

COWEN INC.  
Form 424B2  
June 07, 2018  
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Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-225167

## PROSPECTUS SUPPLEMENT

(To Prospectus dated June 4, 2018)

**\$90,000,000**

**7.75% Senior Notes due 2033**

We are offering \$90,000,000 aggregate principal amount of 7.75% senior notes due 2033 (the Notes ). Interest on the Notes will accrue from June 11, 2018 at a rate of 7.75% per year and will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2018. We may redeem the Notes in whole or in part on or after June 15, 2023 at our option at the redemption prices described here under Description of Notes Optional Redemption.

The Notes will be issued in minimum denominations of \$25.00 and integral multiples of \$25.00 in excess thereof.

The Notes will be our senior unsecured obligations and will rank equal in right of payment with all of our existing and future senior unsecured obligations. The Notes will not be guaranteed by any of our subsidiaries. As a result, the Notes will effectively rank junior in right of payment to all existing and future indebtedness and other liabilities (including trade payables and leases) of our subsidiaries. See Description of Notes Ranking.

We intend to apply to list the Notes on the Nasdaq Global Select Market. If the application is approved, we expect trading in the Notes on the Nasdaq Global Select Market to begin within 30 days after the original issue date. The Notes are expected to trade flat, meaning that purchasers will not pay, and sellers will not receive, any accrued and unpaid interest on the Notes that is not included in the trading price.

**Investing in the Notes involves risks. See Risk Factors beginning on page S-12 of this prospectus supplement and the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this prospectus supplement.**

**Neither the Securities and Exchange Commission (the SEC ) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Per Notes</b>	<b>Total(2)</b>
Public Offering Price(1)	100.00%	\$ 90,000,000
Underwriting Discount(3)	3.15%	\$ 2,835,000
Proceeds to Company (before expenses)	96.85%	\$ 87,165,000

(1) Plus accrued interest, if any, from June 11, 2018, if settlement occurs after that date.

(2) Assumes no exercise of the underwriters' over-allotment option described below.

(3) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting (Conflicts of Interest) for a description of the compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to an additional \$10,000,000 aggregate principal amount of Notes within 30 days from the date of this prospectus supplement solely to cover over-allotments, if any.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company on or about June 11, 2018.

***Joint Book-Running Managers***

**Morgan Stanley**

**UBS Investment Bank  
*Co-Managers***

**Cowen**

**JMP Securities**

**Ladenburg Thalmann**

**Sandler O'Neill + Partners, L.P.**

**The date of this Prospectus Supplement is June 6, 2018.**

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus we file with the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document contains two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the securities offered. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should read this prospectus supplement, the accompanying prospectus, and any related free writing prospectus together with additional information described under the heading "Where You Can Find More Information" in the accompanying prospectus and the documents incorporated by reference (see "Incorporation by Reference" in this prospectus supplement). In various places in this prospectus supplement and the accompanying prospectus, we refer you to sections for additional information by indicating the caption headings of the other sections. All cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus we file with the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

In this prospectus supplement, we, us, our, our company, the registrant, the Company and Cowen each refer to Cowen Inc. including its subsidiaries, unless specifically provided otherwise or the context indicates otherwise.

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**INCORPORATION BY REFERENCE**

This prospectus supplement incorporates by reference information that we have filed with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). This means that we are disclosing important information to you by referring to other documents. The information incorporated by reference is considered to be part of this prospectus supplement, except for any information superseded by information contained directly in this prospectus supplement. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC under the Exchange Act will automatically update information in this prospectus supplement. In all cases, you should rely on the later information over different information included in this prospectus supplement.

We incorporate by reference the documents listed below (other than any portions thereof which, under the Exchange Act and applicable SEC rules, are not deemed filed under the Exchange Act) and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of securities covered by this prospectus supplement:

Our Annual Report on Form 10-K for the year ended December 31, 2017, filed on March 6, 2018, as amended on March 23, 2018 and April 30, 2018;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed on April 30, 2018; and

Our Current Reports on Form 8-K, filed on January 5, 2018; January 25, 2018; April 26, 2018 (filed with the SEC at 4:10:15 p.m. EDT); May 14, 2018 (filed at 9:05:37 a.m. EDT); May 14, 2018 (filed at 9:12:42 a.m. EDT); and May 24, 2018.

All other documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the initial filing of the registration statement on Form S-3 (File No. 333-225167) and prior to the termination of the offering of securities covered by this prospectus supplement shall also be deemed to be incorporated by reference in this prospectus supplement and to be a part hereof from the respective dates of the filing of such documents (other than any such documents, or portions thereof which, under the Exchange Act and applicable SEC rules, are not deemed filed under the Exchange Act). If we have incorporated by reference any statement or information in this prospectus supplement and we subsequently modify that statement or information with information contained in this prospectus supplement or a subsequent incorporated document, the statement or information previously incorporated in this prospectus supplement is also modified or superseded in the same manner.

We routinely file annual, quarterly and special reports, proxy statements and other information required by the Exchange Act with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, U.S.A. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's internet site at <http://www.sec.gov>. The SEC file number for documents filed by us under the Exchange Act is 001-34516.

We maintain a public internet site at <http://www.cowen.com> and make available free of charge through this site our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements

and Forms 3, 4 and 5 filed on behalf of directors and executive officers, as well as any amendments to those reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our website and the information contained therein or connected thereto are not incorporated into this prospectus supplement and such information should not be considered to be part of this prospectus supplement. You should not rely on any such information in making your decision whether to purchase our securities.

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**ALTERNATIVE SETTLEMENT DATE**

It is expected that delivery of the Notes will be made against payment therefor on or about June 11, 2018, which is the third business day following the date of this prospectus supplement. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade Notes on the date of this prospectus supplement will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of Notes who wish to trade Notes on the date of this prospectus supplement should consult their own advisors.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING**

**STATEMENTS AND OTHER FACTORS**

This prospectus supplement and the documents incorporated herein by reference contain certain forward-looking statements that may constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking terms such as may, might, will, would, could, should, expect, plan, anticipate, believe, estimate, possible, potential, intend, seek or continue, the negative of these terms and other comparable terminology or similar expressions. In addition, our management may make forward-looking statements to analysts, representatives of the media and others. These forward-looking statements represent only the Company's beliefs regarding future events (many of which, by their nature, are inherently uncertain and beyond our control) and are predictions only, based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. In particular, you should consider the risks outlined under Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017, and subsequent reports we have filed with the SEC.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update any of these forward-looking statements after the date they are made to conform our prior statements to actual results or revised expectations. Further disclosures that we make on related subjects in our additional filings with the SEC should be consulted.

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**SUMMARY**

*This summary highlights selected information contained elsewhere in this prospectus supplement or incorporated by reference into this prospectus supplement, as further described above under Incorporation by Reference. This summary may not contain all the information that you should consider before investing in the Notes. To understand all of the terms of this offering and for a more complete understanding of our business, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement.*

**Cowen Inc.**

Cowen Inc. (formerly Cowen Group, Inc.), a Delaware corporation formed in 2009, is a diversified financial services firm and, together with its consolidated subsidiaries (collectively, Cowen or the Company), provides investment management, investment banking, research, sales and trading, prime brokerage, global clearing and commission management services through its two business segments: the investment management segment and the investment bank segment. The investment management segment includes private funds, managed accounts, commodity pools, real estate funds, private equity structures, registered investment companies and listed vehicles and also manages a significant portion of the Company's proprietary capital. The investment bank segment offers industry focused investment banking for growth-oriented companies including advisory and global capital markets origination and domain knowledge-driven research, sales and trading platform for institutional investors, global clearing and commission management services and also a comprehensive suite of prime brokerage services.

The Company's investment management platform, which operates primarily under the Cowen Investment Management name (formerly Ramius), offers innovative investment products and solutions across the liquidity spectrum to institutional and private clients. The predecessor to this business was founded in 1994 and, through one of its subsidiaries, has been registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended since 1997. The Company's investment management business offers investors access to a number of strategies to meet their specific needs including long/short equity, merger arbitrage, activism, health care royalties, private healthcare and private real estate. The Company's investment management business focuses on attracting and retaining talented in-house and affiliated investment teams and providing seed capital and working capital, an institutional infrastructure, robust sales and marketing and industry knowledge. A significant portion of the Company's capital is invested alongside the Company's investment management clients. The Company has also invested some of its capital in its aviation and reinsurance businesses. Our investment management business had approximately \$10.8 billion of assets under management as of April 1, 2018. See the section titled Assets Under Management and Fund Performance in our Quarterly Report on Form 10-Q for the period ended March 31, 2018 for further analysis.

Our investment bank businesses include investment banking, research, sales and trading, prime brokerage, global clearing and commission management services to companies and primarily institutional investor clients. Our primary target sectors (Target Sectors) are healthcare, technology, media and telecommunications, information and technology services, consumer, aerospace and defense, industrials, energy and transportation. We provide research and brokerage services to over 4,000 domestic and international clients seeking to trade securities and other financial instruments, principally in our Target Sectors. The investment bank segment also offers a full-service suite of introduced prime brokerage services targeting emerging private fund managers. Historically, we have focused our investment banking efforts on small to mid-capitalization public companies as well as private companies. From time to time, the Company invests in private capital raising transactions of its investment banking clients.



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Our principal executive offices are located at 599 Lexington Avenue, New York, New York 10022, and our telephone number is (212) 845-7900. Our website address is [www.cowen.com](http://www.cowen.com). Information contained on our website is not incorporated by reference into this prospectus supplement, and you should not consider information contained on our website as part of this prospectus supplement.

## **Principal Business Lines**

### **Alternative Investment Products and Services**

#### *Alternative Investment Strategies*

The Company's investment management strategies are focused on addressing the needs of institutional investors and high net worth individuals to preserve and grow allocated capital. The Company and its affiliated investment advisors offer a variety of investment management products that provide access to a number of strategies, including merger arbitrage, long/short equity, activism and private healthcare. The Company and one of its affiliated investment advisors also manage certain multi-strategy private funds that are currently in wind-down. The majority of assets remaining in these private funds include investments in private companies, real estate investments and special situations.

#### *Real Estate*

Our real estate business focuses on generating attractive, risk adjusted returns by creating and offering to investors vehicles that invest in real estate using an owner/manager approach. We underwrite securities issued by and provide advice and financing in connection with redevelopment of all real estate property types and have done so since 1999. This approach emphasizes a focus on real estate fundamentals and potential market inefficiencies. The RCG Longview platform of real estate funds provides senior bridge loans, subordinated mortgages, mezzanine loans, and preferred equity through its debt fund series, and makes equity investments through its equity funds. As of December 31, 2017, the members of the general partners of the RCG Longview platform of funds and their affiliates, independent of the RCG Longview funds, collectively owned interests in and/or managed over 21,000 apartments and approximately 21 million square feet of commercial space for their own accounts. The Company's ownership interests in the various general partners of the RCG Longview funds range from 20% to 55%.

#### *HealthCare Royalty Partners ( HRP )*

The Company's healthcare royalties business primarily purchases royalties and uses debt-like structures to invest in commercial or near-commercial stage life science assets (through the funds managed by HealthCare Royalty Partners). We share the net management fees from the HealthCare Royalty Partners funds equally with the founders of HealthCare Royalty Partners. In addition, we have interests in the general partners of the HealthCare Royalty Partners funds ranging from 25% to 40.2%.

### **Broker-Dealer Business**

#### *Investment Banking*

Our investment banking professionals are focused on providing strategic advisory and capital raising services to United States ( U.S. ) and international public and private companies in our Target Sectors. By focusing on our Target Sectors over a long period of time, we have developed a significant understanding of the unique challenges and demands with respect to public and private capital raising and strategic advice in these sectors. Our advisory and

capital raising capabilities begin at the early stages of a private company's accelerated growth phase and continue through its evolution as a public company. Our advisory business focuses on mergers

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and acquisitions, including providing fairness opinions and providing advice on other strategic transactions. Our capital markets capabilities include equity, including private investments in public equity and registered direct offerings, credit and fixed income, including public and private debt placements, exchange offers, consent solicitations and tender offers, as well as origination and distribution capabilities for convertible securities. We have a unified capital markets group which we believe allows us to be effective in providing cohesive solutions for our clients. Historically, a significant majority of our investment banking revenue has been earned from high-growth small and mid-capitalization companies. The Company, from time to time, may invest in private capital raising transactions of its clients.

### *Brokerage*

Our team of brokerage professionals serves institutional investor clients in the U.S. and internationally. We trade common stocks, listed options, equity-linked securities and other financial instruments on behalf of our clients and offer a full-service suite of introduced prime brokerage services targeting emerging private fund managers. We provide our clients with an electronic execution suite. We provide global, multi-asset class algorithmic execution trading models to both buy side and sell side clients and also offer execution capabilities relating to these trading models through ATM Execution LLC. We also provide our clients with commentary on political, economic and market conditions. We have relationships with over 4,000 institutional investor clients. Our brokerage team is comprised of experienced professionals dedicated to our Target Sectors, which allows us to develop a level of knowledge and focus that we believe differentiates our brokerage capabilities from those of many of our competitors. We tailor our account coverage to the unique needs of our clients. We believe that our sector traders are able to provide superior execution because of their knowledge of the interests of our institutional investor clients in specific companies in our Target Sectors.

In connection with the brokerage services we provide, our sales professionals also provide our institutional investor clients with access to the management of our investment banking clients outside the context of financing transactions. These meetings are commonly referred to as non-deal road shows. Non-deal road shows allow our investment banking clients to increase their visibility within the institutional investor community while providing our institutional investor clients with the opportunity to further educate themselves on companies and industries through meetings with management. We believe our deep relationships with company management teams and our sector-focused approach provide us with broad access to management for the benefit of our institutional investor and investment banking clients.

### *Research*

As of December 31, 2017, we had a research team of 49 senior analysts covering approximately 931 companies. Within our equity coverage universe, approximately 30% are healthcare companies, 23% are TMT (technology, media and telecom) companies, 16% are energy companies, 13% are capital goods and industrial companies, 4% are basic materials companies and 14% are consumer companies. Our differentiated approach to research focuses our analysts efforts toward delivering specific investment ideas and de-emphasizes maintenance research. We place significant emphasis on analyst collaboration, both within and between sectors. We sponsor a number of conferences every year that are focused on our Target Sectors and sub-sectors. During these conferences we highlight our investment research and provide significant investor access to corporate management teams. We provide research solely through our broker-dealers in connection with our provision of brokerage services.



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**Table of Contents****The Offering**

Issuer	Cowen Inc.
Title of the Securities	7.75% Senior Notes due 2033.
Aggregate Principal Amount Offered	\$90,000,000.
Over-Allotment Option	The underwriters may also purchase from us up to an additional \$10,000,000 aggregate principal amount of the Notes solely to cover over-allotments, if any, within 30 days of the date of this prospectus supplement.
Initial Public Offering Price	100% of the aggregate principal amount.
Denominations	The Notes will be issued in denominations of \$25.00 or in integral multiples of \$25.00.
Listing	The Company intends to apply to list the Notes on the Nasdaq Global Select Market. If the application is approved, the Company expects trading in the Notes on the Nasdaq Global Select Market to begin within 30 days after the original Issue Date.
Maturity Date	June 15, 2033.
Issue Date	June 11, 2018.
Interest	7.75% per year, payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2018. If an interest payment date falls on a day other than a business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment.
Optional Redemption	We may redeem the Notes, in whole or in part, on or after June 15, 2023, at our option, at any time and from time to time, prior to maturity at a

price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of redemption. See Description of Notes Optional Redemption for additional details.

Ranking

The Notes will be our senior unsecured obligations, and will rank equal in right of payment with all of our current and future senior unsecured obligations. The Notes will effectively rank junior in right of payment to all existing and future debt and other liabilities (including trade payables and leases) of our subsidiaries. In addition, since the Notes are unsecured, the Notes will also effectively rank junior in right of payment to any secured debt that we have outstanding to the extent of the value of the assets securing such debt. As of March 31, 2018, our total consolidated long-term indebtedness was \$285.4 million. Of this amount, \$9.3 million was secured

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indebtedness of our subsidiaries. The remaining \$276.1 million of long-term indebtedness consisted of \$32.3 million under our 3.00% cash convertible senior notes due 2019, \$110.7 million under our 3.00% convertible senior notes due 2022, and \$133.1 million under our 7.35% senior notes due 2027. These amounts do not include short-term borrowings and other short-term liabilities of our subsidiaries, which primarily consist of amounts payable to brokers and customers. The Notes would have been subordinated to all of such indebtedness of our subsidiaries as of March 31, 2018.

Use of Proceeds

The Company intends to use the net proceeds from this offering for general corporate purposes, including any potential acquisitions, and repurchases, repayments or redemptions of our debt securities or other indebtedness. See Use of Proceeds.

Risk Factors

Investing in the Notes involves risks. See Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and subsequent reports we have filed with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, for a discussion of factors you should consider carefully before deciding to invest in the Notes. In particular, you should evaluate the information set forth under Cautionary Note Regarding Forward-Looking Statements and Other Factors and Risk Factors in this prospectus supplement for risks involved with an investment in the Notes.

Sinking Fund

The Notes will not be subject to any sinking fund.

Form of Notes

The Notes will be represented by global securities that will be deposited with or on behalf of, and registered in the name of, The Depository Trust Company ( DTC ) or its nominee. Except in limited circumstances, you will not receive certificates for the Notes. Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Notes through either DTC, if they are a participant, or indirectly through organizations which are participants in DTC.

Governing Law

The Notes and the indenture under which the Notes are being issued will be governed by and construed in accordance with the laws of the State of New York.



Trustee

The Bank of New York Mellon.

Conflicts of Interest

Our affiliate, Cowen and Company, LLC, is one of the book-running managers of the offering. As our affiliate, Cowen and Company, LLC would be deemed to have a conflict of interest with us under Rule 5121 of the Financial Industry Regulatory Authority, Inc.

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( FINRA ) with regard to the offering of the Notes. Therefore, the offering of the Notes will be conducted in compliance with the applicable requirements of FINRA Rule 5121. Pursuant to that rule, the appointment of a qualified independent underwriter is not required in connection with this offering as the member primarily responsible for managing the public offering does not have a conflict of interest, is not an affiliate of any member that has a conflict of interest and meets the requirements of paragraph (f)(12)(E) of FINRA Rule 5121. Cowen and Company, LLC will not confirm initial sales to any discretionary accounts over which it has authority without the prior specific written approval of the customer. See Underwriting (Conflicts of Interest) Conflicts of Interest.

**Table of Contents****Summary Financial Data**

The summary financial data as of and for the years ended December 31, 2017, 2016 and 2015 have been derived from our audited financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary financial data as of and for the three months ended March 31, 2018 and 2017 have been derived from our unaudited financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus and, in the opinion of management, reflect all adjustments (consisting only of normal and recurring adjustments) necessary for a fair statement of our results and financial position for such periods. The quarterly results are not necessarily indicative of the results for the full year. Our summary consolidated financial information presented below should be read in conjunction with our consolidated financial statements and the notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus and our pro forma financial statements and the notes thereto included in our Current Reports on Form 8-K filed on May 24, 2018, and incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>Three months ended</b>		<b>Years ended December 31,</b>		
	<b>March 31,</b>	<b>March 31,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>(dollars in thousands)</b>				
<b>Revenues</b>					
Investment banking	\$ 97,988	\$ 36,553	\$ 223,614	\$ 133,279	\$ 222,781
Brokerage	105,733	50,534	293,610	199,180	157,722
Management fees	7,417	8,708	33,245	40,612	41,906
Incentive income	16	546	5,383	8,334	1,466
Interest and dividends	25,954	5,089	49,440	14,732	13,796
Reimbursement from affiliates	377	1,652	2,860	10,504	21,557
Aircraft lease revenue	715	1,059	3,751	4,161	
Reinsurance premiums	8,647	7,089	30,996	32,459	
Other revenues	1,336	1,400	8,561	22,355	3,726
<i>Consolidated Funds revenues</i>	3,201	2,341	7,321	5,949	1,613
<b>Total revenues</b>	<b>251,384</b>	<b>114,971</b>	<b>658,781</b>	<b>471,565</b>	<b>464,567</b>
<b>Expenses</b>					
Employee compensation and benefits	135,140	76,673	404,087	310,038	321,386
Non-compensation expense (excluding goodwill impairment and restructuring costs)	112,715	58,737	332,222	228,016	180,678
Restructuring costs			8,763		
Goodwill impairment					
<i>Consolidated Funds expenses</i>	2,431	4,963	12,526	9,064	2,310
<b>Total expenses</b>	<b>250,286</b>	<b>140,373</b>	<b>757,598</b>	<b>547,118</b>	<b>504,374</b>
<b>Other income (loss)</b>					
Net gain (loss) on securities, derivatives and other investments	15,969	26,056	76,179	23,381	36,789
Bargain purchase gain			6,914		
Gain (loss) on debt extinguishment			(16,039)		
<i>Consolidated Funds net gains (losses)</i>	17,865	13,346	38,725	20,685	14,497

<b>Total other income (loss)</b>	<b>33,834</b>	<b>39,402</b>	<b>105,779</b>	<b>44,066</b>	<b>51,286</b>
<b>Income (loss) before income taxes</b>	<b>34,932</b>	<b>14,000</b>	<b>6,962</b>	<b>(31,487)</b>	<b>11,479</b>

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	Three months ended March 31,		Years ended December 31,		
	2018	2017	2017	2016	2015
	(dollars in thousands)				
Income taxes expense (benefit)	6,923	1,911	44,053	(19,092)	(47,496)
<b>Net income (loss)</b>	<b>28,009</b>	<b>12,089</b>	<b>(37,091)</b>	<b>(12,395)</b>	<b>58,975</b>
Net Income (loss) attributable to redeemable non-controlling interests in consolidated subsidiaries and funds	11,156	9,105	23,791	6,882	15,246
<b>Net income (loss) attributable to Cowen Inc.</b>	<b>16,853</b>	<b>2,984</b>	<b>(60,882)</b>	<b>(19,277)</b>	<b>43,729</b>
Preferred stock dividends	1,698	1,698	6,792	6,792	4,075
<b>Net income (loss) attributable to Cowen Inc. common stockholders</b>	<b>\$ 15,155</b>	<b>\$ 1,286</b>	<b>\$ (67,674)</b>	<b>\$ (26,069)</b>	<b>\$ 39,654</b>

	As of March 31,		As of December 31,		
	2018	2017	2017	2016	2015
	(dollars in thousands)				
<b>Consolidated Statements of Financial Condition Data:</b>					
Total assets	\$ 3,288,596	\$ 2,041,547	\$ 3,296,252	\$ 2,018,523	\$ 1,787,659
Total long-term debt	285,419	208,315	310,840	205,219	183,232
Total liabilities (including long-term debt)	2,137,483	869,157	2,107,629	866,668	810,755
Redeemable non-controlling interests	392,326	394,132	440,604	379,205	186,911
Total Stockholders Equity	\$ 758,787	\$ 778,258	\$ 748,019	\$ 772,650	\$ 789,993

	As of March 31,		As of December 31,		
	2018	2017	2017	2016	2015
	(dollars in thousands)				
<b>Consolidated Statements of Financial Condition Data:</b>					
Total assets	\$ 3,288,596	\$ 2,041,547	\$ 3,296,252	\$ 2,018,523	\$ 1,787,659
Total long-term debt	285,418	208,315	310,840	205,219	183,232
Total liabilities (including long-term debt)	2,137,483	869,157	2,107,629	866,668	810,755
Redeemable non-controlling interests	392,326	394,132	440,604	379,205	186,911
Total Stockholders Equity	\$ 758,787	\$ 778,258	\$ 748,019	\$ 772,650	\$ 789,993

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**RISK FACTORS**

*An investment in the Notes involves a high degree of risk. In addition to the other information included in this prospectus supplement and the accompanying prospectus, you should carefully consider each of the following risk factors and those set forth in the Company's most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. You should carefully consider all these risk factors in addition to the other information presented or incorporated by reference in this prospectus supplement.*

**Risks Related to the Notes**

*The Notes will be effectively subordinated, or junior in right of payment, to our secured indebtedness and to the indebtedness and other obligations of our subsidiaries.*

The Notes will be our general unsecured senior obligations ranking effectively junior in right of payment to all of our existing and future secured debt, to the extent of the value of the collateral securing such debt. If we are declared bankrupt, become insolvent or are liquidated or reorganized, our secured creditors will be entitled to be paid in full from the proceeds of the collateral securing such secured obligations before any such proceeds may be applied to make payments on the Notes. Holders of the Notes will participate ratably in our remaining assets with all holders of our existing and future unsecured indebtedness that is not expressly subordinated to Notes and all of our other general unsecured obligations, including trade payables, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the Notes in full. As a result, holders of the Notes would likely receive less, ratably, than holders of secured indebtedness.

At their issuance, the Notes are our sole obligation and are not guaranteed by any of our subsidiaries. Our subsidiaries are separate and distinct legal entities and they have no obligation, contingent or otherwise, to pay any amounts due on the Notes or to make any funds available therefor, whether by dividends, fees, loans or otherwise. Any right we have to receive any assets of any of our subsidiaries upon any liquidation, dissolution, winding up, bankruptcy, insolvency or similar proceedings (and the consequent right of the holders of our indebtedness, including the Notes, to participate in the distribution of, or to realize proceeds from, those assets) will be effectively subordinated to the claims of any such subsidiary's creditors, including trade creditors. Accordingly, the Notes will be effectively subordinated to all indebtedness and other liabilities of our subsidiaries. In addition, since the Notes are unsecured, the Notes will also effectively rank junior in right of payment to any secured debt that we have outstanding to the extent of the value of the assets securing such debt. As of March 31, 2018, our total consolidated long-term indebtedness was \$285.4 million. Of this amount, \$9.3 million was secured indebtedness of our subsidiaries. The remaining \$276.1 million of long-term indebtedness consisted of \$32.3 million under our 3.00% cash convertible senior notes due 2019, \$110.7 million under our 3.00% convertible senior notes due 2022, and \$133.1 million under our 7.35% senior notes due 2027. These amounts do not include short-term borrowings and other short-term liabilities of our subsidiaries, which primarily consist of amounts payable to brokers and customers. The Notes would have been subordinated to all of such indebtedness of our subsidiaries as of March 31, 2018.

*We are a holding company and rely upon our subsidiaries for cash flow to make payments of principal and interest on the Notes.*

We are a holding company with no business operations or assets other than the capital stock of our direct and indirect subsidiaries. Consequently, we will be dependent on dividends, distributions, loans and other payments from these subsidiaries to make payments of principal and interest on the Notes. The ability of our subsidiaries to pay dividends and make other payments to us will depend on their cash flows and earnings, which, in turn, will be affected by all of the factors discussed in our most recent Annual Report on Form 10-K on file with the SEC. The ability of our direct

and indirect subsidiaries to pay dividends and make distributions to us

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may be restricted by, among other things, applicable laws and regulations and by the terms of any debt agreements or other agreements into which they enter. If we are unable to obtain funds from our direct and indirect subsidiaries as a result of restrictions under their debt or other agreements, applicable laws and regulations or otherwise, we may not be able to pay cash interest or principal on the Notes when due.

***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.***

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

***The Notes are not rated and the issuance of a credit rating could adversely affect the market price of the Notes.***

At their issuance, the Notes will not be rated by any credit rating agency. Following their issuance, the Notes may be rated by one or more of the credit rating agencies. If the Notes are rated, the rating could be lower than expected, and such a rating could have an adverse effect on the market price of the Notes. Furthermore, credit rating agencies revise their ratings from time to time and could lower or withdraw any rating issued with respect to the Notes. Any real or anticipated downgrade or withdrawal of any ratings of the Notes could have an adverse effect on the market price or liquidity of the Notes.

Ratings reflect only the view of the issuing credit rating agency or agencies and are not recommendations to purchase, sell or hold any particular security, including the Notes. In addition, ratings do not reflect market prices or suitability of a security for a particular investor, and any future rating of the Notes may not reflect all risks related to the Company and its business or the structure or market value of the Notes.

***We cannot assure you that an active trading market will develop for the Notes.***

Prior to this offering, there has been no trading market for the Notes and, although we intend to apply to list the Notes on the Nasdaq Global Select Market, we cannot assure you that an active trading market will develop for the Notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. In that case you may not be able to sell your Notes at a particular time or you may not be able to sell your Notes at a favorable price.

***Changes in the credit markets could adversely affect the market price of the Notes.***

Following the offering, the market price for the Notes will be based on a number of factors, including:

the prevailing interest rates being paid by other companies similar to us; and

the overall condition of the financial markets.

The condition of the credit markets and prevailing interest rates have fluctuated in the past and can be expected to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the Notes.

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***An increase in market interest rates could result in a decrease in the relative value of the Notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if you purchase these Notes and market interest rates increase, the market values of your Notes may decline. We cannot predict the future level of market interest rates.

***We could enter into various transactions that could increase the amount of our outstanding debt, or adversely affect our capital structure or credit rating, or otherwise adversely affect holders of the Notes.***

The terms of the Notes do not prevent us from entering into a variety of acquisition, divestiture, financing, recapitalization or other highly leveraged transactions. As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the Notes.

***We may invest or spend the net proceeds of this offering in ways with which you may not agree and in ways that may not earn a profit.***

We intend to use the net proceeds of this offering for general corporate purposes. We will retain broad discretion over the use of the net proceeds from this offering. You may not agree with the ways we decide to use these proceeds, and our use of the proceeds may not yield any profits.

***Redemption may adversely affect your return on the Notes.***

We have the right to redeem some or all of the Notes prior to maturity, as described under Description of Notes Optional Redemption. We may redeem the Notes at times when prevailing interest rates may be relatively low compared to rates at the time of issuance of the Notes. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

***The Indenture under which the Notes are offered contains limited protections for holders of the Notes and may not protect your investment.***

The indenture under which the Notes will be offered provides limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes will not limit our or our subsidiaries' ability to:

issue debt securities or otherwise incur additional indebtedness or other obligations, including by indebtedness or obligations that would rank equally or senior to the Notes;

pay dividends on, or make any other payments in respect of, capital stock or other securities subordinated in right of payment to the Notes;

sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

enter into transactions with affiliates;

create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

make investments; or

create restrictions on the payment of dividends or other amounts to us from our subsidiaries

Additionally, the indenture does not include any protection against events such as changes of control, restructurings or similar transactions. Furthermore, the terms of the indenture and the Notes do not protect

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holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Also, an event of default or acceleration under our other indebtedness would not necessarily result in an Event of Default under the Notes.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

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**USE OF PROCEEDS**

We estimate that the net proceeds to us from this offering will be approximately \$86,615,000, after deducting discounts, commissions and offering expenses related to this offering payable by us.

The Company intends to use the net proceeds from this offering for general corporate purposes, including any potential acquisitions, and repurchases, repayments or redemptions of our debt securities or other indebtedness.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization:

on an actual basis; and

on an adjusted basis to give effect to this offering, after the payment of the underwriting discount and estimated fees and expenses of \$550,000 related to this offering (assuming no exercise of the underwriters option to purchase additional Notes solely to cover over-allotments, if any).

The actual data are derived from our audited consolidated financial statements. You should read this table in conjunction with Summary Summary Financial Data, which appears elsewhere in this prospectus supplement, and our audited consolidated financial statements and related notes and the discussion of our liquidity and capital resources as of December 31, 2017 incorporated by reference in this prospectus supplement.

	<b>As of March 31, 2018</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(in thousands)</b>	
<b>Cash and cash equivalents</b>	\$ 117,680	\$ 204,295
<b>Long-term debt</b>		
3.00% Cash Convertible Senior Notes due 2019	\$ 32,305	\$ 32,305
3.00% Convertible Senior Notes due 2022	110,656	110,656
7.35% Senior Notes due 2027	133,125	133,125
Other Notes Payable, aircraft finance	9,332	9,332
Senior Notes offered hereby		90,000
<b>Total long-term debt</b>	285,418	375,418
<b>Total stockholders equity</b>	758,787	755,402
<b>Total capitalization</b>	1,044,205	\$ 1,130,820

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**DESCRIPTION OF NOTES**

*This following description of notes is intended to be an overview of the material provisions of the Notes and is intended to supplement, and to the extent of any inconsistency replace, the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, to which we refer you. The following summary of the terms of the Notes and the Indenture (as defined below) does not purport to be complete and is subject, and qualified in its entirety by reference, to the detailed provisions of the Notes and the Indenture, including the definitions of certain terms used in the Indenture. You may request a copy of the Indenture from us as described under Incorporation by Reference. We urge you to read the Indenture and the form of the Note contained therein in their entirety, because those documents, and not this description, define your legal rights as a holder of the Notes. The following description supplements, and supersedes to the extent it is inconsistent with, the statements under Description of Debt Securities in the accompanying prospectus.*

*References to we, us, our, Cowen and the Company in this section are only to Cowen Inc. and not to its subsidiaries, unless we specify otherwise. For the definition of certain capitalized terms used in this section, see Certain Definitions below.*

**General**

The Notes will be issued under an indenture dated as of October 10, 2014, between us and The Bank of New York Mellon, as trustee (the Trustee), as amended and supplemented by a supplemental indenture to be dated as of June 11, 2018, between us and the Trustee (as so amended and supplemented or otherwise modified from time to time, the Indenture). The Notes will be a separate series of our senior debt securities (as that term is used in the accompanying prospectus).

We will initially issue a total of \$90,000,000 aggregate principal amount of Notes. We have granted the underwriters an option, to purchase up to an additional \$10,000,000 aggregate principal amount of Notes solely to cover over-allotments, if any, within 30 days from the date of this prospectus supplement.

We are permitted to issue debt securities from time to time in one or more series under the Indenture. We may from time to time, without giving notice to or seeking the consent of the holders of the Notes, issue additional senior debt securities under the Indenture having the same terms (except for the issue date, and, in some cases, the public offering price, the initial interest accrual date, and the first interest payment date) as, and ranking equally and ratably with, the Notes (Additional Notes), provided that such Additional Notes are fungible with the Notes offered hereby for U.S. federal income tax purposes. The Notes and any Additional Notes that may be issued will be treated as a single class for all purposes under the Indenture, including with respect to waivers, amendments and redemptions. Unless the context otherwise requires, references to the Notes for all purposes under the Indenture and in this Description of Notes include any Additional Notes that are issued.

The Notes will be available for purchase in denominations of \$25.00 and integral multiples of \$25.00 in book-entry form only. See Book-Entry System; Delivery and Form.

The Indenture does not contain any provisions that would necessarily protect holders of Notes if we become involved in a highly leveraged transaction, reorganization, merger or other similar transaction that adversely affects us or them.

**Maturity**

The Notes will mature on June 15, 2033.





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### **Interest**

Interest on the Notes will accrue from June 11, 2018 at a rate of 7.75% per year and will be payable quarterly on March 15, June 15, September 15 and December 15 (each an Interest Payment Date), beginning on September 15, 2018. On an Interest Payment Date, interest will be paid to the persons in whose names the Notes were registered as of the record date which shall be the first day of the month of the respective Interest Payment Date (whether or not a business day).

The amount of interest payable for any period will be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any period shorter than a full quarterly interest period will be computed on the basis of the number of days elapsed in a 90-day quarter of three 30-day months. If any Interest Payment Date falls on a Saturday, Sunday, legal holiday in the City of New York or a day on which banking institutions in the City of New York are authorized by law, regulation or executive order to close, then payment of interest will be made on the next succeeding business day and no additional interest will accrue because of the delayed payment.

### **Ranking**

The Notes will be our senior unsecured obligations, and will rank equal in right of payment with all of our current and future senior unsecured obligations. Because the Notes are unsecured, the Notes will also effectively rank junior in right of payment to any secured indebtedness that we have outstanding to the extent of the value of the assets securing such indebtedness.

The Notes will not be guaranteed by any of our subsidiaries. As a result, the Notes will effectively rank junior in right of payment to all existing and future indebtedness and other liabilities (including trade payables and leases) of our subsidiaries. Substantially all of our operations are conducted through our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due with respect to the Notes or to make any funds available therefor, whether by dividends, loans or other payments. In addition, the payment of dividends and the making of loans and advances to us by our subsidiaries may be subject to statutory, contractual or other restrictions, may depend on the earnings or financial condition of our subsidiaries and are subject to various business considerations. As a result, we may be unable to gain significant, if any, access to the cash flow or assets of our subsidiaries. In addition, our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and, therefore, the right of the holders of the Notes to participate in those assets will be subject to prior claims of creditors of the subsidiary.

The Indenture does not limit the amount of additional indebtedness, including senior or secured indebtedness, which we can create, incur, assume or guarantee, nor does the Indenture limit the amount of indebtedness or other liabilities that our subsidiaries can create, incur, assume or guarantee. As of March 31, 2018, our total consolidated long-term indebtedness was \$285.4 million. Of this amount, \$9.3 million was secured indebtedness of our subsidiaries. The remaining \$276.1 million of long-term indebtedness consisted of \$32.3 million under our 3.00% cash convertible senior notes due 2019, \$110.7 million under our 3.00% convertible senior notes due 2022, and \$133.1 million under our 7.35% senior notes due 2027. These amounts do not include short-term borrowings and other short-term liabilities of our subsidiaries, which primarily consist of amounts payable to brokers and customers. The Notes would have been subordinated to all of such indebtedness of our subsidiaries as of March 31, 2018. This does not include the indebtedness incurred under the Notes.

### **Listing**

We intend to apply to list the Notes on the Nasdaq Global Select Market. We expect trading in the Notes to begin within 30 days of the original issue date.

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### **Trading Characteristics**

We expect the Notes to trade at a price that takes into account the value, if any, of accrued and unpaid interest. This means that purchasers will not pay, and sellers will not receive, accrued and unpaid interest on the Notes that is not included in their trading price. Any portion of the trading price of a Note that is attributable to accrued and unpaid interest will be treated as a payment of interest for U.S. federal income tax purposes and will not be treated as part of the amount realized for purposes of determining gain or loss on the disposition of the Notes.

### **Optional Redemption**

We may, at our option, at any time and from time to time, on or after June 15, 2023, redeem the Notes in whole or in part on not less than 30 nor more than 60 days prior notice to the holders of the Notes. The Notes will be redeemable at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to, but not including, the date of redemption.

On and after any redemption date, interest will cease to accrue on the Notes called for redemption. On or prior to any redemption date, we are required to deposit with a paying agent money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on such date. If we are redeeming less than all of the Notes, the Notes to be redeemed will be selected in accordance with the procedures of the Depositary.

### **Mandatory Redemption; Open Market and Other Purchases**

The Company will not be required to repurchase the Notes or make any mandatory redemption or sinking fund payments with respect to the Notes. The Company or any affiliate of the Company may at any time and from time to time acquire Notes by means other than a redemption, whether by tender offer, purchases in the open market, negotiated transactions or otherwise, in accordance with applicable securities laws. Such Notes may, at the option of the Company or the relevant affiliate of the Company, be held, resold, or surrendered to the trustee for cancellation. In determining whether the holders of the requisite principal amount of outstanding Notes have consented to or voted in favor of any request, direction, notice, waiver, amendment or modification under the Indenture, Notes which a trust officer of the Trustee actually knows to be held by the Company or an affiliate of the Company shall not be considered outstanding.

### **Certain Covenants**

The following covenants will apply to the Notes:

#### ***Reports to Holders***

Whether or not required by the rules and regulations of the Commission, so long as any Notes are outstanding, the Company will furnish the Trustee, for delivery to the holders of the Notes upon their written request therefor:

- (1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a Management's Discussion and Analysis of Financial Condition and Results of Operations that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries, and, with respect to the annual information only, a report thereon by the Company's certified independent accountants;

and

- (2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports,

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in the case of each of clauses (1) and (2), within 30 days after the Company files the same with the Commission (or if not subject to the periodic reporting requirements of the Exchange Act, within 30 days after it would have been required to file the same with the Commission); *provided* that the delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on officers' certificates).

In addition, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all such information and reports with the Commission for public availability (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. To the extent that the Company files such information and reports with the Commission and such information and reports are publicly available via EDGAR on the Commission's website, then the Company shall not be required to furnish such information and reports to the Trustee for delivery to the holders of the Notes.

***Merger, Consolidation and Sale of Assets***

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's assets whether as an entirety or substantially as an entirety to any Person unless:

- (1) either:
  - (a) the Company is the surviving or continuing corporation; or
  - (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company (the "Surviving Entity"):
    - (i) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; and
    - (ii) shall expressly assume, by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance of every covenant of the Notes and the Indenture on the Company's part to be performed or observed;
- (2) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(ii) above, no default or Event of Default shall have occurred or be continuing; and

- (3) the Company or the Surviving Entity shall have delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Subsidiaries the Capital Stock of which constitutes all or substantially all of the Company s properties and assets, shall be deemed to be the transfer of all or substantially all of the Company s properties and assets.

Upon any consolidation, combination or merger or any transfer of all or substantially all of the Company s assets in accordance with the foregoing in which the Company is not the continuing corporation, the successor

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Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such surviving entity had been named as such.

The phrase all or substantially all of the assets of the Company will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of all or substantially all of the assets of the Company has occurred.

## **Amendment, Supplement and Waiver**

Except as provided in the next two succeeding paragraphs, the Indenture or the Notes may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) change the stated maturity of the principal of, or any installment of interest on, any Note;
- (3) reduce the principal amount of, or premium, if any, or interest on, any Note;
- (4) change the optional redemption price (or the method of calculating the redemption price) of the Notes from those stated above under the caption **Optional Redemption** ;
- (5) waive a default or Event of Default in the payment of principal of, or interest, or premium, if any, on, the Notes (except, upon a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes, a waiver of the payment default that resulted from such acceleration) or in respect of any other covenant or provision that cannot be amended or modified without the consent of all holders;
- (6) make any Note payable in money other than U.S. dollars;
- (7) make any change in the amendment and waiver provisions of the Indenture; or



(8) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes. Notwithstanding the preceding, without the consent of any holder of Notes, the Company and the Trustee may amend or supplement the Indenture or the Notes:

- (1) to cure any ambiguity, omission, mistake, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of the Company's obligations to holders of Notes in accordance with the Indenture in the case of a merger or consolidation or sale of all or substantially all of the Company's properties or assets;
- (4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not materially, in the good faith determination of the Board of Directors of the Company, adversely affect the legal rights under the Indenture of any such holder;

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- (5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;
- (6) to add covenants for the benefit of the holders or to surrender any right or power conferred upon the Company;
- (7) to evidence and provide for the acceptance of appointment by a successor Trustee;
- (8) to comply with the rules of any applicable securities depositary;
- (9) to add a Guarantor of the Notes;
- (10) to secure the Notes;
- (11) to provide for the issuance of Additional Notes in accordance with the Indenture; or
- (12) to conform the Indenture or the Notes to this Description of Notes to the extent any provision of the Indenture or the Notes is expressly inconsistent with any provision of this Description of Notes .

**Events of Default and Remedies**

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on the Notes;
- (2) default in payment when due (whether at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;
- (3) failure by the Company to comply with the provisions described above under the caption Certain Covenants Merger, Consolidation or Sale of Assets;
- (4) failure by the Company for 60 days after written notice by the Trustee or holders representing 25% or more of the aggregate principal amount of Notes outstanding to comply with any of the other covenants or agreements in the Indenture;
- (5)

default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for borrowed money by the Company or any of its Significant Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Significant Subsidiaries) other than indebtedness for borrowed money owed to the Company or any of its Significant Subsidiaries, whether such indebtedness for borrowed money or Guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to make any payment of principal or interest when due at the stated maturity thereof (giving effect to any applicable grace periods and any extensions thereof) of such indebtedness for borrowed money (a Payment Default ); or

(b) results in the acceleration of such indebtedness for borrowed money prior to its express maturity, and, in each case, the amount of any such indebtedness for borrowed money, together with the amount of any other such indebtedness for borrowed money that is then subject to a Payment Default or the maturity of which has been so accelerated, aggregates \$35.0 million or more;

(6) failure by the Company or any of its Significant Subsidiaries to pay final judgments (to the extent such judgments are not paid or covered by insurance provided by a reputable carrier) aggregating in excess of \$35.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; and

(7) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries.

In the case of an Event of Default described in clause (7) above, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default.

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Notwithstanding the paragraph above, for the first 365 days immediately following an Event of Default relating to (i) our failure to file with the Trustee any documents or reports that we are required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act or (ii) our failure to comply with our reporting obligations to the trustee set forth under the caption **Certain Covenants Reports to Holders** above, the sole remedy for any such Event of Default shall be the accrual of additional interest on the Notes at a rate per year equal to (i) 0.25% of the outstanding principal amount of the Notes for the first 180 days following the occurrence of such Event of Default and (ii) 0.50% of the outstanding principal amount of the Notes for the next 180 days after the first 180 days following the occurrence of such Event of Default, in each case, payable quarterly at the same time and in the same manner as regular interest on the Notes. This additional interest will accrue on all outstanding Notes from, and including the date on which such Event of Default first occurs to, and including, the 365th day thereafter (or such earlier date on which such Event of Default shall have been cured or waived). In addition to the accrual of such additional interest, on and after the 360th day immediately following an Event of Default relating to such reporting obligations, either the Trustee or the holders of at least 25% in aggregate principal amount of outstanding Notes may declare the principal amount of the Notes and any accrued and unpaid interest through the date of such declaration, to be immediately due and payable.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any default or Event of Default (except a default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

The holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the holders of all of the Notes waive any existing default or Event of Default and its consequences under the Indenture, except a continuing default or Event of Default in the payment of premium, interest or the principal of, the Notes or a default or Event of Default in respect of a provision that under the Indenture cannot be amended without the consent of each affected holder, and may rescind any related acceleration of the Notes if such rescission would not conflict with any judgment or decree of any court of competent jurisdiction and other conditions set forth in the Indenture are satisfied. The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of Notes not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from holders of Notes. A holder may not pursue any remedy with respect to the Indenture or the Notes unless:

- (1) the holder gives the Trustee written notice of a continuing Event of Default;
- (2) the holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such holder or holders offer the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any holder of a Note to receive payment of the principal of, premium or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the holder.

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The Company is required to deliver to the Trustee annually within 120 days after the end of each fiscal year a statement regarding compliance with the Indenture. Within 10 business days after our becoming aware of the occurrence of any default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such default or Event of Default.

## **Legal Defeasance and Covenant Defeasance**

The Indenture will provide that, at its option, the Company:

will be discharged from any and all obligations in respect of the Notes, except for certain obligations set forth in the Indenture that survive such discharge ( legal defeasance ); or

may terminate their obligations under certain restrictive covenants of the Indenture, and the occurrence of an event described in clause (3) or (4) under Events of Default with respect to any such covenants or in clause (5), (6) or (7) (other than in the case of clause (7) with respect to the Company) under Events of Default will no longer be an event of default ( covenant defeasance );

in each case, if

- (1) the Company irrevocably deposits with the Trustee, in trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the Notes, (i) cash in U.S. dollars, (ii) non-callable U.S. government securities or (iii) a combination thereof, in each case in an amount sufficient, in the opinion of a nationally-recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay when due the principal, premium, if any, and interest to maturity or to the redemption date, as the case may be, with respect to the Notes then outstanding, and any mandatory sinking fund payments or similar payments or payment pursuant to any call for redemption applicable to the Notes on the day on which such payments are due and payable in accordance with the terms of the Indenture and the Notes;
- (2) no default or Event of Default shall have occurred and be continuing on the date of the deposit or insofar as an Event of Default resulting from certain events involving our bankruptcy or insolvency are concerned, at any time during the period ending on the 91st day after the date of the deposit or, if longer, ending on the day following the expiration date of the longest preference period applicable to the Company in respect of the deposit (and this condition will not be deemed satisfied until the expiration of such period);
- (3) the defeasance will not cause the Trustee to have any conflicting interest with respect to any of securities of the Company or result in the trust arising from the deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;
- (4) the defeasance will not result in a default or Event of Default under the Indenture with respect to the Notes (other than a default or Event of Default resulting from the borrowing of funds to be applied to such deposit)

and the deposit will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company or any Significant Subsidiary is a party or by which the Company or any Significant Subsidiary is bound;

- (5) the Company shall have delivered an opinion of counsel to the effect that the holders will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax in the same manner as if the defeasance had not occurred, which opinion of counsel, in the case of legal defeasance, must refer to and be based upon a published ruling of the Internal Revenue Service, a private ruling of the Internal Revenue Service addressed to us, or otherwise a change in applicable federal income tax law occurring after the date of the Indenture; and
- (6) the Company shall have delivered an officers certificate and an opinion of counsel stating that the conditions to such defeasance set forth in the Indenture have been complied with.

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If the Company fails to comply with its remaining obligations under the Indenture after a covenant defeasance with respect to the Notes and the Notes are declared due and payable because of the occurrence of any Event of Default, the amount of money and government obligations on deposit with the Trustee may be insufficient to pay amounts due on the Notes at the time of the acceleration resulting from the Event of Default. We will, however, remain liable for those payments.

**Satisfaction and Discharge**

With respect to the Notes, the Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

- (1) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation or (b) all of the Notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the Company's option, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company shall have irrevocably deposited or caused to be deposited with the Trustee lawful money, direct or guaranteed government obligations, or a combination thereof, of the nature and in the amounts described above under the caption "Legal Defeasance and Covenant Defeasance" in an amount sufficient to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from us directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;
- (2) no default or Event of Default under the Indenture with respect to the Notes shall have occurred and be continuing (other than a default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company or any Significant Subsidiary is a party or by which the Company or any Significant Subsidiary is bound;
- (3) the Company shall have paid all other sums payable under the Indenture in respect of the Notes; and
- (4) the Company shall have delivered to the Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to the Notes have been complied with.

**No Personal Liability of Directors, Officers, Employees and Stockholders**

No director, officer, employee, incorporator, stockholder, member, manager or partner of the Company, as such, will have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver



may not be effective to waive liabilities under the federal securities laws.

**Concerning the Trustee**

If the Trustee becomes a creditor of the Company, the Indenture and the Trust Indenture Act limit its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

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The Indenture provides that in case an Event of Default will occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder will have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

### **Book-Entry System; Delivery and Form**

The Notes will be issued only in book-entry form through the facilities of The Depository Trust Company (the Depository ) and will be in denominations of \$25.00 and integral multiples of \$25.00 in excess thereof. The Notes will be represented by a Global Security (the Global Security ) and will be registered in the name of a nominee of the Depository.

The Depository has advised the Company that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of section 17A of the Exchange Act. The Depository holds securities that its participants deposit with the Depository. The Depository also facilitates the settlement among its participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in its participants' accounts, thereby eliminating the need for physical movement of securities. The Depository's participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations, and certain other organizations. The Depository is owned by The Depository Trust & Clearing Corporation, which is owned by the users of its regulated subsidiaries. Access to the Depository's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by the Depository only through participants. The rules applicable to the Depository and its participants are on file with the Commission.

Upon the issuance of the Global Security, the Depository will credit its participants' accounts on its book-entry registration and transfer system with their respective principal amounts of the Notes represented by such Global Security. The underwriters will designate which participants' accounts will be credited. The only persons who may own beneficial interests in the Global Security will be the Depository's participants or persons that hold interests through such participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository or its nominee (with respect to interests of its participants), and on the records of its participants (with respect to interests of persons other than such participants). The laws of some jurisdictions may require that some purchasers of securities take physical delivery of those securities in definitive form. These limits and laws may impair your ability to pledge your interest in the Notes.

So long as the Depo