

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, 2017

Commission file number: 001-34516

Cowen 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:

Title of Each Class	Name of Exchange on Which Registered
Class A Common Stock, par value \$0.01 per share	The Nasdaq Global Market
7.35% Senior Notes due 2027	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

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

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

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

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.

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

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

Smaller reporting
company

Emerging growth
company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The aggregate market value of Class A common stock held by non-affiliates of the registrant on June 30, 2017, 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 \$476,392,881.

As of March 21, 2018 there were 29,457,380 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 2018 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, 2017 of Cowen Inc. (the "Company" or "Cowen"), which was filed with the Securities and Exchange Commission on March 6, 2018. This Form 10-K/A is being filed solely for the purpose of providing separate audited financial statements of Starboard Value A LP ("Starboard") which comprise the statements of assets, liabilities and partners' capital as of December 31, 2017 and December 31, 2016, and the related statements of income, statements of changes in partners' capital and statements of cash flows for each of the three years in the period ended December 31, 2017 in accordance with Rule 3-09 of Regulation S-X. The audited financial statements and the Reports of Independent Auditors of Starboard Value A LP, are filed as Exhibit 99.1 and are included as financial statement schedules in Item 15(c), "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 December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017 were not available at the time that the Company filed its Annual Report on Form 10-K on March 6, 2018.

The consent of PricewaterhouseCoopers LLP and the consent of Ernst & Young LLP, both independent auditors, are also filed as exhibits 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 does not update or modify any other information presented in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, 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 6, 2018. Accordingly, this Form 10-K/A should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and the 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, 2017.

Item 15. Exhibits and Financial Statement Schedules

- (a) Refer to Exhibit 99.1 to this Amendment No 1. to the Annual Report on Form 10-K/A for the separate audited financial statements and related disclosures of Starboard Value A LP pursuant to Rule 3-09 of Regulation S-X.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COWEN INC.

By: /s/ JEFFREY M. SOLOMON
Name: Jeffrey M. Solomon
Date: March 22, 2018 Title: *Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ PETER A. COHEN</u> Peter A. Cohen	Chairman of the Board of Directors	March 22, 2018
<u>/s/ JEFFREY M. SOLOMON</u> Jeffrey M. Solomon	Chief Executive Officer (Principal Executive Officer)	March 22, 2018
<u>/s/ STEPHEN A. LASOTA</u> Stephen A. Lasota	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 22, 2018
<u>/s/ KATHERINE E. DIETZE</u> Katherine E. Dietze	Director	March 22, 2018
<u>/s/ STEVEN KOTLER</u> Steven Kotler	Director	March 22, 2018
<u>/s/ JEROME S. MARKOWITZ</u> Jerome S. Markowitz	Director	March 22, 2018
<u>/s/ JACK H. NUSBAUM</u> Jack H. Nusbaum	Director	March 22, 2018
<u>/s/ DOUGLAS A. REDIKER</u> Douglas A. Rediker	Director	March 22, 2018
<u>/s/ JOSEPH R. WRIGHT</u> Joseph R. Wright	Director	March 22, 2018

Exhibit Index

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm (filed herewith).
23.2	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 (filed herewith).

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-197513, No. 333-177492, No. 333-170591 and No. 333-221496) and S-8 (No. 333-209939, No. 333-202529, No. 333-194520, No. 333-187355, No. 333-180046, No. 333-174283, No. 333-167360, No. 333-162785, No. 333-216440 and No. 333-223490) of Cowen Inc. of our report dated March 22, 2018 relating to the financial statements of Starboard Value A LP which appears in this Form 10-K/A -Amendment No. 1.

/s/ Ernst & Young LLP
New York, New York
March 22, 2018

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-221496, No. 333-197513, No. 333-177492 and No. 333-170591) and Form S-8 (No. 333-223490, No. 333-216440, No. 333-209939, No. 333-202529, No. 333-194520, No. 333-187355, No. 333-180046, No. 333-174283, No. 333-167360 and No. 333-162785) of Cowen Inc. of our report dated March 23, 2016 relating to the financial statements of Starboard Value A LP which appears in this Form 10-K/A Amendment No. 1 of Cowen Inc.

/s/ PRICEWATERHOUSE COOPERS LLP
New York, New York
March 22, 2018

Certification

I, Jeffrey M. Solomon, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Cowen 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 22, 2018

/s/ JEFFREY M. SOLOMON

Name: Jeffrey M. Solomon

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

Certification

I, Stephen A. Lasota, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Cowen 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 22, 2018

/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 Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2017, 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 22, 2018

/s/ JEFFREY M. SOLOMON

Name: Jeffrey M. Solomon
Title: Chief Executive Officer
(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, 2017

Starboard Value A LP
(a Delaware limited partnership)
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Report of Independent Auditors

To the General Partner of
Starboard Value A LP:

We have audited the accompanying financial statements of Starboard Value A LP, which comprise the statement of assets, liabilities and partners' capital as of December 31, 2017 and December 31, 2016, and the related statements of income, changes in partners' capital and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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, 2017 and December 31, 2016, and the results of its operations, the changes in partners' capital and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP
New York, New York
March 22, 2018

Report of Independent Auditors

To the Management of Starboard Value A LP:

We have audited the accompanying financial statements of Starboard Value A LP, which comprise the statements of income, changes in partners' capital and cash flows for the year ended December 31, 2015.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits 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 Company'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 Company'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 of Starboard Value A LP referred to above present fairly, in all material respects, the results of its operations, changes in its partners' capital and its cash flows for the year ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

/S/ PRICEWATERHOUSE COOPERS LLP
New York, New York
March 23, 2016

Starboard Value A LP
(a Delaware limited partnership)
Statement of Assets, Liabilities and Partners' Capital
(dollars in thousands)
December 31, 2017 and 2016

	December 31,	
	2017	2016
Assets		
Cash and cash equivalents	\$ 77	\$ 1,176
Investments in Portfolio Funds, at fair value (cost 2017 - \$1,708; 2016 - \$1,441)	3,123	2,490
Receivable of Realized Incentive Allocation from Portfolio Funds	58,045	5,899
Receivable of Unrealized Incentive Allocation from Portfolio Funds	10,245	4,275
Total assets	<u>\$ 71,490</u>	<u>\$ 13,840</u>
Liabilities and Partners' Capital		
Liabilities		
Capital distributions payable	\$ 54,549	\$ 5,604
Total liabilities	<u>\$ 54,549</u>	<u>\$ 5,604</u>
Commitments and contingencies (Note 6)		
Partners' capital	16,941	8,236
Total liabilities and Partners' capital	<u>\$ 71,490</u>	<u>\$ 13,840</u>

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

Starboard Value A LP
(a Delaware limited partnership)

Statement of Income

(dollars in thousands)

For the Years Ended December 31, 2017, 2016 and 2015

	Year ended December 31,		
	2017	2016	2015
Profit (loss)			
Incentive Allocation Income (losses)	\$ 66,653	\$ 24,036	\$ (19,246)
Total revenues	<u>66,653</u>	<u>24,036</u>	<u>(19,246)</u>
Other income (loss)			
Net gains (losses) from Investments in Portfolio Funds	366	302	(221)
Net income (loss)	<u>\$ 67,019</u>	<u>\$ 24,338</u>	<u>\$ (19,467)</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
(dollars in thousands)
For The Years Ended December 31, 2017, 2016 and 2015

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Balance at January 1, 2015	\$ 908	\$ 96,436	\$ 97,344
Capital Contributions	1	108	109
Capital Distributions	(535)	(56,974)	(57,509)
Net Income (loss)	(181)	(19,286)	(19,467)
Balance at December 31, 2015	193	20,284	20,477
Capital Contributions	1	62	63
Capital Distributions	(341)	(36,301)	(36,642)
Net Income (loss)	227	24,111	24,338
Balance at December 31, 2016	80	8,156	8,236
Capital Contributions	3	249	252
Capital Distributions	(513)	(58,053)	(58,566)
Net Income (loss)	609	66,410	67,019
Balance at December 31, 2017	\$ 179	\$ 16,762	\$ 16,941

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

Starboard Value A LP
(a Delaware limited partnership)
Statement of Cash Flows
(dollars in thousands)
For The Years Ended December 31, 2017, 2016 and 2015

	For the year ended December 31,		
	2017	2016	2015
Cash flows from operating activities			
Net income (loss)	\$ 67,019	\$ 24,338	\$ (19,467)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Net (gains) losses from Investments in Portfolio Funds	(366)	(302)	221
(Increase)/decrease in operating assets and liabilities:			
Receivable of Realized Incentive Allocation from Portfolio Funds	(52,146)	(4,547)	51,674
Receivable of Unrealized Incentive Allocation from Portfolio Funds	(5,970)	11,212	25,098
Net cash provided by operating activities	<u>8,537</u>	<u>30,701</u>	<u>57,526</u>
Cash flows from investing activities			
Purchase of Portfolio Fund Investments	(402)	(63)	(109)
Proceeds from Sale of Portfolio Fund Investments	135	1,300	—
Net cash provided by (used in) investing activities	<u>(267)</u>	<u>1,237</u>	<u>(109)</u>
Cash flows from financing activities			
Capital contributions	252	63	109
Capital distributions, net of change in capital distributions payable	(9,621)	(31,038)	(57,509)
Net cash used in financing activities	<u>(9,369)</u>	<u>(30,975)</u>	<u>(57,400)</u>
Net change in cash and cash equivalents	(1,099)	963	17
Cash			
Beginning of year	<u>1,176</u>	<u>213</u>	<u>196</u>
End of year	<u>\$ 77</u>	<u>\$ 1,176</u>	<u>\$ 213</u>
Supplemental schedule non-cash information			
Redemption receivable for sale of Portfolio Fund Investments	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 430</u>

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

Starboard Value A LP
(a Delaware limited partnership)
Notes to Financial Statements
(dollars in thousands)

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, or in similar capacity to clients. As of December 31, 2017 and 2016, funds which the Partnership acted as general partner and investment advisor, or in a similar capacity to clients consisted of Starboard Value and Opportunity Fund LP, Starboard Intermediate Fund, L.P., Starboard Leaders Fund LP, Starboard Leaders Select Fund LP, and other managed accounts (collectively the "Funds" or "Portfolio 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 Inc. ("CGI") (NASDAQ: COWN). Principal Co and Ramius are also the members of the General Partner.

Pursuant to the organization documents, the Partnership is entitled to receive an incentive allocation earned from the Funds (as described in Note 2).

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 stated in U.S dollars. The following is a summary of the significant accounting policies followed by the Partnership:

Cash

Cash includes cash balances held at HSBC Bank USA, N.A. Cash may exceed the amount of Federal insurance provided for such amounts. The Partnership has not experienced any losses on its cash and the General Partner believes the risk of such loss to be remote.

Consolidation

In the ordinary course of business, the Partnership sponsors various entities that it has determined to be variable interest entities ("VIEs"). These VIEs are primarily funds for which the Partnership serves as the general partner and/or investment manager with decision-making rights. The Partnership would consolidate all entities that it controls through a majority voting interest or otherwise, including those funds that are limited partnerships in which the general partner has a controlling financial interest in accordance with guidance of Accounting Standard Codification ("ASC") Subtopic 810-20, *Control of Partnerships and Similar Entities* and Accounting Standard Update ("ASU") 2015-02, *Amendments to Consolidation Analysis*, which the Partnership elected to early adopt for the year ended December 31, 2016.

An entity is determined to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity's business, and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to (a) determine whether an entity in which the Partnership holds a variable interest is a VIE and (b) whether the Partnership's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., certain management and performance related fees), would give it a controlling financial interest. The Partnership does not consolidate any of these funds that are VIEs as it has concluded that it is not the primary beneficiary in each instance. Fund investors are entitled to all of the economics of these VIEs with the exception of the management fee and incentive allocation income, if any, earned by the Partnership or its affiliates. The Partnership's involvement with the Funds is limited to providing investment management services in exchange for incentive allocation income.

Starboard Value A LP
(a Delaware limited partnership)
Notes to Financial Statements
(dollars in thousands)

Investments in Portfolio Funds

Portfolio funds include interests in funds and investment companies managed by the Partnership. The Partnership elected the fair value option and 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 ASC 946, *Financial Services Investment Companies*, or have attributes similar to an investment company, and calculate NAV 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. Generally, Starboard Value A LP generally holds investments in Portfolio Funds until the earlier of (a) realization of the investment, or (b) the dissolution/termination of the respective fund.

Revenue Recognition

The Partnership's principal source of revenue is derived from alternative investments, which generates revenue through two principal sources: incentive allocation income and investment income from the Partnership's own capital investments in the Funds.

Incentive Allocation

According to the offering documents of the respective Funds, the Funds shall pay the Partnership an incentive allocation as compensation for services performed by the Partnership. Incentive allocations earned are recognized on an accrual basis based on Fund performance during the period, subject to the achievement of minimum return levels, or high water marks, as set out in the respective Funds' confidential offering memorandums or other governing documents. Realized incentive allocations are recognized when the incentive allocations are deemed distributable to the Partnership. Unrealized incentive allocations are calculated based on an assumed liquidation of the Funds' ending capital on the reporting date.

Distribution of the net proceeds are made in accordance with the Funds' income allocation provisions. Accrued and unpaid incentive allocation that is charged directly to investors in the Funds is recorded within realized incentive allocation receivable and unrealized incentive allocation receivable respectively, in the Statements of Assets, Liabilities and Partners' Capital. Note that accrued but unrealized incentive allocations are not deemed distributable because they are not yet realized, as of the reporting date, and as such may be subject to reversal to the extent that the accrued amount exceeds future performance of the respective Funds. The Partnership may, at its discretion, waive or reduce the incentive allocation with respect to certain limited partners of the Funds.

Net gains (losses) on Investments in Portfolio Funds

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

Income Taxes

The Partnership is not subject to U.S. Federal income tax and is generally not subject to 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.

The Partnership follows the authoritative guidance on accounting for and disclosure of uncertainty in tax positions which requires the General Partner to determine whether a tax position of the Partnership is

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more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority. At December 31, 2017, there were no uncertain tax positions, interest, or related penalties assessed.

Use of Estimates

The preparation of these 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.

3. Investments and Fair Value Measurement

As of December 31, 2017 and 2016, investments in Portfolio Funds, at fair value, include the following:

Investments	Strategy	Fair Value as of December 31,		Redemption Frequency and Commitments
		2017	2016	
(dollars in thousands)				
Starboard Value and Opportunity Fund LP	Activist	\$ 557	\$ 485	(a) (b)
Starboard Intermediate Fund, L.P.	Activist	1,656	1,447	(a) (b)
Starboard Leaders Fund LP	Activist	424	344	(c) (d)
Starboard Partners Fund LP	Non-Activist	—	35	(a) (d)
Other Managed Accounts	Activist	486	179	(c) (d)
		<u>\$ 3,123</u>	<u>\$ 2,490</u>	

(a) The Partnership has no unfunded commitments related to these Portfolio Funds.

(b) Investments may only be redeemed on a quarterly basis with 90 days prior written notice.

(c) As of December 31, 2017 and 2016, the Partnership had total commitments to Starboard Leaders Fund and Other Managed Accounts of \$255 and \$600, respectively, of which the Partnership has \$0 and \$400, respectively. These commitments can be called at any time, subject to advance notice.

(d) Investments are generally distributed upon realization of all investments or the specific investment opportunity, as applicable, in the Portfolio Fund.

In accordance with US GAAP, the Partnership's investments in Portfolio Funds are measured at fair value using the NAV per share (or its equivalent) as a practical expedient and therefore have not been classified in the fair value hierarchy as described in Note 2.

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. Related Party

The investment manager of the Portfolio Funds, Starboard Value LP, a related entity with the same limited partners as the Partnership, assumes all administrative expenses and costs of operations for the Partnership, as such the Partnership does not bear any direct expenses.

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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. Class B and Class D partners are also entitled to distributions based on the Agreement, however they do not hold profit units.

According to the Agreement, the ownership interest of the Partnership may be adjusted from time to time based on the contractual terms and the respective fair values.

Net income (losses) are allocated in proportion to the Class A limited partners ownership interests in the Partnership. However, incentive allocations are available for distribution first to Class B limited partners based on the terms as defined in the Agreement, then to Class D limited partners based on the allocation as defined in 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, subject to certain priority distributions to Ramius as set forth in the Agreement.

In the event that the Partnership is liquidated or if all or substantially all its assets are sold, distributions shall be made pro-rata based on ownership interests.

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 and its related parties as the source of its incentive allocation revenues and, accordingly, may be materially affected by the actions of and the various risks associated with such Funds and related parties. For instance, 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. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance requires revenue recognition of an amount the entity expects to receive in exchange for the transfer of promised goods or services to

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customers. An entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

In August 2015, the FASB issued ASU 2015-14, *Deferral of the Effective Date*, which deferred the effective date of the guidance of ASU 2014-09 by one year. In July 2017, the Securities Exchange Commission ("SEC") staff announced that it would not object to a public business entity that otherwise would not meet the definition of a public business entity, except for the requirement to include its financial statements in another entity's filings with the SEC, adopting ASC Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606"), for annual periods beginning after December 15, 2018. As the Partnership would qualify as this type of public business entity, the General Partner elected to adopt ASC Topic 606 for annual periods beginning after December 15, 2018. The guidance may have a material impact on the Partnership's financial statements, including significantly delaying the recognition of revenue associated with the incentive income that Partnership's contracts provide for. The Partnership is currently evaluating the accounting, transition and disclosure requirements of the ASC Topic 606 and cannot currently estimate the financial statement impact of adoption.

9. Subsequent Events

For the period January 1, 2018 through March 22, 2018, the Partnership made distributions of approximately \$54.6 million to its partners, all of which were reflected as distributions payable at December 31, 2017. The Partnership has determined that no other material events or transactions occurred subsequent to December 31, 2017 and through March 22, 2018, the date the accompanying financial statements were available to be issued, which require additional adjustments or disclosures in the accompanying financial statements.