares of Class A common stock, resulting in approximately $80.6 million of additional equity.

The timing of cash bonus payments to our employees may significantly affect our cash position and liquidity from period to period. While our employees are generally paid salaries bi-weekly during the year, cash bonus payments, which can make up a significant portion of total compensation, are generally paid once a year in February.

As discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Development" we have entered into a modification agreement with affiliates of Unicredit and it is not expected to have a material impact on the Company's liquidity and capital resources.

As of March 31, 2010, the Company had unfunded commitments of $8.3 million pertaining to capital commitments in three real estate investments held by the Company, all of which pertain to related party investments. Such commitments can be called at any time, subject to advance notice. In addition, the Company has committed to invest $42.0 million in the CHRP Funds as a limited partner of the CHRP Funds and also as a member of Cowen Healthcare Royalty GP, LLC, the general partner of the CHRP Funds. This commitment is expected to be called over the fund investment period. The Company will make its pro-rata investment in the CHRP Funds along with the other limited partners. Through March 31, 2010, the Company has funded $15.5 million towards these commitments.

Ramius Securities is subject to the SEC's Uniform Net Capital Rule 15c3-1 (the "Rule"), which requires the maintenance of minimum net capital. Ramius Securities has elected to use the alternative method, permitted by the Rule. Since Ramius Securities has elected not to be subject to the Aggregate Indebtedness Standard (a)(1)(i) of the Rule and Ramius Securities has not made a market in any securities since January 2006, Ramius Securities shall not permit its net capital to be less than $250,000. As of March 31, 2010, Ramius Securities had net capital of $1.4 million, which was approximately $1.2 million in excess of its required minimum net capital requirement. In connection with the Transactions, the firm decided to consolidate the operations of its two wholly-owned registered broker/dealers, Ramius Securities LLC and Cowen and Company, LLC. During the first quarter 2010, many of the processes performed by Ramius Securities LLC were transferred to Cowen and Company, LLC. On April 8, 2010, Ramius Securities LLC filed a Form BDW Uniform Request for Withdrawal From Broker-Dealer Registration.

As a registered broker-dealer, Cowen and Company is also subject to the Rule, and is subject to a minimum net capital requirement. Under the alternative method permitted by the Rule, Cowen and Company's minimum net capital requirement, as defined, is $1.0 million. The Company is not permitted to withdraw equity if certain minimum net capital requirements are not met. As of March 31, 2010, Cowen and Company had net capital of approximately $34.2 million, which was approximately $33.2 million in excess of its minimum net capital requirement of $1.0 million.

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

Ramius UK Ltd. and Cowen International Limited are subject to the applicable capital requirements of the Financial Services Authority ("FSA") of the UK. Financial Resources, as defined, must exceed the total Financial Resources requirement of the FSA. At March 31, 2010, Ramius UK's Financial Resources of $1.6 million exceeded its minimum requirement of $0.4 million by $1.2 million. At March 31, 2010, CIL's Financial Resources of $4.7 million exceeded its minimum requirement of $2.5 million by $2.2 million.

Cowen Latitude Advisors Limited ("CLAL") is subject to the applicable financial resources requirements of the Securities and Futures Commission ("SFC") of Hong Kong. Financial Resources, as defined, must exceed the Total Financial Resources requirement of the SFC. At March 31, 2010, CLAL's Financial Resources of $0.3 million exceeded the minimum requirement of $0.02 million by $0.3 million.

The Company may also incur additional indebtedness or raise additional capital under certain circumstances to respond to market opportunities and challenges. Current market conditions may make it more difficult or costly to borrow additional funds or raise additional capital. In addition, our secured revolving credit facility with UniCredit Bank AG (formerly known as Bayerische Hypo-und Vereinsbank AG) ("HVB AG") referenced below prohibits us and certain of our subsidiaries from incurring any indebtedness, other than certain indebtedness permitted under the facility.

Cash Flows Analysis

The Company's primary sources of cash are derived from its operating activities, fees, realized returns on its own invested capital and borrowings under its line of credit. The Company's primary uses of cash include compensation, general and administrative expenses and payments of interest and principal under its line of credit. Cash flow results during the three months ended March 31, 2009 only reflect the cash flows and net loss of Ramius LLC prior to the Transaction. As a result, the cash flow amounts from operating, investing and financing activities for the three months ended March 31, 2010 and 2009 are not comparable.

Operating Activities. Net cash provided used in operating activities of $87.5 million for the three months ended March 31, 2010 was predominately related to cash used to pay for year-end bonus accruals included in compensation payable and payments for purchases of securities related to proprietary capital. Net cash provided by operating activities of $19.2 million for the three months ended March 31, 2009 was predominately related to proceeds from sales of other investments held by the consolidated funds and net sales of holdings in the broker dealer, partially offset by a net loss and payments for year end bonus accruals.

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Investing Activities. Net cash provided by investing activities of $2.5 million and $4.0 million for the three months ended March 31, 2010 and 2009, respectively, was primarily due to the proceeds from sale of other investments.

Financing Activities. Net cash used in financing activities for the three months ended March 31, 2010 was $49.6 million primarily related to a repayment on the line of credit and payments by the consolidated funds for capital withdrawals. For the three months ended March 31, 2009 net cash used in financing activities was $46.3 million which was primarily related to withdrawals from members, occurring prior to the notification of the Transaction as well as a consolidated fund's full repayment on its line of credit and payments by the consolidated funds for capital withdrawals.

Notes Payable, Short-Term Borrowings and Credit Facilities

On June 3, 2009, the Company entered into a collateralized revolving credit agreement with HVB AG, as lender, administrative agent and issuing bank, providing for a revolving credit facility with a $50.0 million aggregate loan commitment amount available, with a $7.0 million letter of credit sub-limit. The first borrowing under this line occurred on June 30, 2009. As of March 31, 2010 and December 31, 2009, the Company had borrowings of $18 million and $43.0 million, respectively, under the line of credit portion and $6.7 million at December 31, 2009 under the letter of credit portion. At the Company's election and discretion, borrowings under this collateralized revolving credit agreement bear interest per annum (based on a 360 day year) equal to either: (a) 0.5% plus the greater of (1) the lender's prime rate, (2) the overnight federal funds rate plus 0.5% and (3) the LIBOR rate plus 1.0% or (b) the LIBOR rate plus 2.75%. Due to the variable interest rate on these borrowings, their carrying values approximate fair value. The Company is required to pay a quarterly commitment fee on the undrawn portion of the revolving credit facility equal to 1.0% per annum of the undrawn amount. For letters of credit, the Company will pay a fee on the stated amount of the letter of credit at a rate equal to 2.75%. The 2009 collateralized revolving credit agreement was to mature on November 2, 2009 but was extended; $25 million was extended through January 4, 2010 and $25 million was extended through September 29, 2011. All terms of the extended collateralized revolving credit agreement remain the same except the following: at the Company's election and discretion, borrowings under the extended 2009 collateralized revolving credit agreement bear interest per annum (based on a 360 day year) equal to either: (1) the lender's prime rate plus 1.5% or (2) the 1, 2 or 3 month LIBOR rate plus 3.5%. For letters of credit, the Company will pay a fee on the stated amount of the letter of credit at a rate equal to 3.5%. The 2009 collateralized revolving credit agreement contained financial and other restrictive covenants that limited the Company's ability to incur additional debt and engage in other activities. As of March 31, 2010 and during the period from June 3, 2009 to March 31, 2010, the Company was in compliance with these covenants.

On January 4, 2010, in accordance with the terms of the collateralized revolving credit agreement, the Company remitted $25 million to HVB AG, reducing its revolving line of credit balance.

Interest incurred on the Company's lines of credit (in combination with all previous lines of credit) for the three months ended March 31, 2010 and 2009 were $0.3 million and $0.1 million, respectively.

Cash collateral pledged at December 31, 2009, on the condensed consolidated statements of financial condition, represents collateral that was required to be posted for obligations or potential obligations under the letter of credit discussed above pursuant to the lease agreement for the Company's premises in New York City. This collateral was released with the terms of the extended collateralized revolving credit agreement. The Company's investment in Enterprise Master through Enterprise LP has been pledged as collateral under the line of credit portion of the revolving credit agreement discussed above.

The Company also has two additional irrevocable letters of credit, the first of which is for $100,000, which expires on July 26, 2010, supporting workers' compensation insurance with Safety

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National Casualty Corporation, and the second of which is for $57,000, which expires on November 14, 2010, supporting Cowen Healthcare Royalty Management, LLC's Stamford office lease. To the extent any letter of credit is drawn upon, interest will be assessed at the prime commercial lending rate. Each of these letters of credit provides for automatic annual renewals, at the Company's option, on their expiration dates. As of March 31, 2010 and December 31, 2009, there were no amounts due related to these letters of credit.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements as of March 31, 2010. However, through indemnification provisions in our clearing agreement, customer activities may expose us to off-balance-sheet credit risk. Pursuant to the clearing agreement, we are required to reimburse our clearing broker, without limit, for any losses incurred due to a counterparty's failure to satisfy its contractual obligations. However, these transactions are collateralized by the underlying security, thereby reducing the associated risk to changes in the market value of the security through the settlement date.

Cowen and Company is a member of various securities exchanges. Under the standard membership agreement, members are required to guarantee the performance of other members and, accordingly, if another member becomes unable to satisfy its obligations to the exchange, all other members would be required to meet the shortfall. Cowen and Company's liability under these arrangements is not quantifiable and could exceed the cash and securities it has posted as collateral. However, management believes that the potential for Cowen and Company to be required to make payments under these arrangements is remote. Accordingly, no contingent liability is carried in the accompanying consolidated statements of financial condition for these arrangements.

Critical Accounting Policies and Estimates

Critical accounting policies are those that require the Company to make significant judgments, estimates or assumptions that affect amounts reported in its consolidated financial statements or the notes thereto. The Company bases its judgments, estimates and assumptions on current facts, historical experience and various other factors that the Company believes to be reasonable and prudent. Actual results may differ materially from these estimates.

The following is a summary of what the Company believes to be its most critical accounting policies and estimates:

Consolidation

These consolidated financial statements include the accounts of the Company, its subsidiaries, and entities in which the Company has a controlling financial interest, including the Consolidated Funds, in which the Company has a substantive, controlling general partner interest. All material intercompany transactions and balances have been eliminated in consolidation. The Company's funds are not subject to these consolidation provisions with respect to their investments pursuant to their specialized accounting.

The Company's consolidated financial statements reflect the assets, liabilities, revenues, expenses and cashflows of the Consolidated Funds on a gross basis. The management fees and incentive income earned by the Company from the Consolidated Funds were eliminated in consolidation; however, the Company's allocated share of net income from these funds was increased by the amount of this eliminated income. Hence, the consolidation of these funds had no net effect on the Company's net earnings.

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Fair Value of Investments

FASB accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
Level 3	Fair value is determined based on pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the asset or liability. The determination of fair value for assets and liabilities in this category requires significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument.

The Company and its operating company subsidiaries act as the manager for the Consolidated Funds. Both the Company and the Consolidated Funds hold certain investments which are valued by the Company, acting as the investment manager. The fair value of these investments is generally estimated based on proprietary models developed by the Company, which include discounted cash flow analyses, public market comparables, and other techniques and may be based, at least in part, on independently sourced market information. The material estimates and assumptions used in these models include the timing and expected amount of cash flows, the appropriateness of discount rates used, and, in some cases, the ability to execute, timing of, and estimated proceeds from expected financings. Significant judgment and estimation goes into the selection of an appropriate valuation methodology as well as the assumptions used in these models, and the timing and actual values realized with respect to investments could be materially different from values derived based on the use of those estimates. The valuation methodologies applied impact the reported value of the Company's investments and the investments held by the Consolidated Funds in the consolidated financial statements.

The Company primarily uses the "market approach" valuation technique to value its financial instruments measured at fair value. In determining an instrument's placement within the hierarchy, the Company separates the Company's financial instruments into three categories: securities, derivative contracts and other investments. To the extent applicable, each of these categories can further be divided between those held long or sold short.

Securities Securities whose values are based on quoted market prices in active markets for identical assets, and are therefore classified in level 1 of the fair value hierarchy, include active listed

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equities, certain U.S. government and sovereign obligations, and certain money market securities. The Company does not adjust the quoted price for such instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Certain positions for which there is a limited market, consisting primarily of convertible debt, corporate debt and loans, are stated at fair value. The estimated fair values assigned by management are determined in good faith and are based on available information considering, among other things, quotations provided by published pricing services, counterparties and other market participants, and pricing models using quoted inputs, and do not necessarily represent the amounts which might ultimately be realized. Such positions that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources which are supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability.

Derivative contracts Derivative contracts can be exchange-traded or privately negotiated over-the-counter ("OTC"). Exchange-traded derivatives, such as futures contracts and exchange traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded. OTC derivatives, such as generic forwards, swaps and options, have inputs which can generally be corroborated by market data and are therefore classified within level 2. Derivative contracts are included within other assets on the consolidated statements of financial condition.

Other investments Other investments measured at fair value consist primarily of portfolio funds and real estate investments, which are valued as follows:

i.

Portfolio funds Portfolio funds ("Portfolio Funds") include interests in funds and investment companies managed externally by the Company and unaffiliated managers. In September 2009, the FASB issued a new accounting pronouncement regarding fair value measurements and disclosures relating to investments in certain entities that calculate net asset value ("NAV") per share (or its equivalent). The guidance permits, as a practical expedient, an entity holding investments in certain entities that either are investment companies as defined by the AICPA Audit and Accounting Guide, Investment Companies, or have attributes similar to an investment company, and calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share, or its equivalent, without adjustment. The Company has adopted this guidance effective with the issuance of its December 31, 2009 financial statements. As this guidance is consistent with the Company's existing fair value measurement policy for its Portfolio funds, the Company's adoption did not have an impact on its financial condition, results of operations or cash flows.

The Company categorizes its investments in Portfolio Funds within the fair value hierarchy dependent on the ability to redeem the investment. If the Company has the ability to redeem its investment at NAV at the measurement date or within the near term, the Portfolio Fund is categorized as a Level 2 fair value measurement. If the Company does not know when it will have the ability to redeem its investment or cannot do so in the near term, the Portfolio Fund is categorized as a Level 3 fair value measurement. See Note 4 for further details of the Company's investments in Portfolio Funds.

ii.

Real estate investments Real estate investments are valued at estimated fair value. The fair value of real estate investments are estimated based on the price that would be received to sell an asset in an orderly transaction between marketplace participants at the measurement date. Real estate investments without a public market are valued based on assumptions and valuation techniques used by the Company. Such valuation techniques may include discounted

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cash flow analysis, prevailing market capitalization rates or earning multiples applied to earnings from the investment, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties, consideration of the amount that currently would be required to replace the asset, as adjusted for obsolescence, as well as independent external appraisals. In general, the Company considers several valuation techniques when measuring the fair value of a real estate investment. However, in certain circumstances, a single valuation technique may be appropriate. Real estate investments are reviewed on a quarterly basis by the Company for significant changes at the property level or a significant change in the overall market which would impact the value of the real estate investment resulting in unrealized appreciation or depreciation.

The Company also reflects its real estate equity investments net of investment level financing. Valuation adjustments attributable to underlying financing arrangements are considered in the real estate equity valuation based on amounts at which the financing liabilities could be transferred to market participants at the measurement date.

Real estate and capital markets are cyclical in nature. Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates and interest and inflation rates. In addition, the Company invests in real estate and real estate related investments for which no liquid market exists. The market prices for such investments may be volatile and may not be readily ascertainable. Amounts ultimately realized by the Company from investments sold may differ from the fair values presented, and the differences could be material.

The Company's real estate investments are typically categorized as Level 3 within the fair value hierarchy as management uses significant unobservable inputs in determining their estimated fair value.

See Note 5 to the Company's audited consolidated financial statements included in our 2009 Form 10-K filed with the SEC on March 25, 2010 for further information regarding the Company's investments and fair value measurements.

Management fees

The Company earns management fees from funds and managed accounts for which serves as the investment manager, based on a fixed percentage of net asset value, committed capital or invested capital. Management fees are based on contractual terms specified in the underlying investment management agreements with each specific fund or managed account. Management fees are generally paid on a quarterly basis at the beginning of each quarter in arrears and are prorated for capital inflows and redemptions. Management fees earned from our fund of funds products and certain portfolio funds are based and initially calculated on estimated net asset values and actual fees ultimately earned could be impacted to the extent of any changes in these estimates.

Incentive Income

The Company is entitled to incentive income on the net profits, defined in the investment management agreement, allocable for each fiscal year that exceeds cumulative unrecovered net losses, if any, that have carried forward from prior years. In all instances other than the CHRP Funds, the Company has elected to adopt Method 2 of ASC Topic 605-20, Accounting for Management Fees Based on a Formula. Under Method 2, the incentive income of Ramius's funds and managed accounts for any period is based upon the net profits of Company's funds at the reporting date. Any incentive income recognized in a quarter's consolidated statement of operations may be subject to clawback in a subsequent quarter.

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Investment Banking Revenues

The Company earns investment banking revenue primarily from fees associated with public and private capital raising transactions and providing strategic advisory services. The Company's investment banking revenues are derived primarily from small and mid-capitalization companies within the Company's target sectors of healthcare, technology, media and telecommunications, consumer, aerospace & defense, and alternative energy.

Underwriting fees. The Company earns underwriting revenues in securities offerings in which the Company acts as an underwriter, such as IPOs, follow-on equity offerings and convertible security offerings. The Company's underwriting revenues include management fees, selling concessions and underwriting fees. Fee revenue relating to underwriting commitments is recorded when all significant items relating to the underwriting cycle have been completed and the amount of the underwriting revenue has been determined. This generally is the point at which all of the following have occurred: (i) the issuer's registration statement has become effective with the SEC, or the other offering documents are finalized; (ii) the Company has made a firm commitment for the purchase of shares from the issuer; and (iii) the Company has been informed of the number of shares that it has been allotted.
When the Company is not the lead manager for a registered equity underwriting transaction, management must estimate the Company's share of transaction related expenses incurred by the lead manager in order to recognize revenue. Transaction-related expenses are deducted from the underwriting fee and therefore reduce the revenue the Company recognizes as co-manager. Such amounts are adjusted to reflect actual expenses in the period in which the Company receives the final settlement, typically within 90 days following the closing of the transaction.

Strategic/financial advisory fees. The Company's strategic advisory revenues include success fees earned in connection with advising companies, both buyers and sellers, principally in mergers and acquisitions. The Company also earns fees for related advisory work such as providing fairness opinions. The Company records strategic advisory revenues when the services for the transactions are completed under the terms of each assignment or engagement and collection is reasonably assured. Expenses associated with such transactions are deferred until the related revenue is recognized or the engagement is otherwise concluded.

Private placement fees. The Company earns agency placement fees in non-underwritten transactions such as private placements, PIPEs and RDs. The Company records private placement revenues when the services for the transactions are completed under the terms of each assignment or engagement and collection is reasonably assured. Expenses associated with such transactions are deferred until the related revenue is recognized or the engagement is otherwise concluded.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price consideration of acquired companies over the estimated fair value assigned to the individual assets acquired and liabilities assumed. The Company tests goodwill for impairment in accordance with the two-step method described in FASB accounting standards. The first step involves a comparison of the estimated fair value of the reporting unit to its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, its goodwill is not impaired and the second step of the impairment test is not necessary. If the carrying amount of the reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed. The second step of the goodwill impairment test compares the implied fair value of the reporting unit goodwill with its carrying amount to measure the amount of impairment, if any. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. In other words, the estimated fair

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value of the reporting unit is allocated to all of its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment is recognized in an amount equal to that excess. Goodwill is tested annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. Goodwill impairment tests are subject to significant judgment in determining the estimation of future cash flows, discount rates and other assumptions. Changes in these estimates and assumptions could have a significant impact on the fair value and any resulting impairment of goodwill.

Intangible assets with finite lives are amortized over their estimated average useful lives. The Company does not have any intangible assets deemed to have indefinite lives. Intangible assets are tested for potential impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. An impairment loss, calculated as the difference between the estimated fair value and the carrying value of an asset or asset group, is recognized if the sum of the estimated undiscounted cash flows relating to the asset or asset group is less than the corresponding carrying value.

Legal and Regulatory Reserves

The Company estimates potential losses that may arise out of legal and regulatory proceedings and records a reserve and takes a charge to income when losses with respect to such matters are deemed probable and can be reasonably estimated, in accordance with FASB accounting standards. These amounts are reported in other expenses, net of recoveries, in the consolidated statements of operations. The consolidated statements of operations do not include litigation expenses incurred by the Company in connection with indemnified litigation matters. See Note 11 to the Company's condensed consolidated financial statements for further discussion. As the successor of the named party in these litigation matters, the Company recognizes the related legal reserve in the consolidated statements of financial condition.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

During the three months ended March 31, 2010, there were no material changes in our quantitative and qualitative disclosures about market risks from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2009. For a detailed discussion concerning our market risk, see Item 7A "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K.

Item 4. Controls and Procedures

Our management, with the participation of the Chief Executive Officer and the Chief Financial Officer (the principal executive officer and principal financial officer, respectively), evaluated our disclosure controls and procedures as of March 31, 2010.

Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of March 31, 2010, our disclosure controls and procedures are effective to provide a reasonable assurance that information required to be disclosed by the Company in the reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer of the Company, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The following information reflects developments with respect to the Company's legal proceedings that occurred in the first quarter of 2010. These items should be read together with the Company's discussion in Note 11 "Commitments, Contingencies and Guarantees Litigation," in the Notes to the Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 and the Company's discussion set forth under Legal Proceedings in Part I, Item 3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

In re: Initial Public Offering Securities Litigation

On April 16, 2010, plaintiffs filed a motion with the United States District Court for the Southern District of New York ("SDNY") requesting that those class members who appealed the SDNY's final order approving the settlement be required to post appeal bonds. To the extent that Cowen Holdings incurs additional legal fees or pays any settlement amount, it will be indemnified by Société Générale.

Adelphia Communications Corp. Litigation

On April 19, 2010, the Appaloosa plaintiffs filed with the SDNY a Stipulation and Order of Dismissal with Prejudice, which was signed by the SDNY on April 20, 2010. To the extent that Cowen Holdings incurs additional legal fees or pays any settlement amount in connection with this dismissal, it will be indemnified by Société Générale.

Madden Litigation

On April 14, 2010, the United State District Court for the Northern District of California ("NDCA") denied Cowen and Company's motion to dismiss and granted plaintiffs' motion to remand the case back to the Superior Court of the State of California for the City and County of San Francisco. To the extent that Cowen Holdings incurs additional legal fees or pays any settlement, fine or monetary sanction, it will be indemnified by Société Générale.

Global Cash Litigation

On March 15, 2010, the United States District Court for the District of Nevada issued an order preliminarily approving the settlement and scheduling a fairness hearing on the settlement for June 25, 2010.

CardioNet Litigation

On March 5, 2010, Cowen and Company was named as a defendant, along with several other underwriters, in a putative class action filed in the Superior Court of the State of California, County of San Diego, in connection with an August 2008 follow-on offering for CardioNet, Inc. ("CardioNet"). The complaint alleges, among other things, that the prospectuses for CardioNet's March 2008 IPO (in which Cowen and Company did not participate) and subsequent follow-on offering (in which Cowen and Company did participate) were false and misleading and failed to disclose, among other things, that CardioNet incorrectly reported revenue and failed to disclose certain risks relating to Medicare reimbursement rates for CardioNet's services. On April 5, 2010, Cowen and Company and the other defendants moved to remove the case to the United States District Court for the Southern District of California and, on April 7, 2010, moved to transfer the case to the United States District Court for the Eastern District of Pennsylvania. On April 23, 2010, plaintiffs moved to remand the case back to California state court. The motions to transfer and remand remain pending.

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Fuqi Litigation

In March 2010, Cowen and Company was named, along with several other underwriters, as a defendant in two putative class actions filed in the SDNY in connection with a July 2009 follow-on offering for Fuqi International, Inc. ("Fuqi"). The complaint alleges, among other things, that the prospectus for Fuqi's follow-on offering was false and misleading and contained materially inaccurate financial statements that overstated the company's gross profit and net income.

Lehman Brothers

On December 29, 2009, Lehman Brothers International (Europe), or LBIE, announced that the Claim Resolution Agreement ("CRA") it had proposed, which would provide a framework for returning trust assets to LBIE's trust creditors, had become effective with respect to LBIE and the signatories to the CRA, which includes the Ramius hedge funds who had assets at LBIE. The CRA included a March 19, 2010 bar date for LBIE 's trust creditors to notify LBIE of claims to any of the trust assets controlled by LBIE. Given (1) the fact that the bar date has passed and (2) the additional information Ramius has received from LBIE regarding the various components of the Ramius hedge funds' claims against LBIE, Ramius has decided to value its total net equity claim as follows: (i) the trust assets that we have been informed are within the control of LBIE and are expected to be distributed to us in the relatively near term are being valued at market less a 1% discount that corresponds to the fee that will be charged under the CRA for the return of trust assets, (ii) the trust assets that are not within the control of LBIE, but that Ramius believes are held by LBIE through Lehman Brothers, Inc. ("LBI"), are being valued at 47% which represents the present value of the mid-point between what Ramius believes are reasonable estimates of the low-side and high-side potential recovery rates with respect to its LBI exposure, (iii) the trust assets that are not within the control of LBIE and are not believed to be held through LBI are being valued at 30%, which represents Ramius's estimate of potential recovery rates with respect to this exposure and (iv) Ramius's remaining unsecured claims against LBIE are being valued at 30%, which represents Ramius's estimate of potential recovery rates with respect to this exposure.

Regulatory Inquiries and Investigations

In addition to the civil litigation matters described above, we are also involved in a number of regulatory inquiries and investigations, which are not covered by the Indemnification Agreement. The most significant regulatory matters that developed during the first quarter of 2010 are as follows:

- On January 13, 2010, Ramius's broker-dealer subsidiary, referred to as Ramius Securities, received a Wells Notice from FINRA's Department of Market Regulation indicating that it intended to recommend an enforcement action be brought against Ramius Securities for certain alleged violations of Regulation SHO regarding the short sale of securities. Ramius Securities responded to the Wells Notice on March 24, 2010.

- On April 30, 2010, Cowen and Company received a Letter of Acceptance, Waiver and Consent from FINRA's Department of Market Regulation seeking the payment of a fine and the implementation of remedial measures regarding certain alleged trade reporting violations. Cowen and Company has not yet responded to the letter.

Item 1A. Risk Factors

The discussion of our business and operations should be read together with the risk factors contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009. These risk factors describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. There are no material changes from the risk factors previously disclosed in our 2009 Form 10-K filed with the SEC on March 25, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Removed and Reserved

Item 5. Other Information

As disclosed above in "Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments", on May 11, 2010, the Company, RCG Holdings LLC ("*RCG*"), C4S & Co., L.L.C., as managing member of RCG ("*C4S*"), Ramius LLC, a wholly owned subsidiary of the Company ("*Ramius*") and Ramius Alternative Solutions LLC , a wholly owned subsidiary of the Company ("*Ramius Alternative Solutions*" and, together with the Company, RCG, C4S and Ramius, the "*Company Parties*") entered into a Modification Agreement (the "*Modification Agreement*") with BA Alpine Holdings, Inc. ("*BA Alpine*"), Alpine Cayman Islands Limited ("*Alpine Cayman*"), UniCredit Bank AG (formerly known as Bayerische Hypo- und Vereinsbank AG) ("*HVB AG*"), HVB Alternative Advisors LLC ("*HVB*") and CEAKSCH Verwaltungs G.m.b.H. ("*CEAKSCH*" and, together with BA Alpine, Alpine Cayman, HVB AG and HVB, the "*UniCredit Parties*"), which, among other things, amends certain agreements between certain Company Parties and certain UniCredit Parties, as set forth more specifically below. The description of the Modification Agreement is qualified in its entirety by reference to the full text of the Modification Agreement, a copy of which is attached hereto as Exhibit 10.25.

Amendments to the Investment Management Agreement

The Modification Agreement, amends the Amended and Restated Investment Management Agreement, dated as of June 3, 2003, as amended on June 3, 2009, by and between Ramius and Alpine Cayman (as amended, the "*Investment Management Agreement*"), to provide that Ramius will (i) liquidate or cause to be liquidated all assets attributable to Alpine Cayman and CEAKSCH and which are readily reducible to cash ("*Liquid Assets*") of Ramius Multi-Strategy Master Fund Ltd. by December 31, 2010 and (ii) cause the distribution of the net proceeds of such liquidation to Alpine Cayman and CEAKSCH to be completed by January 31, 2011. However, Ramius has the option to extend the liquidation period with respect to certain Liquid Assets until December 31, 2011, upon the payment of applicable extension fees. Under the Investment Management Agreement as amended by the Modification Agreement, Ramius has also agreed to use its reasonable best efforts, at its sole expense, (i) to obtain bids from third parties to purchase certain assets of Alpine Cayman and CEAKSCH that are not Liquid Assets and interests in certain Ramius investment vehicles held by Alpine Cayman or CEAKSCH and (ii) to facilitate the closing of such sales by December 31, 2010. Furthermore, following June 30, 2010, Alpine Cayman and CEAKSCH will no longer be obligated to pay management fees to Ramius with respect to their assets under the management of Ramius.

Amendments to the Investment Reporting Agreement

The Modification Agreement, amends the Investment Reporting Agreement, dated as of July 29, 2005, as amended January 1, 2007 and June 3, 2009, by and between Ramius Alternative Solutions and HVB AG (as amended, the "*Investment Reporting Agreement*"), Ramius Alternative Solutions will distribute (i) a portion of HVB AG's indirect investment in Ramius FOF European Platform S2 01

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(such investment, the "*European Platform Investment*") equal to €85 million in cash on or prior to May 25, 2010 and (ii) the remaining portion of the European Platform Investment consisting of remaining available cash on or prior to July 30, 2010. Commencing with the fiscal quarter ending June 30, 2010, Ramius Alternative Solutions will distribute on a quarterly basis all portions of the European Platform Investment which are received from underlying managers. With respect to any portion of the European Platform Investment that is not readily reducible to cash, HVB AG may elect to cause Ramius Alternative Solutions to (a) use its reasonable best efforts, at its sole expense, to (x) obtain bids from third parties to purchase such portion of the European Platform Investment and (y) facilitate the closing of such sales by December 31, 2010 or (b) distribute such portion of the European Platform Investment in kind. Furthermore, following June 30, 2010, HVB AG will no longer be obligated to pay management or incentive fees to Ramius with respect to the European Platform Investment.

Amendments to the Asset Exchange Agreement

Pursuant to the terms of the Modification Agreement, the Asset Exchange Agreement, dated as of June 3, 2009, as amended July 9, 2009, by and among the Company, RCG, HVB, HVB AG and Cowen Holdings, Inc., a wholly owned subsidiary of the Company (as amended, the "*Asset Exchange Agreement*"), has been amended to remove the remaining contractual restrictions on the sale or other disposition of shares of the Company's Class A common stock which HVB received pursuant to the terms of the Asset Exchange Agreement.

Release of Claims

The Modification Agreement also provides for the mutual release by each of the Company Parties and the UniCredit Parties of all claims that such parties had, have or may have in the future against each other arising under or relating to the Investment Management Agreement, Investment Reporting Agreement or Asset Exchange Agreement, provided that the parties fulfill their respective obligations under the Modification Agreement, except to the extent such claims relate to acts or omissions occurring after the date of the Modification Agreement.

Amendments to the RCG Operating Agreement

RCG owns approximately 49.9% of the Company's Class A Common Stock and BA Alpine is a member of RCG. Pursuant to the terms of the Modification Agreement, C4S, the managing member of RCG, and BA Alpine have consented to the amendment of the Fourth Amended and Restated Limited Liability Company Agreement of RCG, dated as of November 2, 2009, to remove all remaining limitations on distributions and withdrawals applicable to BA Alpine (as a Series I member of RCG) under such agreement with respect to the shares of the Company's Class A common stock held by RCG and underlying BA Alpine's interests in RCG, except as otherwise required by applicable law.

Item 6. Exhibits

See Exhibit Index.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COWEN GROUP, INC.

By: /s/ PETER A. COHEN

Name: Peter A. Cohen
Title: *Chief Executive Officer and President (principal executive officer)*

By: /s/ STEPHEN A. LASOTA

Name: Stephen A. Lasota
Title: *Chief Financial Officer (principal financial officer and principal accounting officer)*

Dated: May 13, 2010

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Exhibit Index

Exhibit No.	Description
10.1	Modification Agreement, dated as of May 11, 2010, among the Registrant, RCG Holdings LLC, C4S & Co., L.L.C., Ramius LLC, Ramius Alternative Solutions LLC, BA Alpine Holdings, Inc., Alpine Cayman Islands Limited, UniCredit Bank AG (formerly known as Bayerische Hypo- und Vereinsbank AG, Munich), HVB Alternative Advisors LLC and CEAKSCH Verwaltungs G.m.b.H.
31.1	Certification of CEO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32	Certification of CEO and CFO Pursuant to Section 906 of Sarbanes-Oxley Act of 2002.