

RODMAN & RENSHAW CAPITAL GROUP, INC.  
Form 424B3  
January 19, 2012

Filed Pursuant to Rule 424(b)(3)  
File # 333-177945

**PROSPECTUS**

## **6,650,000 Shares**

### **Common Stock**

This prospectus relates to 6,650,000 shares of our common stock (the **Shares**) that may be offered for sale by the selling stockholders named in this prospectus. The Shares include 4,433,333 shares of our common stock (the **Conversion Shares**) that may be issued upon conversion of our 10% Senior Secured Convertible Debentures due October 31, 2013 (the **Debentures**) and 2,216,667 shares of our common stock that may be issued upon exercise of our Class A Warrants (the **Class A Warrants Shares**). In addition, this prospectus covers 2,216,667 shares of our common stock that may be issued upon exercise of our Class B Warrants (the **Class B Warrant Shares**). However, the Class B Warrants are only exercisable in the event of a prepayment of the Debentures and then only to the extent of 50% of the Conversion Shares that would have been issued had the prepaid portion of the Debentures been converted immediately prior to the prepayment. Accordingly, the Class B Warrant Shares do not represent any incremental issuances as they replace Conversion Shares.

We will not receive any of the proceeds from the sale of the Shares, although we will receive proceeds from the exercise of the Class A and Class B Warrants (collectively, the **Warrants**). The Shares may be offered from time to time by the selling stockholders, their pledgees and/or donees, beginning on the date of this prospectus immediately upon their issuance. However, the Class A Warrants may not be exercised until April 1, 2012.

The Shares may be offered through ordinary brokerage transactions on the Nasdaq Global Market, the principal exchange on which our common stock is listed, in the over-the-counter market or other exchanges on which our shares are traded, in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices.

The selling stockholders have not entered into any underwriting arrangement. The selling stockholders may pay usual and customary or specifically negotiated brokerage fees or commissions in connection with sales of the shares.

Our common stock is listed on the NASDAQ Global Market and trades under the symbol **RODM**.

**Investing in our common stock involves risk. Please read the Risk Factors referenced on page 4 and incorporated herein by reference for a discussion of the factors you should consider before you make your investment decision.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the disclosures in this prospectus. Any representation to the contrary is a criminal offense.**

---

The date of this prospectus is January 18, 2012

---

**ABOUT THIS PROSPECTUS**

*In this prospectus, Rodman, we, us, and our refer to Rodman & Renshaw Capital Group, Inc., including, unless the context otherwise requires, its subsidiaries.*

You should rely only on the information contained in this prospectus including any information or documents incorporated by reference into this prospectus. We have not authorized any other person to provide you with information different than that contained in this prospectus. If anyone provides you with additional, different or inconsistent information, you should not rely on it. You should not assume that the information included in this prospectus is accurate as of any date other than the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations, cash flows and/or future prospects may have changed since that date. Information contained on, or accessible through, our website is not part of this prospectus.

Neither we nor the selling stockholders are making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. Furthermore, you should not consider this prospectus to be an offer or solicitation relating to our common stock if the person making the offer or solicitation is not qualified to do so or it is unlawful for you to receive such an offer or solicitation.

No action is being taken in any jurisdiction outside the United States to permit the public offering of our common stock or possession or distribution of this prospectus. Persons who come into possession or distribution of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

---

**FORWARD LOOKING STATEMENT**

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), Section 21E of the Securities Exchange Act of 1934 (the Exchange Act ) and the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect the current view about future events and financial performance based on certain assumptions. They include opinions, forecasts, projections, assumptions, guidance, expectations, beliefs or other statements that are not statements of historical fact. In some cases, forward-looking statements can be identified by words such as may , can , will , should , could , expects , hopes , believes , anticipates , estimates , predicts , projects , potential , intends , approximates or the negative or other variation of such terms and other combinations of words and expressions. Forward-looking statements in this prospectus may include statements about:

- future financial and operating results, including projections of revenues, income, expenditures, cash balances and other financial items;
- our capital requirements and the need for additional financing;
- our ability to secure new client engagements;
- our ability to successfully consummate financing and merger and acquisition transactions on behalf of our clients;
- our ability to protect our intellectual property rights and secure the right to use other intellectual property that we deem to be essential to the conduct of our business;
- the outcome of various regulatory and legal proceedings in which we are currently involved;
- the performance of any of our financial products and their potential to generate revenues;
- development of new financial products;
- our ability to execute our growth, expansion and acquisition strategies;
- current and future economic and political conditions;
- overall industry and market performance;
- competition;
- management's goals and plans for future operations;
- the impact of increased regulatory scrutiny on future operations;
- revenue and profit volatility;
- the performance of service providers upon which our operations rely;
- the additional risks and uncertainties stemming from entry into new businesses;
- the impact of legal liability on future operations;
- the impact of employee misconduct on future operations;
- the increased risk of financial liability and reputational harm resulting from adverse regulatory action;
- the impact of the Investment Company Act of 1940 on future operations; and
- other assumptions described in this prospectus underlying or relating to any forward-looking statements.

The forward-looking statements in this prospectus are only predictions. Actual results could, and likely will, differ materially from these forward-looking statements for many reasons, including the risks described under Risk Factors incorporated by reference in this prospectus. No guarantee about future results, performance or achievements can be made. These forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

**THE OFFERING**

Common stock offered by selling stockholders	6,650,000 shares <sup>(1)</sup>
Common stock outstanding as of January 17, 2012	33,472,699 shares <sup>(2)</sup>
Common stock outstanding after this offering	40,122,699 shares <sup>(3)</sup>
Use of Proceeds	We will not receive any of the proceeds from the sale of shares under this prospectus. However, we will receive approximately \$3.325 million of proceeds if all of the Class A Warrants are exercised. In addition, to the extent the Class B Warrants become exercisable, we will receive another \$1.50 per share or \$3.325 million if they are all exercised. <sup>(1)</sup>
Dividend Policy	For the foreseeable future, the Board of Directors intends to follow a policy of retaining earnings for the purpose of increasing our capital to support additional growth. Accordingly, we currently do not expect to declare or pay dividends for the foreseeable future.
Listing	Our common stock is listed on the NASDAQ Global Market and trades under the symbol RODM.
Risk Factors	See Risk Factors and other information included or incorporated by reference in this prospectus for a discussion of certain factors that you should carefully consider before investing in our common stock.

- (1) Includes the Conversion Shares and the Class A Warrant Shares. As discussed above, the Class B Warrant Shares do not represent incremental shares of our common stock offered pursuant to this prospectus as the Class B Warrants are only exercisable in the event the Debentures are prepaid and then only to the extent of 50% of the Conversion Shares that would have been issued had the prepaid portion of the Debentures been converted immediately prior to the prepayment.
- (2) Does not include:
- 8,458,565 shares of common stock underlying outstanding restricted stock units;
  - 310,817 shares underlying outstanding warrants with exercise prices ranging from \$18.07 to \$25.60;
  - 2,615,882 shares of common stock reserved for issuance upon the exercise of outstanding options granted prior to the adoption of our 2007 Stock and Incentive Plan, at exercise prices ranging from \$3.78 to \$5.00 per share, having a weighted average exercise price of \$4.24;
  - 4,415,677 shares of common stock available for future issuance under our 2010 Stock and Incentive Plan;
  - the Class A Warrant Shares and the Class B Warrant Shares (see note 1 above), which have an exercise price of \$1.50 per share; and
  - the Conversion Shares.
- (3) Includes the Conversion Shares and the Class A Warrant Shares. Does not include:
- 8,458,565 shares of common stock underlying outstanding restricted stock units;
  - 310,817 shares underlying outstanding warrants with exercise prices ranging from \$18.07 to \$25.60;
  - 2,615,882 shares of common stock reserved for issuance upon the exercise of outstanding options granted prior to the adoption of our 2007 Stock and Incentive Plan, at exercise prices ranging from \$3.78 to \$5.00 per share, having a weighted average exercise price of \$4.24;
  - 4,415,677 shares of common stock available for future issuance under our 2010 Stock and Incentive Plan; and
  - the Class B Warrant Shares (see note 1 above).

## DESCRIPTION OF THE FINANCING

On October 31, 2011, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with the accredited investors named herein as Selling Stockholders (the "Selling Stockholders"). Pursuant to the Purchase Agreement, the Company sold, and the Selling Stockholders purchased an aggregate of \$6,650,000 original principal amount of the Company's 10% Senior Secured Convertible Debentures due October 31, 2013 (the "Debentures") with a net share settlement feature, and warrants (the "Warrants") to purchase shares of the Company's Common Stock (the "Offering"). The Debentures are convertible into up to 4,433,333 shares of the Company's common stock (the "Common Stock") at any time prior to maturity, based on a conversion price of \$1.50 per share (a 102% premium to the closing price of the Company's common stock on the date the financing was announced). A net share settlement feature of the Debentures could reduce, but not increase, the number of shares of Common Stock issued upon conversion. The Warrants include Class A Warrants covering up to 2,216,667 shares of Common Stock, which are exercisable commencing six months following the date of issuance and until their expiration on October 31, 2014, at \$1.50 per share (a 102% premium to the closing price of the Company's common stock on the date the financing was announced), and Class B Warrants covering up to 2,216,667 shares of Common Stock, which are exercisable only in the event of a prepayment of the Debentures and then only to the extent of up to 50% of the number of shares of Common Stock that would have been issued had the prepaid portion of the Debentures been converted into shares of Common Stock. The Class B Warrants expire on October 31, 2013 and have an exercise price of \$1.50 per share (a 102% premium to the closing price of the Company's common stock on the date the financing was announced). The sale and issuance of the securities was in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, set forth in Section 4(2) thereof and/or Regulation D thereunder.

The total dollar value of the Common Stock underlying the Debentures that have been registered for resale (using the number of underlying shares of Common Stock that have been registered for resale and the market price per share on the date of the sale of the Debentures) is \$3,280,666 (calculated as follows: \$6,650,000 (the offering amount) divided by \$1.50 (the fixed conversion price) multiplied by \$0.74 (the closing price per share of Common Stock on the date the transaction was announced)).

There were no commissions or selling commissions paid in connection with the Offering. As such, the \$6.65 million of gross proceeds from the Offering approximated net proceeds (after deducting the Company's offering expenses (e.g., legal and accounting expenses)). During the first year following issuance of the Debentures, the Company is obligated to make the following payments to the holders of the Debentures: (a) on June 1, 2012, an interest payment on the principal amount of the Debentures at the stated rate of 10% per annum for the period from issuance through May 31, 2012 in the aggregate amount of \$385,700, and (b) up to four percent (0.5% per month for the period from March 1, 2012 through October 31, 2012) of the principal amount of the Debentures (or a maximum of \$266,000) if the Registration Statement of which this Prospectus is a part is not declared effective by the SEC on or before February 28, 2012. No payments were made to any affiliates of the Selling Stockholders in connection with, or related to, the Offering. The Company has the current intent, and reasonably believes that it has the financial ability, to repay the principal amount of the Debentures and interest thereon in cash.

Both prior to, and immediately following the Offering, there were 33,472,699 shares of the Company's Common Stock outstanding. Of such shares of Common Stock, 17,610,674, or approximately 52.6%, were held by other than Selling Stockholders (including affiliates of Selling Stockholders) and officers and directors of the Company.

## RISK FACTORS

Investment in our securities involves risks. Prior to making a decision about investing in our securities, you should consider carefully the factors discussed under Item 1A. Risk Factors contained in our Annual Report filed on Form 10-K for the year ended December 31, 2010 and our Quarterly Report filed on Form 10-Q for the three and nine month periods ended September 30, 2011, both of which are incorporated herein by reference, as well as other information contained or incorporated by reference in this prospectus. Each of these risks could adversely affect our business, operating results and financial condition, which may result in the loss of all or part of your investment.

## USE OF PROCEEDS

We will not receive any proceeds from the sale of Shares offered under this prospectus. However, this prospectus covers the sale of the Class A Warrant Shares. If all of the Class A Warrants are exercised, we will receive proceeds of approximately \$3.325 million. In addition, if the Class B Warrants become exercisable, we will receive the proceeds from their exercise as well.

## SELLING STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our common stock as of January 17, 2012 of each stockholder who is selling shares in this offering. 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. To our knowledge, each selling stockholder, at the time of acquiring such shares, had no agreements or understandings, directly or indirectly, with any person to distribute the securities. The selling stockholders may be deemed to be underwriters within the meaning of the Securities Act. Any discounts, commissions, concessions or profits they earn on any sale of the shares may be underwriting discounts and commissions under the Securities Act. Selling stockholders who are deemed to be underwriters within the meaning of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned Before this Offering <sup>(1) (2)</sup>		Shares Offered <sup>(3)</sup>	Common Stock Beneficially Owned After this Offering <sup>(1) (2)</sup>	
	Shares	% <sup>(2)</sup>		Shares	% <sup>(2)</sup>
Hudson Bay Master Fund <sup>(4)</sup> 777 3 <sup>rd</sup> Avenue, 30 <sup>th</sup> Floor New York, NY 10017	333,333	*	500,000 <sup>(4)</sup>		
Ironbound Partners Fund, LLC <sup>(5)</sup> 970 West Broadway, PMB 402 P.O. Box 30000 Jackson, WY 83002	166,667	*	250,000 <sup>(5)</sup>		
Leman Management Nominees Limited <sup>(6)</sup> Wessex House, 2 <sup>nd</sup> Floor 45 Reid Street, Hamilton HM 12 Bermuda	1,921,680	5.4%	2,500,000 <sup>(6)</sup>	255,013	*
The Peapack Company, LLC <sup>(7)</sup> c/o Ditschman/Flemington Ford Lincoln 215 Route 202 Flemington, NJ 08822	166,667	*	250,000 <sup>(7)</sup>		
Cranshire Capital Master Fund, Ltd. <sup>(8)</sup> 3100 Dundee #703 Northbrook, IL 60062	333,333	*	500,000 <sup>(8)</sup>		
Mitchell Kopin <sup>(8)</sup> 3100 Dundee #703 Northbrook, IL 60062	666,666	2.0%	500,000 <sup>(8)</sup>		
Iroquois Master Fund Ltd. <sup>(9)</sup> 641 Lexington Avenue, 26 <sup>th</sup> Floor New York, NY 10022	340,249	1.0%	500,000 <sup>(9)</sup>	6,916	*
Kingsbrook Opportunities Master Fund LP <sup>(10)</sup> c/o Kingsbrook Partners LP 590 Madison Avenue, 27 <sup>th</sup> Floor New York, NY 10022	666,667	2.0%	1,000,000 <sup>(10)</sup>		
Bristol Investment Fund, Ltd. <sup>(11)</sup> c/o Bristol Capital Advisors, LLC	433,333	1.3%	650,000 <sup>(11)</sup>		

## Edgar Filing: RODMAN & RENSHAW CAPITAL GROUP, INC. - Form 424B3

6353 W. Sunset Blvd., Suite 4006  
Hollywood, CA 90028

---

\* Less than 1.0%

- (1) Under the rules and regulations of the SEC, beneficial ownership includes: (i) shares actually owned; (ii) shares underlying options and warrants that are currently exercisable; and (iii) shares underlying options and warrants that are exercisable within 60 days of the date of this prospectus. Accordingly, the beneficial ownership information in the table above does not include the Class A Warrant Shares or the Class B Warrant Shares. As discussed elsewhere in this prospectus, the Class A Warrants are not exercisable until April 1, 2012, the Class B Warrants are only exercisable in the event there is a prepayment of the Debentures and then only to the extent of 50% of the Conversion Shares that would have been issued had the prepaid portion of the Debentures been converted immediately prior to the prepayment. All shares beneficially owned by a particular person are deemed to be outstanding for the purpose of computing the percentage ownership of that person but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.
- (2) Based on 33,472,699 shares issued and outstanding as of January 17, 2012 and 40,122,699 shares issued and outstanding immediately after this offering.
- (3) Includes 4,433,333 Conversion Shares and 2,216,667 Class A Warrant Shares. Does not include 2,216,667 Class B Warrant Shares for the reasons discussed in note 1 above.
- (4) Hudson Bay Capital Management LP, the investment manager of Hudson Bay Master Fund Ltd., has voting and investment power over these securities. Sander Gerber is the managing member of Hudson Bay Capital GP LLC, which is the general partner of Hudson Bay Capital Management LP. Sander Gerber disclaims beneficial ownership over these securities. Includes 333,333 Conversion Shares and 166,667 Class A Warrant Shares. Does not include 166,667 Class B Warrant Shares for the reasons discussed in note 1 above.
- (5) Jonathan Ledecy has voting control and power of disposition over these shares. Includes 166,667 Conversion Shares and 83,333 Class A Warrant Shares. Does not include 83,333 Class B Warrant Shares for the reasons discussed in note 1 above.
- (6) Edward Allanby has voting control and power of disposition over these shares. Includes 1,666,667 Conversion Shares and 833,333 Class A Warrant Shares. Does not include 833,333 Class B Warrant Shares for the reasons discussed in note 1 above.
- (7) Steven B. Kalafar has voting control and power of disposition over these shares. Includes 166,667 Conversion Shares and 83,333 Class A Warrant Shares. Does not include 83,333 Class B Warrant Shares for the reasons discussed in note 1 above.
- (8) Cranshire Capital Advisors, LLC ( CCA ) is the investment manager of Cranshire Capital Master Fund, Ltd. ( Cranshire Master Fund ) and has voting control and investment discretion over securities held by Cranshire Master Fund. Mitchell P. Kopin ( Mr. Kopin ), the president, the sole member and the sole member of the Board of Managers of CCA, has voting control over CCA. As a result, each of Mr. Kopin and CCA may be deemed to have beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of the securities held by Cranshire Master Fund. The foregoing excludes 333,333 shares of Common Stock issuable upon exercise of a warrant held by Cranshire Master Fund because such warrant is not exercisable until the six (6) month anniversary of the date of issuance (which was November 1, 2011). Assuming such warrant was currently exercisable, each of CCA and Mr. Kopin may be deemed to have beneficial ownership of 666,667 shares of Common Stock. Mr. Kopin also has beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of an additional 333,333 shares of common stock that are issuable upon conversion of a Convertible Debenture held by Mr. Kopin. The foregoing excludes 333,333 shares of Common Stock issuable upon exercise of a warrant held by Mr. Kopin because such warrant is not exercisable until the six (6) month anniversary of the date of issuance (which was November 1, 2011). Assuming such warrant was currently exercisable, Mr. Kopin may be deemed to have

beneficial ownership of 1,333,333 shares of Common Stock. Includes 333,333 Conversion Shares and 166,667 Class A Warrant Shares. Does not include 166,667 Class B Warrant Shares for the reasons discussed in note 1 above.

- (9) Iroquois Capital Management L.L.C. ( Iroquois Capital ) is the investment manager of Iroquois Master Fund, Ltd. ( IMF ). Consequently, Iroquois Capital has voting control and investment discretion over securities held by IMF. As managing members of Iroquois Capital, Joshua Silverman and Richard Abbe make voting and investment decisions on behalf of Iroquois Capital in its capacity as investment manager to IMF. As a result of the foregoing, Mr. Silverman and Mr. Abbe may be deemed to have beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of the securities held by IMF. Notwithstanding the foregoing, Mr. Silverman and Mr. Abbe disclaim such beneficial ownership. Includes 333,333 Conversion Shares and 166,667 Class A Warrant Shares. Does not include 166,667 Class B Warrant Shares for the reasons discussed in note 1 above.
- (10) Kingsbrook Partners LP ( Kingsbrook Partners ) is the investment manager of Kingsbrook Opportunities Master Fund LP ( Kingsbrook Opportunities ) and consequently has voting control and investment discretion over securities held by Kingsbrook Opportunities. Kingsbrook Opportunities GP LLC ( Opportunities GP ) is the general partner of Kingsbrook Opportunities and may be considered the beneficial owner of any securities deemed to be beneficially owned by Kingsbrook Opportunities. KB GP LLC ( GP LLC ) is the general partner of Kingsbrook Partners and may be considered the beneficial owner of any securities deemed to be beneficially owned by Kingsbrook Partners. Ari J. Storch, Adam J. Chill and Scott M. Wallace are the sole managing members of Opportunities GP and GP LLC and as a result may be considered beneficial owners of any securities deemed beneficially owned by Opportunities GP and GP LLC. Each of Kingsbrook Partners, Opportunities GP, GP LLC and Messrs. Storch, Chill and Wallace disclaim beneficial ownership of these securities. Includes 666,667 Conversion Shares and 333,333 Class A Warrant Shares. Does not include 333,333 Class B Warrant Shares for the reasons discussed in note 1 above.
- (11) Bristol Capital Advisors, LLC ( BCA ) is the investment advisor to Bristol Investment Fund, Ltd. ( Bristol ). Paul Kessler is the manager of BCA and as such has voting and investment control over the securities held by Bristol. Mr. Kessler disclaims beneficial ownership of these securities. Includes 433,333 Conversion Shares and 216,667 Class A Warrant Shares. Does not include 216,667 Class B Warrant Shares for the reasons discussed in note 1 above.



**PLAN OF DISTRIBUTION**

Each Selling Stockholder (the Selling Stockholder ) of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the NASDAQ Global Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;

in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

a combination of any such methods of sale; or

any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended (the Securities Act ), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

## Edgar Filing: RODMAN & RENSHAW CAPITAL GROUP, INC. - Form 424B3

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

We are required to pay certain fees and expenses incurred by us incident to the registration of the securities. We have agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be underwriters within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Stockholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

**LEGAL MATTERS**

The validity of the securities offered hereby will be passed upon for us by Morse, Zelnick, Rose & Lander, LLP, New York, New York. One of the partners of Morse, Zelnick, Rose & Lander, LLP owns 14,922 shares of our common stock.

**EXPERTS**

KPMG LLP, an independent registered public accounting firm, audited our consolidated financial statements as of December 31, 2010 and 2009 and each of the years in the three-year period ended December 31, 2010 as set forth in their report dated March 15, 2011. We incorporate by reference to these financial statements in this prospectus, and in the registration statement of which this prospectus is a part, in reliance on KPMG LLP's report, given on their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may access our filings, free of charge, on the Investor Information portion of our website located at [www.rodmanandrenshaw.com](http://www.rodmanandrenshaw.com), as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. The information contained on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. For more information on the Public Reference Room, please call the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public on the SEC's website at [www.sec.gov](http://www.sec.gov).

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we have filed with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is deemed to be a part of this prospectus. The reports and other documents we file after the date of this prospectus will update and supplement the information in this prospectus. We incorporate by reference the documents listed below and any documents we file subsequently with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act: (i) after the date of the prospectus and prior to the termination of the offering; and (ii) after the date of the initial Registration Statement and prior to effectiveness of the Registration Statement; *provided, however*, that we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

- (a) Our Annual Report on Form 10-K for the year ended December 31, 2010, filed on March 15, 2011;
- (b) Our Quarterly Report on Form 10Q for the three month period ended March 31, 2011 filed on May 13, 2011;
- (c) Our Quarterly Report on Form 10Q for the three and six month periods ended June 30, 2011 filed on August 12, 2011;
- (d) Our Quarterly Report on Form 10Q for the three and nine month periods ended September 30, 2011 filed on November 14, 2011;
- (e) Our S-4 Registration Statement, SEC File No. 333-171988 filed on January 31, 2011 and declared effective on March 16, 2011;
- (f) Our Current Report on Form 8-K filed on January 5, 2011;
- (g) Our Current Report on Form 8-K filed on April 8, 2011;
- (h) Our Current Report on Form 8-K filed on April 14, 2011;
- (i) Our Current Report on Form 8-K filed on November 1, 2011;
- (j) Our Current Report on Form 8-K filed on November 4, 2011;
- (k) Our Current Report on Form 8-K filed on November 18, 2011;
- (l) Our definitive Proxy Statement on Schedule 14A, filed on April 5, 2011; and
- (m) The description of our common stock in our registration statement on Form 8-A, filed on October 10, 2007, including any amendment or reports filed for the purpose of updating this description.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Edward Rubin  
Chief Executive Officer  
Rodman & Renshaw Capital Group, Inc.  
1251 Avenue of the Americas  
New York, New York 10020  
(212) 356-0500

**6,650,000 Shares**

**Common Stock**

**PROSPECTUS**

**January 18, 2012**

---