

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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STANLEY L. MOSKAL AND BARBARA  
A. MOSKAL, on behalf of themselves and all :  
others similarly situated, : Index No. 650472/2011  
 :  
 :  
 Plaintiffs, : Commercial Part 48  
 :  
 v. :  
 : Hon. Jeffrey K. Oing  
 LABRANCHE & CO INC., et al., :  
 :  
 :  
 Defendants. :  
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**NOTICE OF PROPOSED SETTLEMENT OF  
CLASS ACTION AND SETTLEMENT HEARING**

***IF YOU WERE A HOLDER OF LABRANCHE & CO INC. (“LABRANCHE”) COMMON STOCK AT ANY TIME DURING THE PERIOD BEGINNING ON AUGUST 17, 2010 AND CONCLUDING ON JUNE 30, 2011, PLEASE READ THIS NOTICE RELATING TO THE PROPOSED SETTLEMENT OF THIS CLASS ACTION LITIGATION.***

The Supreme Court of the State of New York, County of New York (the “Court”) has authorized this notice (the “Notice”) of a proposed settlement (the “Settlement”) in the above-captioned litigation (the “Litigation”) pursuant to terms stated in a Stipulation of Settlement signed by the parties on October 25, 2011 (the “Stipulation of Settlement”).

**The Litigation:**

THE FOLLOWING DESCRIPTION OF THE LITIGATION AND SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS OF FACT WITH RESPECT TO SUCH MATTERS AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

Plaintiffs Stanley L. Moskal, Barbara A. Moskal and Jerry Borowka (the “Plaintiffs”) challenge a proposed stock-for-stock merger agreement (the “Merger Agreement”) pursuant to which holders of shares of LaBranche common stock received 0.9980 of a share of Cowen Group, Inc. (“Cowen”) Class A common stock per share of LaBranche common stock (the “Transaction”), described more fully in a Registration Statement on Form S-4, which included a preliminary joint proxy statement/prospectus, filed with the United States Securities and Exchange Commission (the “SEC”) on March 31, 2011 (the “Registration Statement”) and amended on May 3, 2011 (the “Amended Registration Statement”). The Transaction required and received a vote in favor of the Transaction by the holders of a majority of all shares of LaBranche and Cowen common stock.

Plaintiffs allege that LaBranche’s directors breached their fiduciary duties to LaBranche’s shareholders pursuant to an inadequate and unfair process and by approving the Transaction for inadequate and unfair consideration. Plaintiffs further allege that the Registration Statement was inadequate and failed to provide LaBranche shareholders with material information needed to cast an informed vote on the Transaction. Plaintiffs also allege that LaBranche, Cowen and Louisiana Merger Sub, Inc. (“Merger Sub”) aided and abetted the directors’ breaches of fiduciary duty.

On February 22, 2011, Stanley L. Moskal and Barbara A. Moskal commenced the Litigation by filing an action captioned Moskal v. LaBranche & Co Inc., No. 650472/2011. On February 24, 2011, Jerry Borowka

filed a second action, captioned Borowka v. LaBranche & Co Inc., No. 650508/2011. The complaints in both actions alleged that LaBranche's directors breached their fiduciary duties to LaBranche's shareholders pursuant to an inadequate and unfair process and by approving the Transaction for inadequate and unfair consideration. The complaints in both actions also alleged that LaBranche, Cowen and Merger Sub aided and abetted the directors' breaches of fiduciary duty. The complaints in both actions sought, among other things, to enjoin the Transaction.

On April 15, 2011, Plaintiffs filed an amended complaint against Defendants, which, among other things, added allegations that the Registration Statement was inadequate and failed to provide LaBranche shareholders with material information needed to cast an informed vote on the Transaction.

On April 19, 2011 and April 27, 2011, the Court issued orders consolidating the Moskal and Borowka actions under the caption Moskal v. LaBranche & Co Inc., No. 650472/2011, appointed Stanley L. Moskal, Barbara A. Moskal and Jerry Borowka as Lead Plaintiffs ("Lead Plaintiffs"), and appointed The Weiser Law Firm, P.C. and Levi & Korsinsky, LLP as Co-Lead Counsel for Plaintiffs ("Co-Lead Counsel for Plaintiffs") and Harwood Feffer LLP as Liaison Counsel for Plaintiffs ("Liaison Counsel for Plaintiffs").

Following the filing of Plaintiffs' amended complaint, the Parties engaged in arm's-length discussions and negotiations concerning a possible settlement of the litigation, and Defendants provided Plaintiffs non-public, confidential documents relevant to the claims asserted in the Litigation.

On May 2, 2011, the Parties reached an agreement in principle to settle the Litigation on the basis of additional disclosures to be made to holders of LaBranche shares in an amended registration statement on Form S-4/A filed with the SEC on May 3, 2011 (the "Amended Registration Statement").

Also on May 2, 2011, the Parties signed a Memorandum of Understanding (the "MOU") stating the principal terms of the agreement in principle to settle the Litigation. The MOU also provided for reasonable discovery by Plaintiffs, to the extent Plaintiffs deemed it to be necessary, for the purpose of confirming representations made by Defendants during the Parties' negotiations and confirming the reasonableness of the Settlement. Plaintiffs reserved the right not to agree to the Settlement following completion of this discovery.

On June 15, 2011, Cowen's and LaBranche's shareholders approved the Transaction. On June 28, 2011, the Transaction closed.

During the months of May and June 2011, discovery provided for in the MOU proceeded, including depositions of a LaBranche officer, a LaBranche director, and a representative of LaBranche's financial advisor. On July 6, 2011, Plaintiffs advised Defendants that they had determined, based on this discovery, that the Settlement is fair, reasonable and in the best interests of the Company's shareholders.

Following further arm's length negotiations, Plaintiffs and Defendants entered into the Stipulation of Settlement, subject to notice to the Class (defined below) and approval by this Court.

**The Settlement:** Pursuant to the Settlement, Defendants included supplemental disclosures concerning the Transaction in the Amended Registration Statement. A black-line showing the supplemental disclosures in the Amended Registration Statement resulting from the parties' arm's-length negotiations is attached to the Stipulation of Settlement. Defendants acknowledge that these supplemental disclosures were made, in substantial part, in response to the issues raised by Plaintiffs in the Litigation. Defendants deny that the supplemental disclosures concerning the Transaction in the Amended Registration Statement provided members of the Class (defined below) information that was material or that was required to be disclosed under any applicable statute, rule, regulation or law.

**Attorneys' Fees and Expenses:** Plaintiffs' counsel have litigated this case on a contingent fee basis and advanced the expenses incurred in the Litigation with the expectation that they would receive attorneys' fees

and expenses (the “Fee and Expense Award”) if they were successful in obtaining benefits for the Class, as is customary in this type of litigation. Co-Lead Counsel for Plaintiffs will seek Court approval of a Fee and Expense Award in an aggregate amount of \$350,000 for the benefits conferred upon the Class as a result of this Settlement. If approved by the Court, LaBranche, Cowen or Merger Sub will pay or cause to be paid the Fee and Expense Award.

**Deadline for Stockholders To File Objection:** January 6, 2012

**Court Hearing on Fairness of Settlement:** February 1, 2012

**For More Information Contact Co-Lead Counsel for Plaintiffs:**

Henry J. Young  
THE WEISER LAW FIRM, P.C.  
1221 N. Wayne Avenue, Suite 100  
Wayne, Pennsylvania 19087  
Telephone: (610) 225-2677  
Facsimile: (610) 225-2678  
hjj@weiserlawfirm.com

Joseph Levi  
Shannon L. Hopkins  
W. Scott Holleman  
LEVI & KORSINSKY, LLP  
30 Broad Street, 15th Floor  
New York, New York 10006  
Telephone: (212) 363-7500  
Facsimile: (212) 363-7171  
levi@zlk.com  
shopkins@zlk.com  
sholleman@zlk.com

**SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS**

- **OBJECT** to the Court in the manner described below if you do not like the Settlement or the request by Co-Lead Counsel for the Fee and Expense Award or any other matter properly before the Court.
- **GO TO THE COURT HEARING** and ask to speak in Court in the manner described below about the fairness of the Settlement or the Fee and Expense Award or any other matter properly before the Court.
- **DO NOTHING** and await the Court’s ruling.

These rights and options – **and the deadlines to exercise them** – are explained in this Notice.

Whichever of these rights you exercise or do not exercise, if the Court approves the Settlement, you will be bound by a final order and judgment (“the Final Order and Judgment”) to be entered by the Court, including the release of all Settled Claims (defined below).

**BASIC INFORMATION**

**1. What Is This Lawsuit About?**

Plaintiffs allege that LaBranche’s directors breached their fiduciary duties to LaBranche’s shareholders by approving the Transaction and that LaBranche, Cowen and Merger Sub aided and abetted the directors’ breaches of fiduciary duty. Among other things, Plaintiffs alleged that the Defendants failed to disclose all information about the Transaction to shareholders.

**2. Why Is The Litigation A Class Action?**

In a class action, one or more plaintiffs sue on behalf of a class, alleging that all members of the class were injured, and seek recovery on behalf of the class.

3. **Who Is Affected By The Settlement?**

A class action is brought on behalf of a class. Members of the class receive the benefits of the Settlement.

4. **Who Is In The Class?**

The Court has preliminarily certified, solely for purposes of the Settlement, a non-opt-out settlement class consisting of all record owners and beneficial owners of LaBranche common stock, and their successors, on any day during the period beginning on August 17, 2010 and concluding on June 30, 2011, but excluding Defendants, members of the immediate family of any Defendant, and any entity in which a Defendant has a majority interest, and excluding the predecessors and successors of any excluded person or entity (the "Class"). The Court has preliminarily certified, solely for purposes of the Settlement, Plaintiffs as representatives of the Class (the "Class Representatives").

5. **Why Is There A Settlement?**

Plaintiffs and Defendants have agreed to the Settlement in order to provide the Class the benefits of the Settlement and to avoid the cost and risk of further litigation. The Court has not decided the case in favor of Plaintiffs or Defendants.

**THE SETTLEMENT BENEFITS – WHAT THE CLASS RECEIVES**

6. **What Does The Settlement Provide?**

As discussed above, pursuant to the Settlement, Defendants disclosed additional information concerning the Transaction to shareholders prior to the vote on the Transaction.

7. **Will I Receive A Cash Payment In The Settlement?**

No. You will not receive a cash payment in the Settlement.

8. **What Claims Will Be Released?**

If the Court approves the Settlement, the Court will enter the Final Order and Judgment, by operation of which the Settled Claims will be fully and finally released. The provisions in the Stipulation of Settlement defining the Settled Claims are reproduced at the end of this Notice.

9. **Can I Exclude Myself From The Settlement?**

No. You cannot exclude yourself from the Settlement.

**THE LAWYERS REPRESENTING PLAINTIFFS AND  
THEIR REQUEST FOR A FEE AND EXPENSE AWARD**

10. **Who Is Representing Plaintiffs In The Litigation?**

The Court has appointed Co-Lead Counsel for Plaintiffs in the Litigation: The Weiser Law Firm, P.C. in Wayne, Pennsylvania and Levi & Korsinsky, LLP in New York, New York. The Court has appointed Harwood Feffer LLP in New York, New York as Liaison Counsel.

**11. How Will Plaintiffs' Counsel Be Paid?**

Co-Lead Counsel for Plaintiffs will seek Court approval of the Fee and Expense Award. Subject to Court approval, LaBranche, Cowen and Merger Sub have agreed that one of them will pay or cause to be paid, a Fee and Expense Award in an aggregate amount of \$350,000 for the benefits conferred upon the Class as a result of this Settlement.

To date, Co-Lead Counsel for Plaintiffs have not been paid for their services for conducting the Litigation or for their out-of-pocket expenses. The fees requested will compensate Co-Lead Counsel for Plaintiffs or any other counsel representing Plaintiffs for their work in achieving the benefits for the Class provided by the Settlement. The Fee and Expense Award is to be paid in the manner described in the Stipulation, including to be paid within fifteen (15) business days following the Court's approval of the Fee and Expense Award.

**12. Is The Settlement Contingent On Plaintiffs' Counsel Being Paid?**

No. The granting by the Court, in whole or in part, of the Fee and Expense Award is not a condition of the Settlement.

**THE SETTLEMENT HEARING**

**13. When And Where Will The Court Decide Whether To Approve The Settlement And The Other Subjects Discussed Above?**

The Court will hold a settlement hearing (the "Settlement Hearing") at 10:00 a.m. on February 1, 2012 in Courtroom 242, Part 48, in the Supreme Court of the State of New York, County of New York, 60 Centre Street, New York, New York 10007, for the following purposes: (i) to determine whether to certify the Class and the Class Representatives solely for the purposes of the Settlement; (ii) to determine whether the Settlement is fair, reasonable and adequate to the Class and should be approved by the Court, (iii) to determine whether a Final Order and Judgment should be entered dismissing and releasing the Settled Claims with prejudice, (iv) to rule on the application by Co-Lead Counsel for Plaintiffs for the Fee and Expense Award, and (v) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

The Settlement Hearing may be adjourned by the Court without notice to members of the Class other than an announcement of the adjournment at the scheduled time of the Settlement Hearing or at the scheduled time of any adjournment of the Settlement Hearing. The Court may consider modifications to the Settlement made with the consent of Plaintiffs and Defendants without further notice to members of the Class.

**14. Do I Have To Come To The Settlement Hearing?**

No. You are welcome to come at your own expense, and you may also pay your own lawyer to attend, but neither is necessary. If you submit an objection, you do not have to come to Court to talk about it. As long as your written objection is received by the Court and the counsel identified below on time, the Court will consider it.

**15. May I Speak At The Hearing?**

You may ask the Court to speak at the Settlement Hearing by requesting to be heard in the manner stated below.

## 16. How Do I Object?

If you are a member of the Class, you may object to the Settlement and/or the Fee and Expense Award or otherwise request to be heard in person or by counsel concerning any matter properly before the Court at the Settlement Hearing. Any objection, statement or request to be heard at the Settlement Hearing must be in writing and must be filed with the Clerk of the Court, Supreme Court of the State of New York, County of New York, 60 Centre Street, New York, New York 10007. Unless filed electronically pursuant to the Court's e-filing rules and requirements, any objection, statement or request to be heard at the Settlement Hearing also must be delivered by hand, overnight delivery service or first class postage pre-paid mail to the following counsel for Plaintiffs and Defendants:

Robert I. Harwood  
Daniella Quitt  
HARWOOD FEFFER LLP  
488 Madison Avenue  
New York, New York 10022

Patricia C. Weiser  
Henry J. Young  
THE WEISER LAW FIRM, P.C.  
1221 N. Wayne Avenue, Suite 100  
Wayne, Pennsylvania 19087

Joseph Levi  
Shannon L. Hopkins  
W. Scott Holleman  
LEVI & KORSINSKY, LLP  
30 Broad Street, 15th Floor  
New York, New York 10006

Stephen A. Radin  
Joshua S. Amsel  
Evert J. Christensen  
WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153

Antonio Yanez, Jr.  
Sameer Advani  
WILLKIE FARR & GALLAGHER LLP  
787 Seventh Avenue  
New York, New York 10019

Any objection, statement or request to be heard at the Settlement Hearing must be received by the Court and the counsel identified above no later than twenty-five (25) days prior to the date set for the Settlement Hearing, i.e., by January 6, 2012.

Any objection, statement or request to be heard at the Settlement Hearing must be signed and include the following information: (i) a notice of intention to appear; (ii) the person's or entity's name, address, telephone number and, if any, e-mail address, (iii) a statement submitted under penalty of perjury describing all dates on which the person or entity purchased or otherwise acquired and/or sold or otherwise disposed of shares of LaBranche common stock since January 1, 2010 with proof thereof (iv) a detailed statement of the basis for the person's or entity's objection to or comments concerning the Settlement, the Fee and Expense Award or other matter before the Court, and (v) all supporting papers, including all documents and writings that the person or entity wants the Court to consider.

If you object to the Settlement and/or Fee and Expense Award or otherwise request to be heard at the Settlement Hearing, you will be deemed to have submitted to the jurisdiction of the Court, including but not limited to any order the Court issues with respect to your objection or request to be heard, discovery concerning the subject matter of your objection or request to be heard and enforcement of the terms of the Settlement including but not limited to the releases provided for in the Final Order and Judgment.

If you do not object to the Settlement or the Fee and Expense Award or otherwise request to be heard at the Settlement Hearing in the manner described above, you will be deemed to have waived your right to object to the Settlement and the Fee and Expense Award or otherwise be heard concerning these subjects, and you will

be forever barred from objecting to the Settlement or the Fee and Expense Award, or from otherwise being heard concerning these subjects in this or any other proceeding.

**17. What Happens If I Do Nothing At All?**

If you do nothing and the Settlement is approved, you will not be able to start, continue with, or be part of any other lawsuit concerning the Settled Claims. You will be bound by the Final Order and Judgment and the releases provided for in the Final Order and Judgment.

**GETTING MORE INFORMATION**

**18. How Can I Obtain More Details About The Settlement?**

This Notice summarizes the proposed Settlement. More details can be found in the Stipulation of Settlement dated October 25, 2011. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by visiting [www.cowen.com](http://www.cowen.com) or by writing or calling Co-Lead Counsel for Plaintiffs. Addresses, telephone numbers and e-mail addresses appear above. You can also obtain a copy of related documents, pleadings and other papers on file in the Litigation at the Clerk's office at the Supreme Court of the State of New York, County of New York during regular business hours.

**THE SETTLED CLAIMS BEING RELEASED**

Upon the Effective Date (as defined in the Stipulation), the Released Claims (defined below) against the Released Persons (defined below) will by operation of the Final Order and Judgment be fully and finally released. The Released Claims against the Released Persons are the "Settled Claims."

The term "Released Persons" means the Plaintiffs, Defendants and Related Persons. The term "Related Persons" means, for each of Plaintiffs, members of the Class, and Defendants, his, her or its past or present directors, officers, employees, general partners, limited partners, principals, members, managing members, insurers and co-insurers, re-insurers, controlling stockholders, attorneys, advisors, accountants, auditors, personal or legal representatives, predecessors, successors, divisions, joint ventures, assigns, spouses, heirs, executors, parents, subsidiaries, affiliates (including the officers, directors, and employees of such parents, subsidiaries, and affiliates), any entity in which he, she or it has a controlling interest, any member of his, her or its immediate family, or any trust of which he, she or it is the settlor or which is for the benefit of any member of his, her or its immediate family.

The term "Released Claims" means:

(a) All claims, causes of action and rights, known and unknown, that have been, could have been, or are in the future asserted by Plaintiffs or any other member or members of the Class against the Released Persons, whether based on any federal, state or other law, rule or regulation, that are based on, arise out of or relate in any manner, either directly or indirectly, to (i) the Merger Agreement and the Transaction, (ii) the Registration Statement and the Amended Registration Statement, (iii) any actions, deliberations or negotiations in connection with the consideration or negotiation of the Transaction, (iv) the consideration received or to be received by members of the Class in connection with the Transaction, (v) disclosures made concerning the Transaction, including but not limited to disclosures made in the Registration Statement, the Amended Registration Statement, the preliminary and definitive joint proxy statement/prospectus, and any other public filings with the SEC and any oral statements related directly or indirectly to the Transaction, (vi) the fiduciary duties of any Defendant, including whether any Defendant aided or abetted any breaches of fiduciary duty by any other Defendant, in connection with the Transaction or any other subject specified in this paragraph, (vii) any purchase, sale or holding of LaBranche securities insofar as the purchase, sale or holding relates in any way to the Transaction or any other subject specified in this paragraph, and (viii) any other allegation in any complaint or amended complaint, including any amended complaint filed in the future, in the Litigation;

(b) All claims, causes of action and rights, known and unknown, by Defendants against Plaintiffs and their Related Persons, including their counsel, that are based on, arise out of, or related in any manner, either directly or indirectly, to the filing, prosecution or settlement of the Litigation

Notwithstanding the foregoing, the Released Claims do not include any claims (i) belonging to Defendants against their insurers, (ii) belonging to Defendants against each other, including but not limited to indemnification and advancement obligations pursuant to the Merger Agreement, pursuant to Delaware law or LaBranche's, Cowen's or Merger Sub's certificates of incorporation or bylaws or pursuant to any contract, (iii) to enforce the Stipulation or arising out of a breach of the Stipulation, and (iv) under the federal or state securities laws on behalf of any persons who acquire Cowen common stock in the Transaction, alleging that, because of alleged material inaccuracies in Cowen's financial statements that have resulted in the restatement of such financial statements, the market price of Cowen's common stock was artificially inflated on the date they received Cowen's shares pursuant to the Transaction. Plaintiffs and their counsel acknowledge that they presently have no basis to assert any inaccuracies in Cowen's financial statements or any inflation in the market price of Cowen's common stock.

The term "unknown" as used in the definition of the Released Claims means claims which any one or more of Plaintiffs, Defendants, members of the Class, or any of their Related Persons does not know or suspect to exist, but which, if known by him, her or it might affect his, her or its agreement to release the Settled Claims or might affect his, her or its decision to object or not to object to the Settlement. On the Effective Date (as defined in the Stipulation), Plaintiffs, Defendants, members of the Class, and their Related Persons shall be deemed to have, and by operation of the Final Order and Judgment shall have, expressly waived and relinquished, to the full extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

On the Effective Date (as defined in the Stipulation), Plaintiffs, Defendants, members of the Class, and their Related Persons also shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, which is similar, comparable or equivalent to California Civil Code § 1542. Plaintiffs, on behalf of themselves and all members of the Class, and Defendants acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Settled Claims, but that it is their intention to fully and finally settle and release the Settled Claims, including unknown claims, as defined in this Paragraph. Plaintiffs and Defendants acknowledge, and all members of the Class shall be deemed by operation of the Final Order and Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

**PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE**

DATED: November 30, 2011

BY ORDER OF THE COURT  
SUPREME COURT OF THE STATE OF NEW  
YORK, COUNTY OF NEW YORK