

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

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

For the fiscal year ended: December 31, 2012

Commission file number: 001-34516

**Cowen Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

27-0423711

(I.R.S. Employer  
Identification No.)

599 Lexington Avenue  
New York, New York 10022  
(212) 845-7900

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Exchange on Which Registered</u>
Class A Common Stock, par value \$0.01 per share	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No  Q

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No  Q

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No  o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No  o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Annual Report on Form 10-K or any amendment to the Annual Report on Form 10-K.  Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer  Q

Non-accelerated filer   
(Do not check if a smaller  
reporting company)

Smaller reporting company  o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No  Q

The aggregate market value of Class A common stock held by non-affiliates of the registrant on June 30, 2012, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sale price of the Class A common stock on the NASDAQ Global Market on that date was \$234,568,972.

As of March 27, 2013 there were 115,974,722 shares of the registrant's common stock outstanding.

Documents incorporated by reference:

Part III of this Annual Report on Form 10-K/A incorporates by reference information (to the extent specific sections are referred to herein) from the Registrant's Proxy Statement for its 2013 Annual Meeting of Stockholders.

## Explanatory Note

This Amendment No. 1 to Annual Report on Form 10-K/A amends the Annual Report on Form 10-K for the year ended December 31, 2012 of Cowen Group, Inc. (the "Company" or "Cowen"), which was filed with the Securities and Exchange Commission on March 7, 2013. This Form 10-K/A is being filed for the purpose of providing separate audited financial statements of Starboard Value A LP ("Starboard") as of and for the year ended December 31, 2012 in accordance with Rule 3-09 of Regulation S-X. The audited financial statements and Independent Auditor's Report, are filed as Exhibit 99.1 and are included as financial statement schedules in Item 15, "Exhibits and Financial Statement Schedules, of this Form 10-K/A. The Company accounts for its interest in Starboard under the equity method of accounting. The financial statements of Starboard as of and for the year ended December 31, 2012, were not available at the time that the Company filed its Annual Report on Form 10-K on March 7, 2013.

The consent of PricewaterhouseCoopers LLP, independent auditors for the Company, is also filed as an exhibit to this Amendment No. 1 to Annual Report on Form 10-K/A. In addition, this Form 10-K/A includes an updated exhibit index in respect thereof and certifications under Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

Except as described above, this Amendment No. 1 on Form 10-K/A is not intended to update or modify any other information presented in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as originally filed. This Amendment No. 1 does not update or modify in any way the financial position, results of operations, cash flows, equity or related disclosures in the Company's Annual Report on Form 10-K, and does not reflect events occurring after the Form 10-K's original filing date of March 7, 2013. Accordingly, this Form 10-K/A should be read in conjunction with other Company filings made with the SEC subsequent to the filing of the Annual Report on Form 10-K for the year ended December 31, 2012.

**Item 15. Exhibits and Financial Statement Schedules**

- (a) Cowen's consolidated financial statements are set forth in Part II Item 8 of Cowen's Annual Report on Form 10-K filed on March 7, 2013 (the "Original Form 10-K")

The following financial statements are included in this Amendment No. 1 to Annual Report on Form 10-K/A pursuant to Rule 3-09 of Regulation S-X.

Starboard Value A LP Audited Financial Statements as of and for the year ended December 31, 2012.

All other financial statement schedules have been omitted because such schedules are not required under the related instructions, such schedules are not significant, or the required information has been disclosed elsewhere in the consolidated financial statements and related notes thereto.

Exhibits required by Item 601 of Regulation S-K:

The exhibits filed in response to this item are listed in the Exhibit Index.



**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
23.1	Consent of Independent Registered Public Accounting Firm (filed herewith).
31.1	Certification of CEO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of CFO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
32	Certification of CEO and CFO Pursuant to Section 906 of Sarbanes-Oxley Act of 2002 (furnished herewith).
99.1	Starboard Value A LP Audited Financial Statements as of and for the year ended December 31, 2012 (filed herewith).

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (No. 333-177492 and No. 333-170591) and S-8 (No. 333-180046, No. 333-174283, No. 333-167360, No. 333-162785 and No. 333-187355) of Cowen Group, Inc. of our report dated March 28, 2013 relating to the financial statements of Starboard Value A LP which appears in this Form 10-K/A - Amendment No. 1 to Annual Report on Form 10-K of Cowen Group, Inc.

/s/ PRICEWATERHOUSECOOPERS LLP  
New York, New York  
March 28, 2013

**Certification**

I, Peter A. Cohen, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Cowen Group, Inc:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2013

/s/ PETER A. COHEN

Name: Peter A. Cohen

Title: *Chief Executive Officer and President*  
*(principal executive officer)*

**Certification**

I, Stephen A. Lasota, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Cowen Group, Inc:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2013

/s/ STEPHEN A. LASOTA

Name: Stephen A. Lasota

Title: *Chief Financial Officer (principal financial officer and principal accounting officer)*

**CERTIFICATION PURSUANT TO****18 U.S.C. SECTION 1350****AS ADOPTED PURSUANT TO****SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Cowen Group, Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 28, 2013

/s/ PETER A. COHEN

Name: Peter A. Cohen

Title: Chief Executive Officer and President  
(principal executive officer)

/s/ STEPHEN A. LASOTA

Name: Stephen A. Lasota

Title: Chief Financial Officer (principal financial  
officer and principal accounting officer)

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C Section 1350 and is not being filed as part of the Report or as a separate disclosure document

# Starboard Value A LP

(a Delaware limited partnership)

**Financial Statements**

**December 31, 2012**

**Starboard Value A LP**  
(a Delaware limited partnership)  
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**December 31, 2012**

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## Independent Auditor's Report

To the Partners of Starboard Value A LP  
(a Delaware limited partnership):

We have audited the accompanying financial statements of Starboard Value A LP (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital as of December 31, 2012, and the related statement of income, statement of changes in partners' capital and statement of cash flows for the year then ended.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Starboard Value A LP at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ PRICEWATERHOUSECOOPERS LLP  
New York, New York  
March 28, 2013

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Statement of Assets, Liabilities and Partners' Capital**  
**December 31, 2012**

<b>Assets</b>	
Cash and cash equivalents	\$ 250
Investments in Portfolio Funds, at fair value	1,380,365
Performance fees receivable	<u>20,447,882</u>
<b>Total Assets</b>	<u>21,828,497</u>
<b>Liabilities and Partners' Capital</b>	
Due to affiliate	<u>250</u>
<b>Total liabilities</b>	250
Commitments and contingencies (Note 6)	
Partners' capital	<u>21,828,247</u>
<b>Total liabilities and partners' capital</b>	<u>\$ 21,828,497</u>

The accompanying notes are an integral part of these financial statements.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Statement of Income**  
**Year Ended December 31, 2012**

<b>Revenues</b>	
Performance fees	\$ 20,447,882
<b>Total revenues</b>	<u>20,447,882</u>
<b>Other income (loss)</b>	
Net gains (losses) on Portfolio Funds	<u>254,549</u>
<b>Net income</b>	<u>\$ 20,702,431</u>

The accompanying notes are an integral part of these financial statements.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Statement of Changes in Partners' Capital**  
**Year Ended December 31, 2012**

	<u>Limited Partners</u>	<u>General Partner</u>	<u>Total</u>
<b>Balance at December 31, 2011</b>	\$ 4,903,797	\$ 47,934	\$ 4,951,731
Contributions	105,554	1,066	106,620
Net Income	20,509,722	192,709	20,702,431
Distributions	(3,894,783)	(37,752)	(3,932,535)
<b>Balance at December 31, 2012</b>	<u>\$ 21,624,290</u>	<u>\$ 203,957</u>	<u>\$ 21,828,247</u>

The accompanying notes are an integral part of these financial statements.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Statement of Cash Flows**  
Year ended December 31, 2012

<b>Cash flows from operating activities</b>	
Net income	\$ 20,702,431
Adjustments to reconcile net income to net cash provided by operating activities	
Net (gains) losses on Portfolio Funds	(254,549)
(Increase)/decrease in operating assets and liabilities:	
Performance fee receivable	(16,515,347)
<b>Net cash provided by operating activities</b>	<u>3,932,535</u>
<b>Cash flows from investing activities</b>	
Purchase of investments in Portfolio Funds	(106,620)
<b>Net cash used in investing activities</b>	<u>(106,620)</u>
<b>Cash flows from financing activities</b>	
Capital contributions	106,620
Capital distributions	(3,932,535)
<b>Net cash used in financing activities</b>	<u>(3,825,915)</u>
Net change in cash and cash equivalents	—
<b>Cash and cash equivalents at beginning of year</b>	<u>250</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 250</u>

The accompanying notes are an integral part of these financial statements.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Notes to Financial Statements**  
**December 31, 2012**

**1. Organization and Nature of Business**

Starboard Value A LP (the "Partnership"), a Delaware limited partnership, was formed on February 9, 2011 for the purpose of providing a full range of investment advisory and management services and acting as a general partner, investment advisor, pension advisor or in similar capacity to clients. As of December 31, 2012, funds which the Partnership acted as general partner to included Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity Fund LP, Starboard Value and Opportunity Fund Ltd, Starboard Value and Opportunity Fund II Ltd, Starboard Intermediate Fund, L.P., Starboard Intermediate Fund II, L.P. and other funds (collectively the "Funds").

The general partner of the Partnership is Starboard Value A GP LLC, a Delaware limited liability company (the "General Partner"). The limited partners of the Partnership (the "Limited Partners") are Starboard Principal Co A LP, a Delaware limited partnership (the "Principal Co"), and Ramius V&O Holdings LLC, a Delaware limited liability company ("Ramius"), which is a wholly-owned subsidiary of Cowen Group, Inc. ("CGI") (NASDAQ: COWN). Principal Co and Ramius are also the members of the General Partner. Principal Co owns a majority equity interest in the Partnership and Ramius owns a minority equity interest in the Partnership.

Pursuant to the organization and offering documents, the Partnership is entitled to receive the performance fee earned from the Funds (See Note 2 Performance fees) while other affiliated entities within the structure are entitled to other fees and bear the related expenses.

**2. Summary of Significant Accounting Policies**

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and are presented in US dollars. The following is a summary of the significant accounting policies followed by the Partnership:

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less. As of December 31, 2012 there were no cash equivalents and all cash was held with one financial institution.

**Investments in Portfolio Funds**

Portfolio funds ("Portfolio Funds") include interests in funds and investment companies managed by the Partnership. The Partnership follows US GAAP regarding fair value measurements and disclosures relating to investments in certain entities that calculate net asset value ("NAV") per share (or its equivalent). The guidance permits, as a practical expedient, an entity holding investments in certain entities that either are investment companies as defined by the AICPA Audit and Accounting Guide, Investment Companies, or have attributes similar to an investment company, and calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share, or its equivalent, without adjustment.

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

**Fair Value Measurement**

The Partnership follows current accounting guidelines which establish a fair value hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1      Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Notes to Financial Statements**  
**December 31, 2012**

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

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

### **Revenue Recognition**

#### *Performance fees*

According to the offering documents of the respective Funds, the Funds shall pay the Partnership a performance fee as compensation for services performed by the Partnership. Performance fees earned are recognized based on Fund performance during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in the Fund's confidential offering memorandums or other governing documents. Accrued but unpaid performance fees charged directly to investors in the Funds are recorded within performance fees receivable in the statement of assets, liabilities and partners' capital. Performance fees are recognized on an accrual basis when earned. Certain of the performance fees are subject to clawback based on the future performance of the Funds. The Partnership may, at its discretion, waive or reduce the performance fee allocation with respect to certain limited partners of the Funds. All of the performance fees earned during the year ended December 31, 2012 were still receivable at year end.

#### *Net gains (losses) on Portfolio Funds*

Net gains (losses) on Portfolio Funds represents the unrealized and realized gains and losses on the Partnership's investments. Gains (losses) on Portfolio Funds are realized when the Partnership redeems all or a portion of its investment. Unrealized gains (losses) on Portfolio Funds results from changes in the fair value of the underlying investment.

### **Income Taxes**

The Partnership is not subject to U.S. federal, state or local income taxes. Such taxes are the responsibility of the partners and accordingly no provision for income tax expense or benefit is reflected in the accompanying financial statements. The Partnership's activities do not subject it to tax from other jurisdictions outside the United States and, accordingly, no provision for foreign taxes has been recorded in the accompanying financial statements.

As of December 31, 2012, no examinations were being conducted by the Internal Revenue Service or any other taxing authority. The Partnership had tax year 2011 open for federal and various states under the respective statute of limitation.

### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires the Partnership to make estimates and assumptions that affect the fair value of investments and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and the differences could be material.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Notes to Financial Statements**  
**December 31, 2012**

**3. Investments and Fair Value Measurement**

As of December 31, 2012, investments in Portfolio Funds, at fair value, include the following:

<u>Investments</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>Redemption Frequency and Commitments</u>
Starboard Value and Opportunity Fund LP	Activist	\$ 308,596	(a) (b)
Starboard Intermediate Fund, L.P.	Activist	307,398	(a) (b)
Starboard Intermediate Fund II, L.P.	Activist	614,799	(a) (b)
Other	Activist	149,572	(a) (b)
		<u>\$ 1,380,365</u>	

- (a) The Partnership has no unfunded commitments related to these Portfolio Funds.  
(b) Investments may be redeemed at the discretion of the Partnership.

The following table presents investments that are measured at fair value on a recurring basis on the accompanying Statement of Assets, Liabilities and Partners' Capital by caption and by level within the valuation hierarchy as of December 31, 2012:

	<u>Investments at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in portfolio funds, at fair value	\$ —	\$ 1,380,365	\$ —	\$ 1,380,365
	<u>\$ —</u>	<u>\$ 1,380,365</u>	<u>\$ —</u>	<u>\$ 1,380,365</u>

All realized and unrealized gains (losses) are reflected in net gains (losses) on Portfolio Funds in the accompanying statement of income. Transfers between Level 1 and 2 generally relate to whether the principal market for the security becomes active or inactive. Transfers between level 2 and 3 generally relate to whether significant relevant observable inputs are available for the fair value measurements or due to change in liquidity restrictions for the investments. During the year ended December 31, 2012, there were no transfers between level 1 and level 2 assets.

Because of the inherent uncertainty of the valuation for the Partnership's investments, the fair value assigned may differ from the values that would have been used had a ready market existed for these investments, and the differences may be material.

**4. Due to Affiliate**

The due to affiliate amount of \$250 in the accompanying statement of assets, liabilities and partners' capital represents monies loaned from Principal Co.

**5. Partners' Capital**

Pursuant to the terms of the Limited Partnership Agreement (the "Agreement"), the Partnership initially issued a total number of 1,000 profit units. One percent of these profit units were issued to the General Partner and ninety-nine percent of the profit units were issued to the Class A limited partners, Principal Co and Ramius. No profit units were issued to the Class B limited partners.

The ownership interest of the overall profit units may be adjusted, as provided for in the Agreement, including but not limited to, Principal Co's purchase option, beginning December 31, 2015, to purchase a percentage of Ramius' outstanding profit units.

Net income (losses) are allocated in proportion to the Class A limited partners ownership interest in the Partnership. However, performance fees are available for distribution firstly to Class B limited partners based on allocations as defined

by the Agreement, and thereafter, all remaining amounts are available for distribution to the Class A limited partners in proportion to their respective ownership interest in the Partnership.

**Starboard Value A LP**  
(a Delaware limited partnership)  
**Notes to Financial Statements**  
**December 31, 2012**

In the event that the Partnership is liquidated or if all or substantially all its assets are sold, distributions shall be made pro rata to the partners in accordance with the Agreement.

The General Partner and Limited Partners make periodic contributions for the purpose of funding the Partnership's investments in Portfolio Funds.

**6. Commitments and Contingencies**

In the normal course of business the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, the Partnership expects the risk of loss to be remote.

**7. Risks**

The Partnership is subject to a variety of risks in the conduct of its operations. The Partnership is economically dependent on the performance of the Funds as the source of its performance fee and other income and accordingly, may be materially affected by the actions of and the various risks associated with such Funds, i.e., market risk, currency risk, credit risk, operational risk and liquidity risk.

Legal, Tax and regulatory changes could occur during the term of the Partnership that may adversely affect the Partnership. The regulatory environment for investment funds is evolving, and changes in the regulation of investment funds may adversely affect the Partnership's operations.

**8. Subsequent Events**

The Partnership has determined that no material events or transactions occurred subsequent to December 31, 2012 and through March 28, 2013, the date the accompanying financial statements were available to be issued which require additional adjustments or disclosures in the accompanying financial statements, except as discussed below.

For the period January 1 through March 28, 2013, the Partnership made distributions of \$18,318,519 to its partners.