

# **Cowen and Company, LLC**

**Statement of Financial Condition**

**June 30, 2023**

**(Unaudited)**

*(SEC I.D. No. 8-22522)*

**Cowen and Company, LLC**

**Contents**

**June 30, 2023**

**(Unaudited)**

---

	<b>Page(s)</b>
<b>Statement of Financial Condition</b>	
Statement of Financial Condition	1
Notes to Statement of Financial Condition	2-22

**Cowen and Company, LLC**  
**Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars)*

**Assets**

Cash	\$	245,656
Cash segregated under federal and other regulations		97,660
Collateralized Agreements:		
Securities borrowed		1,979,857
Securities purchased under agreements to resell		136,784
Financial instruments owned, at fair value (\$34,071 were pledged to various parties)		445,541
Deposits with clearing organizations and brokers		71,183
Receivables:		
Brokers, dealers and clearing organizations		172,017
Customers		50,384
Fees, interest and other, net of allowance of \$12,314		67,484
Goodwill		128,851
Intangible assets, net of accumulated amortization of \$15,303		10,921
Other assets		7,162
<b>Total assets</b>	<b>\$</b>	<b>3,413,500</b>

**Liabilities and Member's Equity**

**Liabilities**

Collateralized Agreements:		
Securities loaned	\$	1,694,934
Securities sold under agreements to repurchase		126,071
Financial instruments sold, not yet purchased, at fair value		127,513
Payables:		
Brokers, dealers and clearing organizations		315,981
Customers		120,075
Fees, interest and other		41,114
Related parties		89,522
Compensation		58,630
Accrued expenses and other liabilities (includes \$18,750 at fair value)		69,837
<b>Total liabilities</b>		<b>2,643,677</b>

**Member's equity**

**Total liabilities and member's equity**

\$	769,823
<b>\$</b>	<b>3,413,500</b>

The accompanying notes are an integral part of this Statement of Financial Condition.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

## **1. Organization and Business**

Cowen and Company, LLC (the "Company"), a Delaware single member limited liability company, is a registered broker-dealer with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 ("SEA") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company is also registered as an introducing futures broker with the Commodities Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). The Company is a member of other self-regulatory organizations ("SROs"), the New York Stock Exchange and other principal exchanges. FINRA serves as the Company's Designated Examining Authority. The Company is subject to the regulations of the SEC, FINRA, CFTC, NFA, as well as other SROs and exchanges. The Company is a wholly-owned subsidiary of Cowen Holdings, Inc. ("Parent") which is an indirectly wholly-owned subsidiary of Cowen Inc. On March 1, 2023, Cowen Inc. and its consolidated subsidiaries, including the Company, became indirectly wholly-owned subsidiaries of The Toronto-Dominion Bank (the "Bank"), a bank chartered under the Bank Act (Canada).

The Company provides a comprehensive suite of execution and clearing services to market participants, including equities, fixed income and commission management services. The Company also offers research, sales and trading, investment banking, securities financing and prime brokerage to corporations and institutional investor clients. Primary target sectors include healthcare, technology, media and telecommunications, information and technology services, consumer, industrials and energy. The Company's institutional clients include banks, investment managers, hedge funds, corporations, plan sponsors, broker-dealers, family offices, and financial intermediaries.

On January 13, 2023, the Company made a cash distribution to Cowen Inc. of \$100,000.

On March 6, 2023, and May 19, 2023, the Company received capital infusions of \$100,000 and \$200,000, respectively, from the Parent.

## **2. Significant Accounting Policies**

### **Basis of Presentation**

The Company's statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") as promulgated by the Financial Accounting Standards Board through the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles in the preparation of the accompanying statement of financial condition.

### **Use of Estimates**

The preparation of the accompanying statement of financial condition in conformity with US GAAP requires management of the Company to make estimates and assumptions that affect the fair value of securities, the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accompanying statement of financial condition, as well as the accounting for goodwill and identifiable intangible assets. Actual results could materially differ from those estimates.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**Cash**

Cash consists of cash held on deposit with BMO Harris Bank NA and Bank of America, N.A.

**Cash Segregated Under Federal and Other Regulations**

Cash segregated under federal and other regulations ("Segregated cash") consists of cash deposited in special reserve bank accounts for the exclusive benefit of customers ("Customer Reserve Bank Accounts") and cash deposited in special reserve bank accounts for brokers and dealers ("PAB Reserve Bank Accounts") under the Customer Protection Rule 15c3-3 of the SEA ("SEA Rule 15c3-3"). Segregated cash is held at CIBC Bank USA.

Please refer to Note 7, "Regulatory Requirements", for additional information.

**Deposits with Clearing Organizations and Brokers**

Under the terms of the agreements between the Company and some of its clearing organizations and brokers, balances owed to these counterparties are collateralized by certain of the Company's cash balances that could be used to offset losses incurred by the clearing organizations and brokers on behalf of the Company's activities, if such losses were to occur. Deposits with clearing organizations and brokers are held in cash, or cash equivalents such as money market funds.

At June 30, 2023, the Company's deposits with clearing organizations and brokers included \$64,399 in cash and \$6,784 in money market funds.

**Allowance for Credit Losses**

The Company measures the allowance for credit losses in accordance with ASC Topic 326, Financial Instruments - Credit Losses ("ASC 326"). ASC 326 prescribes the impairment model for certain financial assets by requiring a current expected credit loss methodology to estimate expected credit losses over the entire life of the financial asset, recorded at inception or purchase. Under ASC 326, the Company has the ability to determine there are no expected credit losses in certain circumstances (e.g., based on collateral arrangements or based on the credit quality of the borrower or issuer). The guidance in ASC 326 does not apply to loans and receivables between entities under common control. The Company applies the practical expedient based on collateral maintenance provisions in estimating the allowance for credit losses for collateralized financing agreements. The allowance for credit losses was not material for the period presented.

**Fair Value Measurements**

US GAAP establishes a fair value hierarchy that prioritizes the inputs to 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 Company has the ability to access at the measurement date;
- 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; and

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

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. The Company 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 Company's perceived risk of that instrument.

The Company primarily uses the market approach to value its financial instruments measured at fair value. In determining an instrument's level within the hierarchy, the Company categorizes the Company's financial instruments into two categories: securities and derivative contracts. To the extent applicable, each of these categories can further be divided between those held long or sold short.

**Securities**

Securities with values based on quoted market prices in active markets for identical assets are classified within level 1 of the fair value hierarchy. These securities include active common stock, units, warrants, rights, preferred stocks, exchange traded funds ("ETFs") and corporate bonds.

Certain positions for which trading activity may not be readily visible, including certain corporate bonds and preferred stock, are stated at fair value and classified within level 2 of the fair value hierarchy. The estimated fair values assigned by management are determined in good faith and are based on available information considering trading activity, broker quotes, quotations provided by published pricing services, counterparties and other market participants, and pricing models using quoted inputs, and do not necessarily represent the amounts which might ultimately be realized. As level 2 investments include positions that are not always traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability. Level 3 securities consist of financial instruments where market data is not readily available or observable.

Securities owned, and securities sold, not yet purchased transactions are recorded on a trade date basis at fair value.

Securities sold, not yet purchased, at fair value, represent obligations of the Company to deliver the specified security and thereby create a liability to purchase the security in the market at prevailing prices. The Company's liability for securities to be delivered is measured at their fair value as of the date of the statement of financial condition.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**Derivative Contracts**

Derivative contracts can be exchange-traded or privately negotiated over-the-counter (“OTC”). Exchange-traded derivatives, such as exchange-traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded. OTC derivatives, such as generic forwards and swaps, are classified as level 2 when their inputs can be corroborated by market data. OTC derivatives with significant inputs that cannot be corroborated by readily available or observable market data are classified as level 3.

The Company’s direct involvement with derivative financial instruments primarily consists of exchange-listed options. Fair values for those option contracts are based on quoted market prices. The Company utilizes foreign exchange forward and swap contracts to reduce its exposure to fluctuations in foreign exchange rates. These instruments are recorded at fair value based on available market data and are classified within level 2 of the fair value hierarchy.

**Receivables from and Payables to Brokers, Dealers and Clearing Organizations**

Receivables from and payables to brokers, dealers, and clearing organizations primarily include margin requirements, amounts related to unsettled trades, commissions receivable and commission management payables, and amounts for securities failed to deliver by the Company to the purchaser or failed to receive by the Company from the seller by the settlement date. Payables to brokers, dealers, and clearing organizations also include deposits held in proprietary accounts of brokers and dealers.

Receivables and payables arising from unsettled trades are reported on a net basis.

Please refer to Note 4, “Receivable from and Payable to Brokers, Dealers and Clearing Organizations”, for additional information.

**Receivables from and Payables to Customers**

Receivables from customers include amounts owed by customers on cash and margin transactions, net of related customer payables, and amounts owed for securities transactions not completed on settlement date.

Payables to customers primarily consist of cash and short sale proceeds, net of related customer receivables, amounts owed to customers for securities transactions not completed on settlement date and other miscellaneous customer payables.

Receivables from and Payables to Customers are recorded on a settlement date basis on the statement of financial condition.

Securities owned by customers, including those that collateralize margin, are not reflected as assets of the Company on the statement of financial condition. The Company holds these securities with the intention of settlement against customer orders and are held as collateral for customer receivables.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**Fees, Interest and Other Receivables and Payables**

Fees, interest and other receivables, net of allowance, include receivables for syndicate fees earned on underwriting transactions, merger and acquisition advisory fees, interest accrued on securities lending transactions, dividends receivable and receivables from corporate finance and banking clients for reimbursable expenses paid by the Company on their behalf. Payables include amounts owed to other syndicate members on underwriting transactions, interest accrued on securities lending transactions, dividends payable and merger and acquisition advisory fees.

Additionally, Fees, interest and other receivables and payables include amounts owed to or due from affiliates who are deemed to be subordinated customers, as the Company and affiliate have entered into non-conforming subordination agreements.

Please refer to Note 8, "Related Party Transactions", for additional information and disclosures.

**Collateralized Agreements**

***Securities Borrowed and Securities Loaned***

Securities borrowed and securities loaned are carried at the amounts of cash collateral advanced or received on a gross basis. Securities borrowed transactions require the Company to deposit cash or securities as collateral with the lender. With respect to securities loaned, the Company receives cash or securities as collateral from the borrower. When the Company receives securities as collateral, and has concluded it (i) is the transferor and (ii) can pledge the securities to third parties, the Company recognizes the securities received as collateral at fair value in Securities owned, at fair value with the corresponding obligation to return the securities received as collateral at fair value in securities sold, not yet purchased, at fair value. Securities received as collateral are not recognized when the Company either (i) is not the transferor or (ii) cannot pledge the securities to third parties. At June 30, 2023, the Company had no securities received as collateral related to securities lending transactions. The initial collateral advanced or received approximates or is greater than the market value of securities borrowed or loaned. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or returned, as necessary. Securities borrowed and loaned may also result in credit exposures for the Company in an event that the counterparties are unable to fulfill their contractual obligations. Related allowances for credit losses were not material for the period presented.

Please refer to Note 3, "Fair Value Measurements, Securities Borrowed, and Securities Loaned", and Note 9, "Guarantees and Off-Balance Sheet Arrangements", for additional information and disclosures.

***Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase***

Securities purchased under agreements to resell ("reverse repurchase agreements") and securities sold under agreements to repurchase ("repurchase agreements") are accounted for as collateralized financing transactions and are recorded at their contracted resale or repurchase amount plus accrued interest. Repurchase agreements are transactions in which a firm buys or sells financial instruments from/to a counterparty, typically in exchange for cash, and simultaneously enters into an agreement to resell or



**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

repurchase the same financial instruments to/from such counterparty at a stated price plus accrued interest at a future date.

**Offsetting of Derivative Financial Instruments and Securities Financing Agreements**

To reduce credit risk exposure associated with derivative activities and securities financing transactions, the Company may enter into master netting agreements, master securities lending agreements, master repurchase agreements or similar agreements and collateral arrangements with counterparties. A master agreement creates a single contract under which all transactions between two counterparties are executed allowing for trade aggregation and a single net payment obligation. Master agreements provide protection in bankruptcy in certain circumstances and, where legally enforceable, enable receivables and payables with the same counterparty to be settled or otherwise eliminated by applying amounts due against all or a portion of an amount due from the counterparty or a third-party. Under our ISDA master netting agreements, the Company typically also executes credit support annexes, which provide for collateral, either in the form of cash or securities, to be posted by or paid to a counterparty based on the fair value of the derivative receivable or payable based on the rates and parameters established in the credit support annex.

In the event of the counterparty's default, provisions of the master agreement permit acceleration and termination of all outstanding transactions covered by the agreement such that a single amount is owed by, or to, the non-defaulting party. In addition, any collateral posted can be applied to the net obligations, with any excess returned; and the collateralized party has a right to liquidate the collateral. Any residual claim after netting is treated along with other unsecured claims in bankruptcy court.

The conditions supporting the legal right of offset may vary from one legal jurisdiction to another and the enforceability of master netting agreements and bankruptcy laws in certain countries or in certain industries is not free from doubt. The right of offset is dependent both on contract law under the governing arrangement and consistency with the bankruptcy laws of the jurisdiction where the counterparty is located. Industry legal opinions with respect to the enforceability of certain standard provisions in respective jurisdictions are relied upon as a part of managing credit risk. In cases where the Company has not determined an agreement to be enforceable, the related amounts are not offset. Master netting agreements are a critical component of the Company's risk management processes as part of reducing counterparty credit risk and managing liquidity risk.

The Company is also a party to clearing agreements with various central clearing parties. Under these arrangements, the central clearing counterparty facilitates settlement between counterparties based on the net payable owed or receivable due and, with respect to daily settlement, cash is generally only required to be deposited to the extent of the net amount. In the event of default, a net termination amount is determined based on the market values of all outstanding positions and the clearing organization or clearing member provides for the liquidation and settlement of the net termination amount among all counterparties to the open contracts or transactions.

Please refer to Note 3, "Fair Value Measurements, Securities Borrowed, and Securities Loaned" for additional information and disclosures.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**Goodwill and Intangible Assets**

***Goodwill***

Goodwill represents the excess of the purchase price consideration of acquired companies over the estimated fair value assigned to the individual assets acquired and liabilities assumed. Once goodwill has been allocated to the reporting unit, it generally no longer retains its identification with a particular acquisition but instead becomes identifiable with the reporting unit. As a result, all of the fair value of reporting unit is available to support the value of goodwill allocated to the unit.

In accordance with US GAAP requirements for testing for impairment of goodwill, the Company tests goodwill for impairment on an annual basis, or at an interim period if events or changed circumstances would more likely than not reduce the fair value of a reporting unit below its carrying amount. In testing for goodwill impairment, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances led to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company concludes that fair value exceeds its carrying amount, then performing a quantitative impairment test is not necessary. If the Company concludes otherwise, the Company is required to perform a quantitative impairment test that requires a comparison of the fair value of the reporting unit to its carrying value, including goodwill. If the fair value of the reporting unit exceeds its carrying value, the related goodwill is not considered impaired, and no further analysis is required. If the carrying value of the reporting unit exceeds its fair value, then the Company recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

***Intangible Assets***

Intangible assets with finite lives are amortized over their estimated average useful lives. The Company does not have any intangible assets deemed to have indefinite lives. Intangible assets are tested for potential impairment whenever events or changes in circumstances suggest that an asset or asset group's carrying value may not be fully recoverable. An impairment loss, calculated as the difference between the estimated fair value and the carrying value of an asset or asset group, is recognized if the sum of the estimated undiscounted cash flows from the use or disposition of the asset or asset group is less than the corresponding carrying value. The Company continually monitors the estimated average useful lives of existing intangible assets.

Please refer to Note 10, "Goodwill and Intangible Assets" for additional information and disclosures.

**Income Taxes**

The Company is a single member limited liability company that is disregarded for income tax purposes. The Company is included in the consolidated federal and combined state and local tax returns filed by Toronto Dominion Holdings USA Inc, a wholly-owned subsidiary of the Bank. Cowen Inc. elected not to allocate the consolidated amount of current and deferred tax expenses to its disregarded subsidiaries, including the Company.

**Foreign Currency Transactions**

The U.S. dollar is the Company's functional and reporting currency. Assets and liabilities denominated in non-U.S. currencies are translated into U.S dollar based on current rates, which are spot rates prevailing on the date of the statement of financial condition.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**Other Assets**

Other assets consist primarily of research fee receivables, memberships in exchanges, and other miscellaneous receivables.

**Compensation Payable**

Compensation payable includes accruals for estimated discretionary cash bonuses and commissions. Annual incentive compensation is variable, and the amount paid is generally based on a combination of employees' performance, their contribution to their business, and the Company's performance.

**Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities primarily consist of contingent consideration payables, collateralized loan facilities not covered under securities lending agreements and accrued expenses including clearing related fees, accounts payable, and other miscellaneous liabilities.

**Recent Pronouncements**

There are no recently issued or recently adopted pronouncements that are expected to have an impact to the Company's statement of financial condition.

**3. Fair Value Measurements, Securities Borrowed, and Securities Loaned**

Cowen Inc. has established valuation policies and procedures and an internal control infrastructure over its fair value measurement of financial instruments. In the event that observable inputs are not available, the control processes are designed to ensure that the valuation approach utilized is applicable, reasonable and consistently applied. Where a pricing model is used to determine fair value, these control processes include reviews of the methodology and inputs for both reasonableness and applicability. Consistent with best practices, recently executed comparable transactions and other observable market data are used for the purposes of validating both the model and the assumptions used to calculate fair value. Independent of trading and valuation functions, Cowen Inc.'s valuation committee in conjunction with its price verification team, plays an important role in determining that financial instruments are appropriately valued and that fair value measurements are both reasonable and reliable. This is particularly important where prices or valuations that require inputs are less observable. The valuation committee is comprised of senior management, including non-investment professionals, who are responsible for overseeing and monitoring the pricing of the Company's investments.

The US GAAP fair value leveling hierarchy is designated and monitored on an ongoing basis. In determining the designation, the Company takes into consideration a number of factors including the observability of inputs, liquidity of the investment and the significance of a particular input to the fair value measurement. Designations, models, pricing vendors, third party valuation providers and inputs used to derive fair market value are subject to review by the valuation committee and the internal audit group. The Company reviews its valuation policy guidelines on an ongoing basis and may adjust them in light of, improved valuation metrics and models, the availability of reliable inputs and information, and prevailing market conditions. The Company regularly reviews a profit and loss report, as well as other periodic reports, and analyzes material changes from period to period in the valuation of its investments as part of its control procedures. The Company also performs back testing on a regular basis by comparing prices observed in executed transactions to previous valuations.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

The following tables present the assets and liabilities that are measured at fair value on a recurring basis on the accompanying statement of financial condition by caption and by level within the valuation hierarchy as of June 30, 2023:

	<b>Assets at Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments owned</b>				
Common stock, ETFs and units	\$ 401,065	\$ —	\$ 6,874	\$ 407,939
Warrants and rights	19,206	—	3,616	22,822
Corporate bonds	43	66	139	248
Preferred stock	4,102	3,362	48	7,512
Derivative contracts:				—
Currency forwards	—	15	—	15
Currency Swap	—	29	—	29
Options	6,976	—	—	6,976
Total derivative contracts	6,976	44	—	7,020
<b>Total financial instruments owned</b>	<b>\$ 431,392</b>	<b>\$ 3,472</b>	<b>\$ 10,677</b>	<b>\$ 445,541</b>

	<b>Liabilities at Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments sold, not yet purchased</b>				
Common stock, ETFs and units	\$ 125,106	\$ —	\$ —	\$ 125,106
Corporate bonds	—	32	—	32
Preferred stock	—	2,336	—	2,336
Derivative contracts:				
Currency forwards	—	38	—	38
Currency swaps	—	1	—	1
Total derivative contracts	—	39	—	39
<b>Total financial instruments sold, not yet purchased</b>	<b>\$ 125,106</b>	<b>\$ 2,407</b>	<b>\$ —</b>	<b>\$ 127,513</b>
<b>Accrued expenses and other liabilities</b>				
Contingent consideration liability <sup>(a)</sup>	—	18,750	—	18,750
<b>Total</b>	<b>\$ 125,106</b>	<b>\$ 21,157</b>	<b>\$ —</b>	<b>\$ 146,263</b>

- a. In accordance with the terms of the purchase agreement for the acquisition of MHT Partners, LP that closed in 2020, the Company is required to pay to the sellers a portion of future revenues of the acquired business. In 2023, management of MHT and the Company agreed to forego the final year of the original agreement and have agreed to a final earn-out payment of \$18,750. Settlement of this amount is expected in 2024.

The fair market value for level 3 securities may be highly sensitive to the use of industry standard models, unobservable inputs and subjective assumptions. The degree of fair market value sensitivity is also

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

contingent upon the subjective weight given to specific inputs and valuation metrics. The Company may hold various financial instruments where different weight may be applied to industry standard models representing standard valuation metrics such as: discounted cash flows, market multiples, comparative transactions, capital rates, recovery rates and timing, and bid levels. Generally, changes in the weights ascribed to the various valuation metrics and the significant unobservable inputs in isolation may result in significantly lower or higher fair value measurements. Volatility levels for warrants are not readily observable and subject to interpretation. The interrelationship between unobservable inputs may vary significantly amongst level 3 securities as they are generally highly idiosyncratic. Significant increases (decreases) in any of those inputs in isolation can result in a significantly lower (higher) fair value measurement.

As of June 30, 2023, the determination of fair value for all level 3 securities held by the Company was based on prices from recent market transactions.

**Derivative contracts, at fair value**

The Company predominantly enters into derivative transactions to satisfy client needs and to manage its own exposure to market and credit risks resulting from its trading activities. The Company's direct exposure to derivative financial instruments include exchange-listed option contracts, currency swaps and currency forwards. The Company's derivatives trading activities exposes the Company to certain risks, such as price and interest rate fluctuations, volatility risk, credit risk, counterparty risk, foreign currency movements and changes in the liquidity of markets.

The following table presents the gross and net derivative positions and the related offsetting amount as of June 30, 2023:

<i>Fair Value</i>	<b>Gross amounts recognized</b>	<b>Gross amounts offset on the Statement of Financial Condition</b>	<b>Net amounts included on the Statement of Financial Condition</b>	<b>Amounts not offset <sup>(a)</sup></b>	<b>Net amounts</b>
Derivative assets <sup>(b)</sup>	\$ 7,020	\$ —	\$ 7,020	\$ —	\$ 7,020
Derivative liabilities	39	—	39	—	39
<i>Notional Value</i>					
Derivative assets	17,660				
Derivative liabilities	16,170				

- a. Includes amounts subject to enforceable master netting provisions that are permitted to be offset to the extent an event of default has occurred, but where certain other criteria are not met with respect to offsetting accounting guidance.
- b. The quantity of options contracts in receivable on derivative contracts, at fair value is 38 thousand.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

**Other financial assets and liabilities**

The following table presents the carrying values and fair values, of financial assets and liabilities and information on their classification within the fair value hierarchy which are not measured at fair value on a recurring basis as of June 30, 2023.

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial Assets</b>					
Cash	\$ 245,656	\$ 245,656	\$ —	\$ —	\$ 245,656
Segregated cash	97,660	97,660	—	—	97,660
Collateralized Agreements:					
Securities borrowed	1,979,857	—	1,979,857	—	1,979,857
Reverse repurchase agreements	136,784	—	136,784	—	136,784
Deposits with clearing organizations and brokers	71,183	71,183	—	—	71,183
Receivables:					
Brokers, dealers and clearing organizations	172,017	—	172,017	—	172,017
Customers	50,384	—	50,384	—	50,384
Fees, interest and other	67,484	—	67,484	—	67,484
Other assets	6,621	—	6,621	—	6,621
<b>Financial Liabilities</b>					
Collateralized Agreements:					
Securities loaned	1,694,934	—	1,694,934	—	1,694,934
Repurchase agreements	126,071	—	126,071	—	126,071
Payables:					
Brokers, dealers and clearing organizations	312,257	—	312,257	—	312,257
Customers	120,075	—	120,075	—	120,075
Fees, interest and other	41,114	—	41,114	—	41,114
Related parties	89,522	—	89,522	—	89,522
Compensation	4,201	—	4,201	—	4,201
Accrued expenses and other liabilities	51,087	—	51,087	—	51,087

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

**Collateralized Agreements**

The following table presents the contractual gross and net securities borrowing and lending agreements and repurchase agreements and the related offsetting amount as of June 30, 2023:

	<b>Gross amounts recognized</b>	<b>Gross amounts offset on the Statement of Financial Condition</b>	<b>Net amounts included on the Statement of Financial Condition</b>	<b>Amounts not offset (a)</b>	<b>Net amounts</b>
<b>Assets</b>					
Securities borrowed	\$ 1,979,857	\$ —	\$ 1,979,857	\$ 1,979,857	—
Reverse repurchase agreements	136,784	—	136,784	136,784	—
<b>Liabilities</b>					
Securities loaned	\$ 1,694,934	\$ —	\$ 1,694,934	\$ 1,694,934	—
Repurchase agreements	126,071	—	126,071	126,071	—

- a. Includes amounts subject to enforceable master netting provisions that are permitted to be offset to the extent an event of default has occurred, but where certain other criteria are not met with respect to offsetting accounting guidance.

The following table presents gross obligations for securities loaned and repurchase agreements by remaining contractual maturity and class of collateral pledged as of June 30, 2023:

	<b>Open and Overnight</b>	<b>Up to 30 days</b>	<b>31-90 days</b>	<b>Greater than 90 days</b>	<b>Total</b>
<b>Securities loaned</b>					
Common stock	\$ 1,579,393	\$ —	\$ —	\$ —	\$ 1,579,393
Corporate bonds	115,541	—	—	—	115,541
<b>Securities sold under agreement to repurchase</b>					
U.S. Treasury Securities	30,297	—	—	—	30,297
Corporate bonds	95,774	—	—	—	95,774

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

**4. Receivables from and Payables to Brokers, Dealers and Clearing Organizations**

Receivables from and payables to brokers, dealers, and clearing organizations as of June 30, 2023, are as follows:

	<b>Receivables from</b>	<b>Payables to</b>
Broker dealers	\$ 85,623	\$ 163,730
Trade date receivable/payable	—	61,278
Securities failed to deliver/receive	41,503	44,967
Clearing organizations	37,081	38,353
Commissions and fees	8,454	—
Commission management	—	7,653
Allowance for credit losses	(644)	—
<b>Total</b>	<b>\$ 172,017</b>	<b>\$ 315,981</b>

**5. Deferred Compensation and Employee Ownership Plans**

**Defined Contribution Plans**

Cowen Inc. sponsors a Retirement and Savings Plan which is a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plans"). All full-time eligible employees can contribute on a tax deferred basis and an after-tax basis to the 401(k) Plans up to federal contribution limits or up to 100% of their annual compensation, subject to certain limitations. Cowen Inc. provides matching and profit-sharing contributions to employees that are equal to a specified percentage of the eligible participant's contribution as defined by the 401(k) Plans.

**Forgivable Loans**

A portion of certain employees' compensation is paid in the form of a forgivable loan. These forgivable loans provide for a cash payment up-front to employees, with the amount due back to Cowen Services Company, LLC ("CSC"), an affiliate, forgiven over a vesting period. An employee that voluntarily ceases employment, or is terminated with cause, is generally required to pay back any unvested forgivable loans granted to them. The vesting period on forgivable loans is generally one to three years.



**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**6. Commitments and Contingencies**

**Commitments**

The Company has entered into agreements with certain information technology and clearing service providers including, but not limited to, Fidessa Corporation, Broadridge Financial Solutions Inc, Bloomberg LP, Raptor Trading Systems Inc, Instinet, Iqvia Inc and Markit. As of June 30, 2023, the Company's annual minimum guaranteed payments under these agreements are as follows:

2023	\$	8,306
2024		9,562
2025		4,697
2026		3,253
2027		3,257
Thereafter		4,100
	\$	<u>33,175</u>

**Contingencies**

In the ordinary course of business, the Company and its affiliates and current and former officers, directors and employees (the "Company and Related Parties") can be named as defendants in, or as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of securities, banking, anti-fraud, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief.

In the ordinary course of business, the Company and Related Parties are also subject to governmental and regulatory examinations, information gathering requests (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. The Company is subject to regulation by various U.S., state, foreign and other regulators. In connection with formal and informal inquiries by these regulators, the Company receives requests, and orders seeking documents and other information in connection with various aspects of their regulated activities. The Company is currently cooperating with the SEC and CFTC in connection with an investigation of the Company's business' compliance with record preservation requirements relating to business communications and/or electronic messaging channels. The SEC and CFTC are reportedly conducting similar investigations of record preservation practices at other broker-dealers and investment advisors.

The Company seeks to resolve all litigation and regulatory matters in the manner management believes is in the best interests of the Company, and contests liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter. For many legal and regulatory matters, the Company is unable to estimate a range of reasonably possible loss.

In accordance with US GAAP, the Company establishes reserves for contingencies when the Company believes that it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. The Company discloses a contingency if there is at least a reasonable possibility that a loss may have been incurred and there is no reserve for the loss because the conditions above are not met. The

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

Company's disclosure would include an estimate of the reasonably possible loss or range of loss for those matters, for which an estimate can be made. Neither a reserve nor disclosure is required for losses that are deemed remote.

The Company has not established any reserves for other claims, since in the opinion of management, the likelihood of liability is not probable nor reasonably estimable. In addition, most of the various claims against the Company are in early stages of discovery or claimants seek indeterminate damages. Therefore, the Company cannot reasonably determine the possible outcome, the timing of ultimate resolution or estimate a range of possible loss, or impact related to each currently pending matter.

## **7. Regulatory Requirements**

### **Regulatory Capital**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 ("SEA Rule 15c3-1") which requires the maintenance of minimum net capital. The Company computes net capital under the alternative method and is required to maintain minimum net capital, as defined in SEA Rule 15c3-1(a)(4), equal to the greater of \$1,500 or 2% of aggregate debits arising from customer transactions as shown in the Computation for Determination of Customer Account Reserve Requirements ("2% of aggregate debits") plus 10% of excess margin collateral on reverse repurchase agreements. As an introducing broker registered with the CFTC, the Company is also subject to the net capital requirements of Regulation 1.17 of the Commodities Exchange Act ("Regulation 1.17"). Under Regulation 1.17, the Company is required to maintain net capital equal to or in excess of \$45 or the amount of net capital required by SEA Rule 15c3-1, whichever is greater. At June 30, 2023, the Company's net capital was \$436,262, which exceeded minimum requirements under SEA Rule 15c3-1 by \$431,034. Advances to affiliates, repayment of borrowings, distributions, dividend payments and other equity withdrawals are subject to certain notification and other provisions of SEA Rule 15c3-1 and other SROs.

As an options clearing member of the Options Clearing Corporation ("OCC"), under OCC Rule 302 the Company is also required to maintain net capital equal to the greater of \$2,000 or 2% of aggregate debits.

### **Customer Protection**

Pursuant to SEA Rule 15c3-3, the Company is required to compute a reserve requirement for customer accounts in order to determine the amount of cash or acceptable qualified securities it is required to deposit in Customer Reserve Bank Accounts. As of June 30, 2023, the Company had segregated cash of \$58,304 on deposit in Customer Reserve Bank Accounts.

Pursuant to SEA Rule 15c3-3, the Company is also required to compute a reserve requirement for introducing broker and swap dealer PAB Accounts in order to determine the amount it is required to deposit in PAB Reserve Bank Accounts. This allows each correspondent firm that uses the Company as its clearing broker-dealer to classify its PAB Account assets held at the Company as allowable assets in the correspondent's net capital calculation. As of June 30, 2023, the Company had segregated cash of \$39,356 on deposit in PAB Reserve Bank Accounts.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

**8. Related Party Transactions**

In the normal course of business, the Company enters into transactions with related parties. Due to related parties is presented net on the statement of financial condition, pursuant to a netting agreement in place between the Company and its affiliates and per the agreement is settled net with CSC. These amounts settle in the ordinary course of business.

Balances with related parties included in the statement of financial condition are as follows:

<b>Assets</b>		<b>June 30, 2023</b>
Securities borrowed	\$	856,778
Receivables:		
Brokers, dealers and clearing organizations		1,096
Customers		13,955
Fees, interest and other, net of allowance		8,531
<b>Liabilities</b>		
Securities loaned	\$	472,665
Payables:		
Brokers, dealers and clearing organizations		1,570
Customers		302
Fees, interest and other		18,096
Related parties		89,522

**Collateralized Agreements**

The Company engages in securities lending transactions with affiliates Cowen Financial Products LLC ("CFP") and ATM Execution LLC ("ATM"). Accrued interest related to these transactions is recorded in Fees, interest, and other receivables and payables on the statement of financial condition.

**Trade Execution and Clearance**

The Company provides trade execution and/or clearing services to ATM, Cowen Execution Services Limited ("CESL") and Cowen International Limited ("CIL"), affiliated broker-dealers, including providing introduced or omnibus clearance to their customers.

The Company provides clearing services to and maintains margin and collateral from CFP, a registered securities-based swap dealer, which are included in payable to brokers, dealers and clearing organizations on the statement of financial condition. The Company additionally provides custody services to CFP.

The Company also provides clearing services to and maintains margin and collateral from affiliates which is included in receivable customers on the statement of financial condition. In the event that the Company and its affiliate have entered into a non-conforming subordination agreement, such activity is included in fees, interest and other receivables and payables on the statement of financial condition.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

The Company has a commission sharing agreement with Westminster Research Associates LLC (“WRA”), an affiliated broker-dealer. The Company remits to WRA a portion of commissions generated from trades executed for soft dollar credits as part of the commission sharing agreement. The Company pays an administration fee to WRA for each trade executed as part of the agreement, included in payable to brokers, dealers and clearing organizations on the statement of financial condition.

**Investment Banking**

The Company shares investment banking fees from strategic/financial advisory participation by Cowen Germany AG’s clients, included in Fees, interest, and other receivables on the statement of financial condition.

The Company may receive securities from underwriting securities issuances, which it sells for cash consideration to CWINV.

The Company licenses a proprietary banking software product from an affiliate, Cowen Europe AG.

**Support Arrangements**

The Company previously entered into a service level agreement with CSC, in which the employment of certain of the Company’s employees was assigned and transferred to CSC. Under this agreement, CSC is responsible for the compensation-related payments to these employees for their performance of services provided to the Company and the Company reimburses CSC, recording the related amounts payable to CSC in due to related parties on the statement of financial condition. CSC also agreed to provide certain administrative and other support services to the Company.

WRA provides use of their proprietary software and associated materials.

CESL, CIL and Cowen and Company (Asia) Limited have employees that support the Company’s business operations.

The Company also provides sales, marketing and trading support to ATM and CIL.

**9. Guarantees and Off-Balance Sheet Arrangements**

**Customer Activities and Credit Risk**

In securities transactions, the Company’s customer and correspondent clearance activities involve the execution and settlement of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer is unable to fulfill its contractual obligations.

The Company’s customer securities activities are transacted on a delivery versus payment, cash or margin basis. In delivery versus payment transactions, the Company is exposed to risk of loss in the event of the customers’ or brokers’ inability to meet the terms of their contracts.

In margin transactions, the Company extends credit to clients collateralized by cash and securities in their account. In the event the customers or brokers fail to satisfy their obligations, the Company may be required to purchase or sell securities at prevailing market prices in order to fulfill the obligations.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

The Company's exposure to credit risk can be directly impacted by volatile securities markets, which may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the customers' financial condition and credit ratings. The Company seeks to control the risk associated with its customer margin transactions by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company also monitors required margin levels daily and, pursuant to its guidelines, requires customers to deposit additional collateral, or reduce positions, when necessary.

The Company typically enters into securities lending and repurchase transactions in order to fund financial instruments owned, primarily equities and corporate bonds, and to earn interest rate spreads. Under these transactions, the Company receives cash collateral. Increases in securities prices may cause the market value of the securities loaned or securities sold under agreements to repurchase to exceed the amount of cash received as collateral. The Company mitigates the risk of the counterparty not returning the securities by monitoring the market values daily and requiring additional cash as collateral when necessary, and when applicable, participating in a risk-sharing program offered through the OCC. At June 30, 2023, the Company had gross obligations relating to securities loaned of \$1,748,417 of which cash collateral totaling \$1,694,935 was received and gross obligations relating to repurchase agreements of \$149,686 of which cash collateral totaling \$126,071 was received. These securities loaned and securities sold under agreements to repurchase have no contractual maturity and may be recalled on demand at any time, subject to a two-day notice period.

In the normal course of business, the Company obtains securities under securities borrowed, reverse repurchase agreements, and customer margin agreements on terms which permits the Company to repledge or resell the securities to others.

	<b>Fair Value</b>
Collateral received with right to sell or repledge	\$ 2,255,949
Collateral sold or repledged	1,945,054

Please refer to Note 3, "Fair Value Measurements, Securities Borrowed, and Securities Loaned", for further information and disclosures.

**Market Risk**

Market risk represents the risk of loss that may result from the change in value of a financial instrument due to fluctuations in its market price. Market price may be exacerbated in times of trading illiquidity when market participants refrain from transacting in normal quantities and/or at normal bid-offer spreads. The Company's exposure to market risk is primarily related to the fluctuation in the fair values of securities owned and sold, but not yet purchased and its role as a financial intermediary in customer trading and market making. Market risk is inherent in financial instruments and risks arise in options, warrants and derivative contracts from changes in the fair values of their underlying financial instruments. Securities sold, not yet purchased, at fair value represent obligations of the Company to deliver specified securities at a contracted price and thereby create a liability to purchase the securities at prevailing future market prices. The Company trades in equity securities as an active participant in both listed and OTC markets. The Company typically maintain securities in inventory to facilitate its market making activities and customer order flow. The Company may

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

use a variety of risk management techniques and hedging strategies in the ordinary course of its trading business to manage its exposures. In connection with the Company's trading business, management also reviews reports appropriate to the risk profile of specific trading activities. Typically, market conditions are evaluated, and transaction details and securities positions are reviewed. These activities are intended to ensure that the Company's trading strategies are conducted within acceptable risk tolerance parameters, particularly when it commits its own capital to facilitate client trading. Activities include price verification procedures, position reconciliations and reviews of transaction booking. The Company believes that these procedures, which stress timely communications between traders, trading management and senior management, are important elements of the risk management process.

**Guarantees**

The Company provides access to execution venues for certain customers via sponsored line agreements. These customers transmit non-solicited trade orders directly to the execution venue. The Company monitors the activity but is exposed to the risk of loss should the customer not meet its settlement obligations. The Company is billed for activity flowing through these lines and is reimbursed by the client. The Company is exposed to credit risk in the event that the client is unable to fulfill its settlement obligations with respect to these charges. The Company may maintain cash at financial institutions in excess of federally insured limits. The Company has not experienced any material losses in such accounts and does not believe it is exposed to significant credit risks.

In the normal course of business, certain activities of the Company involve the execution and clearance of customer securities transactions through clearing brokers. These activities may expose the Company to off-balance sheet risk in the event a customer is unable to fulfill its contractual obligation since, pursuant to the clearing agreement, the Company has agreed to indemnify the clearing brokers without limit for losses that the clearing brokers may sustain from the clients introduced by the Company. However, the transactions are collateralized by the counterparty's underlying securities, thereby reducing the associated risk of the position to the changes in the market value of the security through settlement date. At June 30, 2023, there were no amounts to be indemnified to these clearing brokers pursuant to these agreements.

**Off-Balance Sheet Arrangements**

The Company loans securities temporarily to other brokers in connection with its securities lending activities. The Company receives cash as collateral for the securities loaned. Increases in security prices may cause the market value of the securities loaned to exceed the amount of cash received as collateral. In the event the counterparty to these transactions does not return the loaned securities, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its client obligations. The Company manages this risk by requiring credit approvals for counterparties, by monitoring the market value of securities loaned on a daily basis, and by requiring additional cash as collateral or returning collateral when necessary.

The Company enters into secured and unsecured borrowing agreements to obtain funding necessary to cover daily securities settlements with clearing organizations. At times funding is required for unsettled customer delivery versus payment and riskless principal transactions, as well as to meet deposit requirements with clearing organizations. Secured arrangements are collateralized by the securities.

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

The Company maintains uncommitted financing arrangements with affiliates and non-affiliates, the details of which are summarized below as of June 30, 2023. All non-affiliated arrangements are with large financial institutions.

<b>Secured / Unsecured</b>	<b>Lender</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Contractual Amount</b>	<b>Available Amount</b>
Unsecured	Cowen Inc.	None	Federal Funds effective rate plus 2%	\$ 300,000	\$ 300,000
Unsecured	Non-affiliate	None	Prime Rate	25,000	25,000
Secured	Non-affiliate	None	Federal Funds effective rate plus 0.80%	75,000	75,000
Secured	Non-affiliate	None	Federal Funds effective rate plus 1%	150,000	150,000
Total				<u>\$ 550,000</u>	<u>\$ 550,000</u>

**10. Goodwill and Intangible Assets**

**Goodwill**

In accordance with US GAAP, the Company tests goodwill for impairment on an annual basis or at an interim period if events or changed circumstances would more likely than not reduce the fair value of a reporting unit below its carrying amount. Under US GAAP, the Company first assesses the qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amounts as a basis for determining if it is necessary to perform a quantitative impairment test. Periodically estimating the fair value of a reporting unit requires significant judgment and often involves the use of significant estimates and assumptions. These estimates and assumptions could have a significant effect on whether or not an impairment charge is recorded and the magnitude of such a charge.

**Annual Impairment Test**

The Company's next annual goodwill impairment test is at July 1, 2023 and is currently being performed. There have been no changes in the carrying amount of the Company's goodwill, which was \$128,851 at June 30, 2023. Adverse market or economic events could result in impairment charges in future periods.

**Intangible Assets**

Information for the Company's intangible assets that are subject to amortization is presented below as of June 30, 2023:

	<b>Amortization Period (in years)</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Customer relationships	3.875 - 14	\$ 25,749	\$ 14,994	\$ 10,755
Trade Name	1 - 3	131	120	11
Non-Compete	5	344	189	155

**Cowen and Company, LLC**  
**Notes to Statement of Financial Condition**  
**June 30, 2023**  
**(Unaudited)**

*(In thousands of dollars, except where noted)*

---

The Company tests intangible assets for impairment if events or circumstances suggest that the asset groups carrying value may not be fully recoverable. The Company did not recognize any impairment of intangible assets during the period ended June 30, 2023.

**11. Subsequent Events**

The Company has evaluated events through August 21, 2023, the date the statement of financial condition was issued and has determined that there were no subsequent events requiring adjustment or disclosure to the statement of financial condition.