
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 14, 2006 (September 12, 2006)**

COWEN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-52048
(Commission
File Number)

84-1702964
(I.R.S. Employer
Identification No.)

1221 Avenue of the Americas
New York, New York
(Address of principal executive offices)

10020
(Zip Code)

Registrant's telephone number, including area code: **(646) 562-1000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 1.01 Entry into a Material Definitive Agreement.

In connection with the compensation arrangements for the Directors discussed in Item 5.02 below, attached hereto as Exhibit 99.1 is a form of the Director Award Agreement entered into with each independent Director.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On September 12, 2006, the Company's Board of Directors voted to expand the board to not more than eight directors, elected five new independent directors, and accepted the resignation of Christopher A. White, an internal director. Mr. White retains his other executive roles within the Company. As a result of these actions, Cowen Group, Inc. now has six independent directors on its Board, plus Kim S. Fennebresque, who serves as Chairman, Chief Executive Officer and President.

The new directors are Steven Kotler, Vice Chairman of the private equity firm of Gilbert Global Equity Partners, Jeffrey Kurzweil, Partner of the law firm of Venable LLP, Philip B. Pool, Jr., Managing Director of middle market leveraged buyout firm Willis Stein & Partners, L. Thomas Richards, MD, an emergency medicine physician at California's Alameda County Medical Center, Highland Hospital, and John E. Toffolon, Jr., a private investor and financial services consultant.

Messrs. Kotler and Pool will serve as Class III directors whose term will expire at the annual meeting of stockholders in 2007. Messrs. Kurzweil and Toffolon will serve as Class II directors whose term will expire at the annual meeting of stockholders in 2008. Mr. Richards joins current directors Kim Fennebresque and Charles W.B. Wardell as a Class I director, whose term will expire at the annual meeting of stockholders in 2009.

Steven Kotler will serve as chairman of the Board's Corporate Governance Committee and as a member of the Audit Committee. Prior to joining Gilbert Global in 2000, Mr. Kotler was the Chief Executive Officer and President of Schroder & Co. Mr. Kotler was with Schroder & Co. and its predecessor firm, Wertheim & Co., for 27 years.

Jeffrey Kurzweil will serve as chairman of the Board's Nominating Committee and as a member of the Governance Committee. Mr. Kurzweil focuses his practice at Venable on public policy and government relations at the federal, state and local levels. He has over 30 years of legal, public policy, and government relations experience, and he has been recognized as one of the top lawyer-lobbyists in Washington, D.C.

Philip Pool, Jr. will serve on the Board's Audit and Compensation and Benefits Committees. Prior to joining Willis Stein & Partners in 2001, Mr. Pool served in the Investment Banking Group of Credit Suisse First Boston Corporation as Managing Director. Previously, Mr. Pool co-founded and headed the Private Fund Group at Donaldson, Lufkin & Jenrette Securities Corporation.

L. Thomas Richards will serve on the Board's Nominating and Governance Committees. Dr. Richards graduated from Harvard Medical School. He has prior investment banking experience with Lazard Freres & Co. and UBS Securities.

John Toffolon will serve as chairman of the Board's Audit Committee and as a member of the Compensation and Benefits Committee. Mr. Toffolon's previous experience includes nearly eight years at Nomura Holding America, Inc. and Nomura Securities International, Inc., where he served as Executive Managing Director and Chief Financial Officer, Chief Administrative Officer, and a member of both Boards of Directors.

Charles Wardell will serve as chairman of the Board's Compensation and Benefits Committee and as a member of the Nominating Committee. Mr. Wardell is currently Managing Director of Korn/Ferry International's New York office and Head of the Northeast Region.

Part of each non-executive director's compensation for their service through the next annual shareholders' meeting will include \$25,000 in Restricted Stock Units valued as of the close of business on September 13, 2006. The Restricted Stock Units are vested and not subject to forfeiture, but, except in the event of death, the underlying shares of Cowen Group, Inc. will not be delivered to the holder for at least one year from the date of grant.

A copy of the Company's press release relating to these Board changes is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Form of Director Award Agreement
99.2	Press Release, dated September 14, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 14, 2006

COWEN GROUP, INC.

By: /s/ Christopher A. White
Christopher A. White
Title: Vice President

COWEN GROUP, INC.

DIRECTOR AWARD AGREEMENT

THIS AGREEMENT (this "Agreement") is made by and between **COWEN GROUP, INC.**, a Delaware corporation (the "Company"), and _____, a member of the Board of Directors, (the "Director"), as of September 13, 2006.

RECITALS

WHEREAS, the Company has adopted the Cowen Group, Inc. 2006 Equity and Incentive Plan (the "Plan") pursuant to which the Director has been granted an award (the "Award"); and

WHEREAS, the Award shall consist solely of a grant of restricted stock units in accordance with the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Director has accepted the grant of the Award and hereby agrees to the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the foregoing recitals and of the promises and conditions herein contained, it is agreed as follows:

ARTICLE I

GRANT OF RESTRICTED STOCK UNITS

Section 1.1 - Grant of Restricted Stock Units.

The Company has granted, effective September 13, 2006 (the "Grant Date"), units evidencing a right to receive _____ shares of stock of Cowen Group, Inc. ("Stock") pursuant to the terms and subject to the conditions and restrictions of this Agreement (the "Restricted Stock Units").

Section 1.2 - Restrictions and Restricted Period.

(a) Restrictions. The Restricted Stock Units granted hereunder are not forfeitable, but may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of until the Payment Date (as defined below) (the "Restrictions").

(b) Restricted Period. Subject to Section 1.4 hereof, the shares of Stock shall become issuable to the Director (provided, that such issuance is in accordance with Section 2.1 and otherwise in compliance with Federal and state securities laws) on _____ (the "Payment Date").

(c) **Stock Certificates.** On the Payment Date or as soon thereafter as reasonably practicable, the Company will issue a stock certificate for the shares of Stock represented by this Agreement.

Section 1.3 - Rights of a Stockholder.

The Director shall have no rights of a stockholder of the Company with respect to the Restricted Stock Units, including, but not limited to, the rights to vote, until the date of issuance of a stock certificate for such shares; provided, however, the Director shall be entitled to receive dividend equivalents which shall accrue and be paid to the Director at the end of the Company's Fiscal Quarter in which such dividend is paid to the stockholders of the Company. In the event that the Committee approves an adjustment to the Restricted Stock Unit award pursuant to Section 5(b) of the Plan, then in such event, any and all new, substituted or additional securities to which the Director is entitled by reason of the Restricted Stock Unit award shall be immediately subject to the Restrictions with the same force and effect as the Restricted Stock Unit award subject to such Restrictions immediately before such event.

Section 1.4 - Acceleration Upon Death.

If the Director's service with the Company is terminated as a result of death, the Payment Date shall be accelerated and a stock certificate for the shares of Stock represented by this Agreement shall be immediately deliverable in accordance with Section 1.2 (c) hereof.

**ARTICLE II
MISCELLANEOUS**

Section 2.1 - Securities Act Requirements.

The Company shall not be obligated to sell or issue any shares of Stock subject to any such Restricted Stock Unit, if such sale or issuance would, in the opinion of counsel for the Company, violate the Securities Act of 1933 (the "1933 Act") or other Federal or state statutes having similar requirements, as they may be in effect at that time; and (ii) each Restricted Stock Unit shall be subject to the further requirement that, at any time that the Board or the Committee, as the case may be, shall determine, in their respective discretion, that the listing, registration or qualification of the shares of Stock subject to such Restricted Stock Unit under any securities exchange requirements or under any applicable law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the issuance of shares of Stock, such Restricted Stock Unit may not be redeemed in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board of Directors or the Committee, as the case may be.

Section 2.2 - Third-Party Beneficiary.

This Agreement is expressly entered into for the benefit of the parties hereto. Nothing expressed or referred to in this Agreement shall be construed to give any Person other than the parties hereto any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

Section 2.3 - Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York other than its laws regarding conflicts of law (to the extent that the application of the laws of another jurisdiction would be required thereby). The Committee shall have final authority to interpret and construe this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Director and the Director's legal representative in respect of any questions arising under this Agreement.

Section 2.4 - Notices.

Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Company at 1221 Avenue of the Americas, New York, NY 10020, Attention: General Counsel, and to the Director at the address set forth below or at such other address as either party may hereafter designate in writing to the other by like notice.

Section 2.5 - Effect of Agreement.

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company.

Section 2.6 - Amendment.

This Agreement may not be amended or modified in any manner (including by waiver) except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of such party of a provision of this Agreement.

Section 2.7 - Section 409A.

This Agreement is intended to comply with the requirements of Section 409A of the Code and shall be interpreted accordingly. In the event that any provision of this Agreement would cause this Agreement to become subject to Section 409A or cause this Agreement to fail to comply with Section 409A, such provision may be deemed null and void and the Company and the Director agree to amend or restructure this Agreement, to the extent necessary and appropriate to avoid adverse tax consequences under Section 409A.

Section 2.8 - Entire Agreement.

The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings, agreements, correspondence and term sheets of or between the Company and the Director with respect to the subject matter hereof. If there is a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall govern.

Section 2.9 - Arbitration.

(a) Any and all disputes arising out of or relating to this Agreement will be submitted to and resolved exclusively by a panel of three (3) arbitrators from either the New York Stock Exchange or the National Association of Securities Dealers, Inc. The place of the arbitration shall be held in the City of New York. In agreeing to arbitrate these disputes, Director recognizes that Director is waiving Director's right to a trial in court and by a jury. The arbitration award shall be final and binding upon both parties, and judgment upon the award may be entered in a court of competent jurisdiction.

(b) The arbitrators shall not have authority to amend, alter, modify, add to or subtract from the provisions hereof. The award of the arbitrators, in addition to granting the relief prescribed above and such other relief as the arbitrators may deem proper, may contain provisions commanding or restraining acts or conduct of the parties or their representatives and may further provide for the arbitrators to retain jurisdiction over this Agreement and the enforcement thereof. If either party shall deliberately default in appearing before the arbitrators, the arbitrators are empowered, nonetheless, to take the proof of the party appearing and render an award thereon.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and Director has hereunto set Director's hand as of the date indicated above.

COWEN GROUP, INC.

BY: _____
CHRISTOPHER A. WHITE
VICE PRESIDENT

[Name of Director]



Press Release

For Immediate Release

COWEN GROUP, INC. ADDS NEW MEMBERS TO ITS BOARD OF DIRECTORS

NEW YORK, September 14, 2006 — Cowen Group, Inc. (NASDAQ: COWN) announced today that it has appointed five new independent members to its Board of Directors. Joining Kim Fennebresque, Cowen Chairman and Chief Executive Officer and Charles Wardell, Managing Director at Korn Ferry International, the new members are:

Steven Kotler: Prior to his current role as Vice Chairman of the private equity firm of Gilbert Global Equity Partners, Mr. Kotler was the Chief Executive Officer and President of Schroder & Co. Mr. Kotler was with Schroder & Co. and its predecessor firm, Wertheim & Co., for 27 years.

Jeffrey Kurzweil: A partner of the law firm of Venable LLP, Mr. Kurzweil focuses his practice on public policy and government relations at the federal, state and local levels. Mr. Kurzweil has over 30 years of legal, public policy and government relations experience, and he has been recognized as one of the top lawyer-lobbyists in Washington, D.C.

Philip Pool, Jr.: Mr. Pool is currently a Managing Director with Willis Stein & Partners, a middle market leverage buyout firm based in Chicago. He previously served in the Investment Banking Group of Credit Suisse First Boston Corporation as a Managing Director. Prior to that, Mr. Pool co-founded and headed the Private Fund Group at Donaldson, Lufkin & Jenrette Securities Corporation.

L. Thomas Richards, M.D.: Dr. Richards is an emergency medicine physician who graduated from Harvard Medical School. He has prior investment banking experience with Lazard Freres & Co. and UBS Securities.

John Toffolon, Jr.: Mr. Toffolon's most recent experience includes nearly eight years at Nomura Holding America, Inc. and Nomura Securities International, Inc., where he served as Executive Managing Director and Chief Financial Officer, Chief Administrative Officer, and a member of both Boards of Directors.

With these additions and the resignation of Chris White, the Cowen Group Inc. Board of Directors consists of seven members, six of whom are independent directors.

"The people who have agreed to serve on the Cowen Board of Directors are, in all cases, accomplished and talented," said Kim Fennebresque, Chairman and Chief Executive Officer of Cowen Group, Inc. "Both as individuals and as a group, I believe they will provide me and the rest of the senior management sound counsel while ensuring that our shareholders' rights and interests are protected at all times. I look forward to working with and for them in the years ahead."

About Cowen Group, Inc.

Cowen Group, Inc., through Cowen and Company, LLC and Cowen International Limited, provides investment banking services, including underwriting and other capital raising solutions, equity research, sales, trading and mergers and acquisitions advice, to emerging growth companies in sectors including healthcare, technology, media and telecommunications and consumer.

For further information, contact:

Jean Calleja, Director of Communications: 646 562 1888
