

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **1994-01-06** | Period of Report: **1993-06-25**
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FILER

RODMAN & RENSHAW CAPITAL GROUP INC

CIK: **726977** | IRS No.: **363111956** | State of Incorpor.: **DE** | Fiscal Year End: **0630**
Type: **10-K/A** | Act: **34** | File No.: **001-09143** | Film No.: **00000000**
SIC: **6211** Security brokers, dealers & flotation companies

Business Address
120 S LASALLE ST 9TH FLR
CHICAGO IL 60603
3129777800

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 25, 1993, Commission file number 33-4649

RODMAN & RENSHAW CAPITAL GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3111956
(I.R.S. Employer Identification No.)

120 S. LaSalle Street, Chicago, Illinois
Address of principal executive offices

60603
Zip Code

Registrant's telephone number, including area code (312) 977-7800

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

Title of each class	Name of exchange on which registered
Common Stock, par value \$0.09 per share	New York Stock Exchange

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

Indicate by a 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 [x] NO []

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

As of November 1, 1993, 4,380,217 shares of Common Stock, par value \$0.09 per share, were outstanding, and the aggregate market value of the shares of Common Stock of the Registrant held by non-affiliates (based upon the closing price of the Registrant's shares on the New York Stock Exchange on November 1, 1993, which was \$7.625) was \$28,727,000.

Documents Incorporated By Reference

NONE

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth information concerning the age, current positions with the Company, and term of office as a director and period of service as such, for all of the directors of the Company, as of November 1, 1993:

<TABLE>
<CAPTION>

Name	Age	Year Became A Director (Expiration of Current Term)	Office & Title
- - - - -	---	-----	-----
<S>	<C>	<C>	<C>
Vaughn R. Blake	43	1992 (1995)	Director
Victor C. Chigas	66	1989 (1994)	Executive Vice President and Director

Mark J. Grant (1)	42	1991 (1995)	Executive Vice President and Director
Lawrence R. Helfand	57	1981 (1993)	Executive Vice President and Director
Jonathon D. Kantor	38	1993 (1993)	Director
Kenneth M. Karmin	32	1990 (1993)	Director
Kurt B. Karmin	65	1988 (1995)	Chairman of Board of Directors and Chief Executive Officer
Scott H. Lang	46	1985 (1994)	Executive Vice President and Director
Norman E. Mains	50	1991 (1994)	President, Chief Operating Officer and Director

</TABLE>

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<TABLE>			
<S>	<C>	<C>	<C>
Gregory P. Quinlivan	33	1992 (1993)	Secretary, General Counsel, Executive Vice President and Director
Peter J. Schild	46	1993 (1994)	Chief Financial Officer, Executive Vice President and Director

</TABLE>

(1) Served previously as a director of the Company from 1987 to 1988.

Information is furnished below concerning the business experience of directors and executive officers, including the period of service of executive officers.

Vaughn R. Blake has served since 1987 as a Managing Director for Creditanstalt International Advisers, Inc., an investment banking subsidiary of Creditanstalt-Bankverein, which provides corporate finance advisory, securities brokerage and money management services.

Victor C. Chigas has served since June 1991 as an Executive Vice President of the Company and Rodman & Renshaw, Inc. ("Rodman"), a wholly-owned subsidiary of the Company, having served previously as a Senior Vice President of both companies since 1988. Prior to such time, Mr. Chigas was a Senior Vice President of the Investment Management Group of Drexel Burnham Lambert Inc.

Mark J. Grant served as a Senior Vice President of the Company and Rodman from 1987 to 1989, and has served as an Executive Vice President of the Company and Rodman since then. Mr. Grant has also served as Managing Director of Rodman's Fixed Income Department since 1990.

Lawrence R. Helfand has served as an Executive Vice President of the Company and Rodman since 1988, and was a Senior Vice President prior thereto. Mr. Helfand is also Rodman's Managing Director of Retail Sales.

Jonathon D. Kantor is a partner with the law firm of Shea & Gould, a nationwide law firm headquartered in New York City. Mr. Kantor has been with that firm since 1980. Mr. Kantor also serves on the board of directors of First City Industries, Inc. and the American Symphony Orchestra.

Kenneth M. Karmin has served as a managing director with Credit Agricole since August 1993. From 1988 to 1993 Mr. Karmin served as a Senior Vice President of the Company and Rodman, and was also Managing Director of Rodman's Financial Futures and Options Department. Prior to such time, Mr. Karmin was employed by Drexel Burnham Lambert Inc.,

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as a First Vice President in its Institutional Financial Futures Division.

Kurt B. Karmin has served as Chairman of the Board of Directors and Chief Executive Officer of the Company and Rodman since 1990. From 1988 to 1990, Mr. Karmin served as a Vice Chairman of the Company and Rodman, and President of the Company. Prior to joining the Company and Rodman, Mr. Karmin was a Senior Vice President in charge of Midwest Operations for Drexel Burnham Lambert Inc.

Scott H. Lang has served as an Executive Vice President of the Company and Rodman since 1988, and was a Senior Vice President prior thereto. Mr. Lang is also Managing Director of Rodman's Investment Banking Department, and a director of Pacific International Services Corp.

Norman E. Mains has served as President and Chief Operating Officer of the Company and Rodman since March, 1991. Prior thereto, Mr. Mains served as Executive Vice President for the firm of Bateman Eichler, Hill Richards, Inc., from 1988 to 1991. Mr. Mains also served as First Vice President and Director of Research for Drexel Burnham Lambert Inc. from 1982 to 1988. Mr. Mains is also a director of Suncoast Savings & Loan Association, Hollywood, Florida.

Gregory P. Quinlivan has served since 1991 as Secretary and General Counsel of the Company and Rodman. Mr. Quinlivan previously was Senior Attorney for the Chicago Board of Trade from 1989-1991 and an enforcement attorney for the Securities and Exchange Commission from 1987-1989.

Frederick G. Uhlmann, age 63, has served as an Executive Vice President of the Company and Rodman since 1990, and previously served as a Senior Vice President since joining the Company and Rodman since 1988. He was a director of the Company from 1989 until 1993. Mr. Uhlmann has also served as Managing Director of Rodman's Commodities Department in 1988. Prior to joining the Company and Rodman, Mr. Uhlmann was a Senior Vice President with Bear, Stearns & Co. Inc.

Peter J. Schild has served as Executive Vice President and Chief Financial Officer of the Company and Rodman since 1992. Prior to joining the Company and Rodman, Mr. Schild served as Senior Vice President and Treasurer of Drexel Burnham Lambert Inc. from 1987 to 1992.

All officers of the Company serve at the discretion of the Board of Directors. Certain of the Company's executive officers and directors serve as officers and directors of other subsidiaries of the Company not specified in the preceding discussion. There is no family relationship among any of the executive officers or directors of the Company, except that Kenneth M. Karmin is the son of Kurt B. Karmin.

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On November 16, 1993, Mr. Kurt B. Karmin stepped down as Chief Executive Officer, while remaining as Chairman of the Board, and Mr. Norman E. Mains was elected to the additional position of Chief Executive Officer.

ITEM 11. EXECUTIVE COMPENSATION

Historically, the Company's executive officers have been paid principally through commissions and incentives on a production basis, with the exception of executive officers having substantial administrative responsibilities.

The following table sets forth information concerning the compensation for each of the registrant's last three completed fiscal years of those persons (the "named executive officers") who were, at June 25, 1993 (i) the chief executive officer and (ii) the other four most highly compensated executive officers.

SUMMARY EXECUTIVE COMPENSATION TABLE

<TABLE>
<CAPTION>

Name and Principal Position	Fiscal Year Ended June:	Annual Compensation			Long-Term Compensation	All Other Compensation (4)
		Salary	Bonus (2)	Other Annual Compensation (3)	Stock Options	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Kurt B. Karmin (1)	1993	\$75,000	\$40,083	\$236,697	15,000	\$16,263
Chairman of the Board of Directors and Chief Executive Officer	1992	75,000	72,000	294,769	-0-	
	1991	75,000	-0-	338,556	20,000	
Victor C. Chigas	1993	-0-	56,741	1,164,444	14,000	47,686

Executive Vice President	1992	-0-	-0-	984,093	-0-	
	1991	-0-	-0-	437,884	4,300	
Mark J. Grant	1993	100,000	125,000	443,969	15,000	21,862
Executive Vice President	1992	82,500	230,150	165,994	-0-	
	1991	70,833	35,967	246,298	5,000	
Norman E. Mains (1)	1993	275,000	40,083	166	12,000	17,546
President and Chief Operating Officer	1992	258,333	98,000	162	50,000	
	1991 (5)	87,179	-0-	-0-	-0-	
Kenneth M. Karmin	1993	-0-	50,441	323,239	-0-	85,744
Senior Vice President	1992	-0-	-0-	379,217	12,500	
	1991	-0-	-0-	363,549	-0-	

</TABLE>

- (1) On November 16, 1993, Mr. Kurt B. Karmin stepped down as Chief Executive Officer, while remaining as Chairman of the Board, and Mr. Norman E. Mains was elected to the additional position of Chief Executive Officer.
- (2) Bonuses are based on profitability of the specific department or area, or multiple departments or areas, over which the executive has direct responsibility.
- (3) These amounts primarily consist of commissions earned from securities and commodities transactions, and include amounts voluntarily deferred under the Company's Voluntary Deferred Compensation Plan.
- (4) Amounts included under "All Other Compensation" consist of (i) Company matching funds under the Company's Retirement and Savings Plan (Mr. Kurt B. Karmin, \$873, Mr. Chigas, \$873, Mr. Grant, \$873, Mr. Mains, \$873, and Mr. Kenneth M. Karmin, \$0.00); (ii) the Company's contributions to the Supplemental Executive Retirement Plan (Mr. Kurt B. Karmin, \$15,390, Mr. Chigas,

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\$46,813, Mr. Grant, \$20,989, Mr. Mains, \$16,673 and Mr. Kenneth M. Karmin \$0.00); and (iii) in the case of Mr. Kenneth M. Karmin, includes \$64,000 in relocation and living expenses arising from his assignment in London.

In accordance with the transitional provisions of the rules on executive officer compensation adopted by the Securities and Exchange Commission, "All Other Compensation" information is excluded for the Company's 1992 and 1991 fiscal years.

- (5) Mr. Mains joined the Company on February 25, 1991.

OPTION GRANTS IN THE FISCAL YEAR
ENDED JUNE 25, 1993

The following table presents information as to stock option awards to each of the named executive officers during the fiscal year ended June 25, 1993. No stock appreciation rights were granted.

<TABLE>
<CAPTION>

Name	Options Granted (#)2	% of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/SH)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)	
					5%	10%
----- Individual Grants -----						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Kurt B. Karmin	15,000	3.9%	\$5.00	5-10-98	\$60,143	\$128,671
Victor C. Chigas	14,000	3.6%	5.00	5-10-98	\$56,134	\$120,093
Mark J. Grant	15,000	3.9%	5.00	5-10-98	\$60,143	\$128,671

Norman E. Mains	12,000	3.1%	5.00	5-10-98	\$48,115	\$102,937
Kenneth M. Karmin	--	--	--	--	--	--

</TABLE>

- (1) The dollar amounts in these columns project the amount that could be earned if the Common Stock appreciates at the annual rates indicated from the date of grant and if the options are held until the expiration dates shown. These rates of appreciation are specified by the applicable rules of the Securities and Exchange Commission and are not intended to forecast possible future actual appreciation, if any, in the Company's stock prices.
- (2) Options granted vest at 20% per year cumulatively and are exercisable upon vesting.

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AGGREGATED OPTION EXERCISES IN THE FISCAL YEAR ENDED JUNE 25, 1993
AND OPTION VALUES AT JUNE 25, 1993

The following table provides information as to the value of the options held by each such executive officer at June 25, 1993. No options were exercised by the named executive officers during the fiscal year ended June 25, 1993. The Company has not granted stock appreciation rights.

<TABLE>
<CAPTION>

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Unexercised Options at FY-End (#)	Value of Unexercised In-the-Money Options at FY-End(1)
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Kurt B. Karmin	-	-	43,000/27,000	\$6,000/\$20,250
Victor C. Chigas	-	-	16,720/16,580	1,290/12,435
Mark J. Grant	-	-	27,000/18,000	1,500/13,500
Norman E. Mains	-	-	35,000/27,000	26,250/20,250
Kenneth M. Karmin	-	-	20,000/75,000	3,750/5,625

</TABLE>

- (1) Based on a closing stock price of \$5.75 per share on June 25, 1993.

REMUNERATION OF DIRECTORS

Directors who are not otherwise employed by the Company or any of its subsidiaries are entitled to receive an annual retainer of \$5,000 and \$200 for each meeting of the Board of Directors and any committee thereof attended by them. Directors who are otherwise employed by the Company or a subsidiary of the Company are not entitled to any additional compensation for serving as directors.

TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL AGREEMENTS

Pursuant to a Severance Agreement dated June 29, 1993 entered into between Kenneth M. Karmin and the Company's subsidiary, Rodman & Renshaw, Inc. ("Rodman"), in connection with the sale of Rodman's United Kingdom branch to Credit Agricole Futures, SNC,

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Mr. Karmin has been paid \$135,000 (excluding compensation to which he was otherwise entitled for his services until his resignation on August 20, 1993, as an employee of Rodman).

On June 28, 1993, the Company entered into a Change of Control Employment Agreement with Norman E. Mains, its President and Chief Operating Officer and a director (the "Employment Agreement"). (On November 16, 1993, Mr. Mains was elected to the additional position of Chief Executive Officer.) The Employment Agreement provides that in the event that there is a Change of Control (as defined therein), which would occur upon consummation of the Offer (see Item 12(c)), the Company agrees to employ Mr. Mains until June 30, 1995 (the "Employment Period") and he agrees to continue his employment with the Company until at least one year after the Change of Control. During the Employment Period, the Company may terminate him for "Cause", which includes the commission of any felony, the habitual neglect of duties (other than on account of disability), willful breach of duty in the course of employment and inability to perform due to habitual alcohol or drug addiction. Mr. Mains may terminate his employment during the Employment Period for "Good Reason", which includes the assignment to him of duties other than senior executive and administrative duties at least commensurate in all material respects with his experience and abilities or the Company's requiring him to be based at a location which is more than 25 miles from the location where he was employed before the Change of Control.

The Employment Agreement provides that Mr. Mains would be paid an annual base salary during the Employment Period in an amount at least equal to 12 times his highest monthly base salary during the 12-month period before the Change of Control. (See "Summary Executive Compensation Table" for information concerning Mr. Mains' past compensation.) In addition to the base salary, Mr. Mains would be entitled to a bonus for each fiscal year within the Employment Period in an amount equal to 2% of Pre-Tax Income (as defined in the Employment Agreement) of the Company. If Mr. Mains' employment is terminated without Cause or he terminates employment for Good Reason, then he is entitled to receive his base salary, bonus and benefits as if he had remained employed throughout the Employment Period (at the times he would have been entitled to receive such amounts).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Victor C. Chigas and Mr. Norman E. Mains, who served during the fiscal year ended June 25, 1993, as members of the Compensation Committee, were each, during the fiscal year, executive officers of the Company.

Mr. Vaughn R. Blake, a director of the Company, who served during the fiscal year ended June 25, 1993, as a member of the Company's Compensation Committee, is a managing director for Creditanstalt International Advisers, Inc., an investment banking subsidiary of Creditanstalt-Bankverein, which entered into a lease of office space to the Company in November 1992 for a five year term, at a monthly rental of approximately \$12,000 subject to certain escalation provisions. Creditanstalt-Bankverein also made a \$3.5 million subordinated loan to the Company

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in 1990 (simultaneously with an equity investment that has since been sold to an outside third party), bearing interest at a rate, at June 25, 1993, of LIBOR plus 3%, due in eight annual installments beginning October 1, 1993. During the fiscal year ended June 25, 1993, Creditanstalt-Bankverein received interest payments from the company aggregating \$202,000.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Beneficial Owners.

As of November 1, 1993, there were 4,380,217 shares of the Company's common stock outstanding. The following persons (and Mr. Kurt B. Karmin, information on whom is provided in Item 12(b)), were known by the Company to be the beneficial owners of more than 5% of such outstanding common stock:

<TABLE>

<CAPTION>

Name and Address -----	Number of Shares -----	Percent of Total -----
<S>	<C>	<C>
Marshall S. Geller (1) 1875 Century Park East Suite 1770 Los Angeles, CA 90067	436,130	9.96%

</TABLE>

- (1) Based upon information contained in Schedule 13D, as amended, dated September 15, 1993.
- (2) Based upon information contained in Schedule 13D, as amended, dated October 19, 1993.

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(b) Security Ownership of Management

The following table sets forth the beneficial ownership of the Company's common stock as of November 1, 1993 by each director, by each of the named executive officers, and by all directors and executive officers as a group:

<TABLE>

<CAPTION>

Name	Number of Shares (1)	Percent of Total (2)
----	-----	-----
<S>	<C>	<C>
Vaughn R. Blake	-0-	-0-
Victor C. Chigas	95,087	2.16%
Mark J. Grant	84,577	1.92%
Lawrence R. Helfand	32,100	*
Jonathon D. Kantor	-0-	-0-
Kenneth M. Karmin	135,589	3.08%
Kurt B. Karmin(3)	314,200	7.10%
Scott H. Lang	71,110	1.61%
Norman E. Mains	62,500	1.42%
Gregory P. Quinlivan	2,800	*
Peter J. Schild	18,000	*
All directors and officers as a group. (12 persons, including those persons named above)	841,963	18.18%

* LESS THAN 1%

</TABLE>

- (1) Includes 250,820 shares of Common Stock of the Company subject to stock options immediately exercisable (or exercisable within 60 days after November 1, 1993) under the Company's Incentive Stock Option Plan. Of those, options on 43,000 shares were held by Kurt B. Karmin, 16,720 by Mr. Chigas, 27,000 by Mr. Grant, 32,100 by Mr. Helfand, 20,000 by Kenneth M. Karmin, 30,200 by Mr. Lang, 35,000 by Mr. Mains, 2,800 by Mr. Quinlivan and 18,000 by Mr. Schild.
- (2) Pursuant to the requirements of Rule 13d-3d(1) promulgated under the Securities Exchange Act of 1934, percentage ownership is calculated as if the shares subject to immediately exercisable stock options (including options which became exercisable within sixty days) held by the persons identified in the above table had been issued to them and were outstanding as of November 1, 1993, or within sixty days thereafter.

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- (3) The address of Mr. Kurt B. Karmin, the beneficial owner of more than 5%

of the Common Stock of the Company, is 120 South LaSalle Street, Chicago, Illinois, 60603.

(c) Change In Control

Pursuant to an Acquisition Agreement dated November 17, 1993 ("Acquisition Agreement") among Abaco Grupo Financiero, S.A. de C.V. ("Parent"), Parent's majority owned subsidiary, Abaco Casa de Bolsa, S.A. de C.V., ("Purchaser") and the Company, Purchaser has agreed to commence a tender offer ("the Offer") within five business days for approximately 51% of the outstanding shares of the Company, increased by the number of vested options not cancelled pursuant to the Acquisition Agreement, upon payment of the difference between the per share price of \$10.50 to be paid in the Offer and the exercise price. Consummation of the Offer is subject to various conditions, including a minimum tender of at least 51% of the outstanding shares of the Company or such smaller number of shares as would result (together with the purchase at the Offer price of up to 220,000 shares of the Company's common stock from the Company), in Purchaser becoming the owner of at least 51% of the Company's outstanding common stock. Other conditions to the Offer include the absence of any material adverse changes in the Company's business, necessary United States and Mexican regulatory approvals, and other conditions typical in transactions of this type. There can be no assurance that the Offer will be consummated.

The Acquisition Agreement provides that on consummation of the Offer, the Company will take action to amend its bylaws to (A) provide for not less than 11 and not more than 21 directors, (B) eliminate the staggered board provisions, (C) provide that directors must be Independent Directors (as defined below), Parent Directors (as defined below), or employees of the Company or its affiliates and (D) provide that the term of any director who ceases to qualify as provided in clause (C) will terminate. The Company has agreed to cause the Board of Directors on consummation of the offer to consist of 11 Parent Directors, 2 Independent Directors, and 8 Company Directors (as defined below). "Parent Directors" will be such persons as are designated by Parent, as such designation may change from time to time. "Company Directors" will initially be Messrs. Kurt B. Karmin, Victor C. Chigas, Mark J. Grant, Lawrence R. Helfand, Scott H. Lang, Norman E. Mains, Gregory P. Quinlivan and Peter J. Schild (each of whom is currently a director and executive officer of the Company); provided that in the event that any of such initial directors resigns or otherwise ceases to be a director for any reason, then, during the three years after consummation of the offer, the other Company Directors will have the right, by majority vote, to designate a replacement for such director except in situations involving reduction of the number of directors, which during such period will in no event reduce the number of Company Directors below three. An "Independent Director" means any person designated by Parent who (i) is in fact independent and qualifies as an independent director in accordance with the New York Stock Exchange rules, (ii) is not connected with Parent or the Company or any of their respective affiliates as an officer, employee, trustee, partner, director (other than of the Company) or person performing similar

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functions and (iii) has not been employed by the Company or any of its subsidiaries during the preceding year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As a matter of policy, the Company does not intend to make any loans to directors or executive officers of the Company other than in margin transactions conducted in the ordinary course of the business. Directors and executive officers of the Company maintain margin accounts with Rodman pursuant to which Rodman may make loans for the purchase of securities. All margin loans are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and do not involve more than the normal risk of collectibility or present other unfavorable features.

See also "Compensation Committee Interlocks and Insider Participation."

SIGNATURE

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

(Registrant) RODMAN AND RENSHAW CAPITAL GROUP, INC.

By PETER J. SCHILD
Peter J. Schild
Executive Vice President and Chief Financial Officer

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