

FIRST BANCORP /PR/  
Form 10-Q  
May 11, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2012**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from            to**

**COMMISSION FILE NUMBER 001-14793**

**FIRST BANCORP.**

**(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

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**Puerto Rico**  
(State or other jurisdiction of  
incorporation or organization)

**66-0561882**  
(I.R.S. employer  
identification number)

**1519 Ponce de León Avenue, Stop 23**

**Santurce, Puerto Rico**  
(Address of principal executive offices)

**00908**  
(Zip Code)

**(787) 729-8200**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name, former address and former fiscal year, if changed since last report)

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 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. (Check one):

Large accelerated filer  Accelerated filer

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock: 206,134,458 outstanding as of April 30, 2012.

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**Forward Looking Statements**

This Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Form 10-Q or future filings by First BanCorp. (the Corporation) with the Securities and Exchange Commission (SEC), in the Corporation's press releases or in other public or stockholder communications, or in oral statements made with the approval of an authorized executive officer, the word or phrases would be, will allow, intends to, will likely result, are expected to, should, anticipate and similar expressions are used to identify forward-looking statements.

First BanCorp wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and represent First BanCorp's expectations of future conditions or results and are not guarantees of future performance. First BanCorp advises readers that various factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

uncertainty about whether the Corporation and FirstBank Puerto Rico (FirstBank or the Bank) will be able to fully comply with the written agreement dated June 3, 2010 (the Written Agreement) that the Corporation entered into with the Federal Reserve Bank of New York (the FED or Federal Reserve) and the order dated June 2, 2010 (the FDIC Order) and together with the Written Agreement, (the Agreements) that the Corporation's banking subsidiary, FirstBank entered into with the Federal Deposit Insurance Corporation (FDIC) and the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (OCIF) that, among other things, require the Bank to maintain certain capital levels and reduce its special mention, classified, delinquent and non-performing assets;

the risk of being subject to possible additional regulatory actions;

uncertainty as to the availability of certain funding sources, such as retail brokered certificates of deposit (CDs);

the Corporation's reliance on brokered CDs and its ability to obtain, on a periodic basis, approval from the FDIC to issue brokered CDs to fund operations and provide liquidity in accordance with the terms of the FDIC Order;

the risk of not being able to fulfill the Corporation's cash obligations or resume paying dividends to the Corporation's stockholders in the future due to the Corporation's inability to receive approval from the FED to receive dividends from FirstBank or FirstBank's failure to generate sufficient cash flow to make a dividend payment to the Corporation;

the strength or weakness of the real estate markets and of the consumer and commercial credit sectors and their impact on the credit quality of the Corporation's loans and other assets, including the Corporation's construction and commercial real estate loan portfolios, which have contributed and may continue to contribute to, among other things, the high levels of non-performing assets, charge-offs and the provision expense and may subject the Corporation to further risk from loan defaults and foreclosures;

adverse changes in general economic conditions in the United States (U.S.) and in Puerto Rico, including the interest rate scenario, market liquidity, housing absorption rates, real estate prices and disruptions in the U.S. capital markets, which may reduce interest margins, impact funding sources and affect demand for all of the Corporation's products and services and the value of the Corporation's assets;

an adverse change in the Corporation's ability to attract new clients and retain existing ones;

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a decrease in demand for the Corporation's products and services and lower revenues and earnings because of the continued recession in Puerto Rico and the current fiscal problems and budget deficit of the Puerto Rico government;

uncertainty about regulatory and legislative changes for financial services companies in Puerto Rico, the U.S. and the U.S. Virgin Islands ( USVI ) and British Virgin Islands ( BVI ), which could affect the Corporation's financial performance and could cause the Corporation's actual results for future periods to differ materially from prior results and anticipated or projected results;

uncertainty about the effectiveness of the various actions undertaken to stimulate the U.S. economy and stabilize the U.S. financial markets, and the impact such actions may have on the Corporation's business, financial condition and results of operations;

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changes in the fiscal and monetary policies and regulations of the federal government, including those determined by the Federal Reserve, the FDIC, government-sponsored housing agencies and local regulators in Puerto Rico and the U.S. and BVI;

the risk of possible failure or circumvention of controls and procedures and the risk that the Corporation's risk management policies may not be adequate;

the risk that the FDIC may further increase the deposit insurance premium and/or require special assessments to replenish its insurance fund, causing an additional increase in the Corporation's non-interest expenses;

the risk of not being able to recover the assets pledged to Lehman Brothers Special Financing, Inc.;

the impact to the Corporation's results of operations and financial condition associated with acquisitions and dispositions;

a need to recognize additional impairments on financial instruments or goodwill relating to acquisitions;

risks that downgrades in the credit ratings of the Corporation's long-term senior debt will adversely affect the Corporation's ability to access necessary external funds;

the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) on the Corporation's businesses, business practices and cost of operations; and

general competitive factors and industry consolidation.

The Corporation does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by the federal securities laws.

Investors should refer to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of such factors and certain risks and uncertainties to which the Corporation is subject.

**Table of Contents****FIRST BANCORP.****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

(Unaudited)

(In thousands, except for share information)	March 31, 2012	December 31, 2011
<b>ASSETS</b>		
Cash and due from banks	\$ 380,065	\$ 206,897
Money market investments:		
Federal funds sold	1,069	2,603
Time deposits with other financial institutions	955	955
Other short-term investments	236,116	236,111
Total money market investments	238,140	239,669
Investment securities available for sale, at fair value:		
Securities pledged that can be repledged	1,169,822	1,167,265
Other investment securities	673,662	756,003
Total investment securities available for sale	1,843,484	1,923,268
Other equity securities	37,951	37,951
Investment in unconsolidated entities	36,990	43,401
Loans, net of allowance for loan and lease losses of \$483,943 (2011 - \$493,917)	9,811,842	10,065,475
Loans held for sale, at lower of cost or market	44,352	15,822
Total loans, net	9,856,194	10,081,297
Premises and equipment, net	189,966	194,942
Other real estate owned	135,905	114,292
Accrued interest receivable on loans and investments	47,840	49,957
Other assets	319,088	235,601
Total assets	\$ 13,085,623	\$ 13,127,275
<b>LIABILITIES</b>		
Non-interest-bearing deposits	\$ 761,744	\$ 705,789
Interest-bearing deposits	9,146,500	9,201,965
Total deposits	9,908,244	9,907,754
Securities sold under agreements to repurchase	1,000,000	1,000,000
Advances from the Federal Home Loan Bank (FHLB)	353,440	367,440

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Notes payable (including \$16,016 and \$15,968 measured at fair value as of March 31, 2012 and December 31, 2011, respectively)	16,016	23,342
Other borrowings	231,959	231,959
Accounts payable and other liabilities	142,941	152,636
<b>Total liabilities</b>	<b>11,652,600</b>	<b>11,683,131</b>

Commitments and Contingencies (Note 22)

**STOCKHOLDERS EQUITY**

Preferred stock, authorized 50,000,000 shares:

Non-cumulative Perpetual Monthly Income Preferred Stock: issued - 22,004,000 shares, outstanding - 2,521,872 shares, aggregate liquidation value of \$63,047	63,047	63,047
Common stock, \$0.10 par value, authorized 2,000,000,000 shares; issued 206,629,311 shares (2011 - 205,794,024 shares issued)	20,663	20,579
Less: Treasury stock (at par value)	(49)	(66)

Common stock outstanding, 206,134,458 shares outstanding (2011 - 205,134,171 shares outstanding)	20,614	20,513
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Additional paid-in capital	884,938	884,002
Retained earnings	444,202	457,384
Accumulated other comprehensive income, net of tax expense of \$7,534 (2011 - \$7,751)	20,222	19,198

Total stockholders equity	1,433,023	1,444,144
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<b>Total liabilities and stockholders equity</b>	<b>\$ 13,085,623</b>	<b>\$ 13,127,275</b>
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The accompanying notes are an integral part of these statements.



**Table of Contents****FIRST BANCORP.****CONSOLIDATED STATEMENTS OF LOSS****(Unaudited)**

(In thousands, except per share data)

	Quarter Ended	
	March 31, 2012	March 31, 2011
<b>Interest income:</b>		
Loans	\$ 140,526	\$ 157,971
Investment securities	11,212	22,623
Money market investments	369	309
<b>Total interest income</b>	<b>152,107</b>	<b>180,903</b>
<b>Interest expense:</b>		
Deposits	36,735	54,059
Securities sold under agreements to repurchase	8,090	13,136
Advances from FHLB	3,241	4,745
Notes payable and other borrowings	2,175	2,684
<b>Total interest expense</b>	<b>50,241</b>	<b>74,624</b>
<b>Net interest income</b>	<b>101,866</b>	<b>106,279</b>
<b>Provision for loan and lease losses</b>	<b>36,197</b>	<b>88,732</b>
<b>Net interest income after provision for loan and lease losses</b>	<b>65,669</b>	<b>17,547</b>
<b>Non-interest income:</b>		
Service charges on deposit accounts	3,247	3,332
Other service charges	1,519	1,718
Mortgage banking activities	4,475	6,591
Net gain on sale of investments	26	19,341
Other-than-temporary impairment losses on investment securities:		
Total other-than-temporary impairment losses		
Portion of loss previously recognized in other comprehensive income	(1,233)	
<b>Net impairment losses on investment securities</b>	<b>(1,233)</b>	
Equity in losses of unconsolidated entities	(6,236)	
<b>Other non-interest income</b>	<b>6,677</b>	<b>9,503</b>
<b>Total non-interest income</b>	<b>8,475</b>	<b>40,485</b>
<b>Non-interest expenses:</b>		
Employees compensation and benefits	31,611	30,439
Occupancy and equipment	15,676	15,250
Business promotion	2,547	2,664
Professional fees	5,179	5,137

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Taxes, other than income taxes	3,416	3,255	
Insurance and supervisory fees	13,008	15,177	
Net loss on real estate owned (REO) operations	3,443	5,500	
Other non-interest expenses	10,313	36,628	
Hugh D. Evans <sup>(44)</sup>	9,156	*	9,156
Richard Glass <sup>(45)</sup>	18,315	*	18,315
Eric Katz <sup>(46)</sup>	36,628	*	36,628
William H. Kissam <sup>(47)</sup>	36,628	*	36,628
Grant Kletter <sup>(48)</sup>	9,156	*	9,156
Jeffrey W. Leiderman & Victoria Leiderman, JTWROS <sup>(49)</sup>	36,628	*	36,628
Daniel S. Lishansky Revocable Living Trust <sup>(50)</sup>	18,315	*	18,315
Alexander S. Ludwig <sup>(51)</sup>	9,156	*	9,156
Jeffrey B. Mogul <sup>(52)</sup>	18,315	*	18,315
Gerald E. Morris <sup>(53)</sup>	36,628	*	36,628
John Pitta <sup>(54)</sup>	36,628	*	36,628
Philip Raible and Deborah Wolfe, JTWROS <sup>(55)</sup>	18,315	*	18,315
Jonathan Stern <sup>(56)</sup>	45,785	*	45,785
Jack Levins <sup>(57)</sup>	18,315	*	18,315
I. Michael Goodman <sup>(58)</sup>	18,315	*	18,315
RPM 254 5th Av Managing Co Pension Account <sup>(59)</sup>	36,627	*	36,627

(36) Registered owner.  
Fred Knoll has voting control and power of disposition over the shares. Common stock beneficially owned before this offering and shares offered includes 50,835 shares underlying Warrants.

(37) Common stock beneficially owned before this offering and shares offered includes 13,556 shares underlying Warrants. Common stock beneficially owned before and after this offering includes 212,990

shares underlying options currently exercisable that have an exercise price of \$4.45 per share.

(38) Common stock beneficially owned before this offering and shares offered includes 33,890 shares underlying Warrants.

(39) Common stock beneficially owned before this offering and shares offered includes 3,389 shares underlying Warrants.

(40) Registered owner. Simone Haggiag has voting control and power of disposition over the shares. Common stock beneficially owned before this offering and shares offered includes 6,778 shares underlying Warrants.

(41) Registered owner. Andrea Mandel-Mantello has voting control and power of disposition over the shares. Common stock beneficially owned before this offering and

shares offered  
includes 33,890  
shares underlying  
Warrants.

(42) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 3,389  
shares underlying  
Warrants.

(43) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 6,778  
shares underlying  
Warrants.

(44) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 1,694  
shares underlying  
Warrants.

(45) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 3,389  
shares underlying  
Warrants.

(46) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 6,778  
shares underlying  
Warrants.

(47)

Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 6,778  
shares underlying  
Warrants.

(48) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 1,694  
shares underlying  
Warrants.

(49) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 6,778  
shares underlying  
Warrants.

(50) Registered owner.  
Daniel S.  
Lishansky has  
voting control and  
power of  
disposition over  
the shares.  
Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 3,389  
shares underlying  
Warrants.

(51) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 1,694  
shares underlying  
Warrants.

- (52) Common stock beneficially owned before this offering and shares offered includes 3,389 shares underlying Warrants.
- (53) Common stock beneficially owned before this offering and shares offered includes 6,778 shares underlying Warrants.
- (54) Common stock beneficially owned before this offering and shares offered includes 6,778 shares underlying Warrants.
- (55) Common stock beneficially owned before this offering and shares offered includes 3,389 shares underlying Warrants.
- (56) Common stock beneficially owned before this offering and shares offered includes 8,472 shares underlying Warrants.
- (57) Common stock beneficially owned before this offering and shares offered

includes 3,389  
shares underlying  
Warrants.

(58) Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 3,389  
shares underlying  
Warrants.

(59) Registered owner.  
Abby Setareh has  
voting control and  
power of  
disposition over  
the shares.  
Common stock  
beneficially  
owned before this  
offering and  
shares offered  
includes 6,778  
shares underlying  
Warrants.

## PLAN OF DISTRIBUTION

We are registering certain shares of common stock issued pursuant to the Exchange Agreement and the shares of common stock issuable upon exercise of the Warrants issued pursuant to the Exchange Agreement to permit the resale of these shares of common stock by the holders thereof from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. However, this prospectus covers 1,355,600 shares issuable upon exercise of the Warrants. If all of the Warrants are exercised, we will receive \$9.5 million in proceeds. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions,

on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;

in the over-the-counter market;

in transactions otherwise than on these exchanges or systems or in the over-the-counter market;

through the writing of options, whether such options are listed on an options exchange or otherwise;

through ordinary brokerage transactions and transactions in which the



broker-dealer  
solicits  
purchasers;

through block  
trades in which  
the broker-dealer  
will attempt to  
sell the shares as  
agent but may  
position and  
resell a portion  
of the block as  
principal to  
facilitate the  
transaction;

through  
purchases by a  
broker-dealer as  
principal and  
resale by the  
broker-dealer for  
its account;

through an  
exchange  
distribution in  
accordance with  
the rules of the  
applicable  
exchange;

through privately  
negotiated  
transactions;

through short  
sales;

through sales  
pursuant to Rule  
144;

through  
broker-dealers  
may agree with  
the selling  
stockholders to  
sell a specified  
number of such

shares at a  
stipulated price  
per share;

through a  
combination of  
any such  
methods of sale;  
and

through any  
other method  
permitted  
pursuant to  
applicable law.

If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved); provided that the commissions payable to, or discounts received by, any member of the FINRA shall not exceed 8% of the sale of any shares of common stock being registered pursuant to Rule 415. In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the convertible notes, warrants or shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares of common stock may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each selling stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock. The maximum commission or discount to be received by any FINRA member or independent broker/dealer will not be greater than eight percent (8.0%) for the sale of any securities registered pursuant to this registration statement. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement, of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities in respect of the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreements, estimated to be \$10,000 in total, including, without limitation, SEC filing fees and expenses of compliance with state securities or blue sky laws; *provided, however*, that a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act, in accordance with the registration rights agreements, or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements, or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

## LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Morse, Zelnick, Rose & Lander, LLP, New York, New York. One of the partners of Morse, Zelnick, Rose & Lander, LLP owns 14,922 shares of our common stock and warrants to purchase an additional 3,391 shares at \$7.00 per share and is a selling stockholder named in this prospectus.

## EXPERTS

Marcum & Kliegman LLP, an independent registered public accounting firm, audited the consolidated financial statements of Rodman & Renshaw Capital Group, Inc. as of December 31, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005 as set forth in their report dated March 14, 2008. We incorporate by reference to these financial statements in this prospectus, and in the registration statement of which this prospectus is a part, in reliance on Marcum & Kliegman LLP's report, given on their authority as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may access our filings, free of charge, on the Investor Information portion of our website located at [www.rodmanandrenshaw.com](http://www.rodmanandrenshaw.com), as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. The information contained on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. For more information on the Public Reference Room, please call the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public on the SEC's website at [www.sec.gov](http://www.sec.gov).

## INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we have filed with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is deemed to be a part of this prospectus. The reports and other documents we file after the date of this prospectus will update and supplement the information in this prospectus. We incorporate by reference the documents listed below and any documents we file subsequently with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act: (i) after the date of the prospectus and prior to the termination of the offering; and (ii) after the date of the initial Registration Statement and prior to effectiveness of the Registration Statement; *provided, however*, that we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

- (a) Our Annual Report on Form 10-K for the year ended December 31, 2007, filed on March 14, 2008;
- (b) Our Proxy Statement on Schedule 14A, filed on August 14, 2007;\*
- (c) Our Information Statement on Schedule 14f-1 filed on July 11, 2007; and\*

\* Filed under the name Enthrust Financial Services, Inc.

(d) The description of our common stock in our registration statement on Form 8-A, filed on October 10, 2007, including any amendment or reports filed for the purpose of updating this description.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Michael Lacovara  
Chief Executive Officer  
Rodman & Renshaw Capital Group, Inc.  
1270 Avenue of the Americas  
New York, New York 10020  
(212) 356-0500

**7,325,699 Shares**

**Common Stock**

**PROSPECTUS**

April 14, 2008

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