RODMAN & RENSHAW CAPITAL GROUP, INC.
Form S-1/A
October 12, 2007

As filed with the Securities and Exchange Commission on October 12, 2007

Registration No. 333-144684

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 2
TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RODMAN & RENSHAW CAPITAL GROUP, INC.
f/k/a
ENTHRUST FINANCIAL SERVICES, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**6211**	**84-1374481**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

Rodman & Renshaw Capital Group, Inc.
1270 Avenue of the Americas
New York, New York 10020
(212) 356-0500
(212) 356-0536 Facsimile
(Address, including zip code, and telephone number, including area code, of Registrant s executive offices)

Michael Lacovara
Chief Executive Officer
Rodman & Renshaw Capital Group, Inc.
1270 Avenue of the Americas
New York, New York 10020
(212) 356-0500
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send copies of all communications to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act), check the following box. S

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

(cover continued on next page)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common stock	$ 86,250,000.00 (1)	$ 2,647.88
Common stock	$ 14,283,217.75 (2)	$ 438.50
Common stock	$ 9,828,100.00 (3)	$ 301.72
Total	$ 110,361,317.75	$ 3,388.10
Amount Previously Paid		$ 2,647.88
Amount Due		$ 740.22

(1) Estimated solely for purposes of calculating the amount of the registration fee paid pursuant to Rule 457(o) under the Securities Act. Includes: (i) shares offered for sale by the registrant, including shares covered by the underwriters over-allotment option; and (ii) 4,000,000 of the shares offered for sale by the selling stockholders under the alternative selling stockholder prospectus

following completion of the underwritten offering.

(2) Estimated solely for purposes of calculating the amount of the registration fee payable pursuant to Rule 457(c) promulgated under the Securities Act. Based on 1,970,099 shares to be offered for sale by the selling stockholders under the alternative selling stockholder prospectus following completion of the underwritten offering of our common stock described in this registration statement. Pursuant to Rule 457(c), the proposed maximum offering price is based on the average bid and asked price of a share of common stock as reported on the OTC

Bulletin Board on October 8, 2007 of $7.25.

(3) Estimated solely for purposes of calculating the amount of the registration fee payable pursuant to Rule 457(g) promulgated under the Securities Act. Based on 1,355,600 shares to be sold by the selling stockholders under the alternative selling stockholder prospectus, which shares are issuable upon the exercise of warrants having an exercise price of $7.00 per share. Pursuant to Rule 457(g), the proposed maximum offering price is based on the higher of warrant exercise price and the market price computed under Rule 457(c).

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 12, 2007

PRELIMINARY PROSPECTUS

8,000,000 Shares

Common Stock

We are an investment banking firm headquartered in New York City. We are offering 8,000,000 shares of our common stock. We anticipate that the offering price of the shares will be in the range of $5.00 to $7.00 per share.

Our common stock currently trades on the OTC Bulletin Board under the symbol RDRN.OB. We have applied to list our common stock on the NASDAQ Global Market under the symbol RODM.

Investing in our common stock involves risk. Please read Risk Factors beginning on page 13 for a discussion of the factors you should consider before you make your investment decision.

	Per Share	Total
Public offering price of common stock	$	$
Underwriting discounts	$	$
Proceeds to us (before expense)[1]	$	$

(1) This amount is the total before deducting legal, accounting, printing and other offering expenses payable by us, which are estimated at $1.25 million.

The underwriters may also purchase up to 1,200,000 additional shares from us at the public offering price set forth above, less the underwriting discount, within 30 days of the date of this prospectus to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the disclosures in this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2007, subject to customary closing conditions.

SANDLER O NEILL + PARTNERS, L.P. FOX-PITT KELTON COCHRAN CARONIA WALLER

PAULSON INVESTMENT COMPANY, INC.
RODMAN & RENSHAW, LLC

The date of this prospectus is , 2007

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized any other person to provide you with information different than that contained in this prospectus. If anyone provides you with additional, different or inconsistent information, you should not rely on it. You should not assume that the information included in this prospectus is accurate as of any date other than the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations, cash flows and/or future prospects may have changed since that date. Information contained on, or accessible through, our website is not part of this prospectus.

Neither we nor any of the underwriters are making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. Furthermore, you should not consider this prospectus to be an offer or solicitation relating to our common stock if the person making the offer or solicitation is not qualified to do so or it is unlawful for you to receive such an offer or solicitation.

In this prospectus we rely on and refer to information and statistics regarding the biotechnology sector of the U.S. economy and regarding certain types of financing transactions. We obtained this market data from independent publications or other publicly available information.

No action is being taken in any jurisdiction outside the United States to permit the public offering of our common stock or possession or distribution of this prospectus. Persons who come into possession or distribution of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

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PROSPECTUS SUMMARY

This summary highlights key aspects of the offering and does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including Risk Factors and our consolidated financial statements and accompanying notes included elsewhere in this prospectus, before making an investment decision. Unless otherwise indicated, the information contained in this prospectus assumes that the underwriters do not exercise their over-allotment option and does not take into account the issuance of any common stock upon exercise of warrants or stock options.

Rodman & Renshaw Capital Group, Inc. is a Delaware corporation and was formerly named Enthrust Financial Services, Inc. (which we refer to herein as Enthrust). Prior to July 10, 2007, Enthrust was a shell company with no business or operations. Rodman & Renshaw Holding, LLC (which we refer to herein as Holding) is a Delaware limited liability company and the holding company for Rodman & Renshaw, LLC, a registered broker-dealer, and its other affiliates. Upon completion of the Exchange, as described below under Recent Transactions, Holding became a wholly- owned subsidiary of Enthrust, and the beneficial owners of all of the equity and debt securities of Holding became stockholders of Enthrust. In August 2007, Enthrust changed its name to Rodman & Renshaw Capital Group, Inc. All references in this prospectus to us, we, and our refer to Holding and its direct and indirect subsidiaries before the Exchange and to Rodman & Renshaw Capital Group, Inc., and its direct and indirect subsidiaries after the Exchange.

Overview

We are a full service investment bank dedicated to providing investment banking services to companies that have significant recurring capital needs due to their growth and development strategies, along with research and sales and trading services to institutional investor clients that focus on such companies.

Through Acumen*BioFin* , our division dedicated exclusively to the life science sector, we provide a broad range of investment banking services to biotechnology, specialty pharmaceutical, medical device and other companies operating in the life science sector. Our present business began in 2002 when we made the strategic decision to focus on the biotechnology sector and to build an integrated investment banking platform to service this sector. Our decision was based, in part, on our belief that the biotechnology sector was underserved by the investment banking community as a result of: (i) consolidation, beginning in the 1990 s, of well-established middle market and boutique investment banks with and into large financial institutions; and (ii) the significant downturn in capital market activity in the biotechnology sector beginning in 2001.

As we continued to expand our capital raising efforts for biotechnology companies, we concluded that many of the typical biotechnology financing strategies and transaction structures in which we have developed an expertise could be equally effective in other sectors of the economy. Applying our financing know-how, understanding of the financing needs of capital intensive companies and appreciation of the goals and concerns of institutional investors that invest in such companies, we have begun to leverage our historical performance and reputation as a leading investment bank in the biotechnology sector to expand our product-based expertise and business reach to other sectors with similar financing needs.

Since 2003, we have been a leading investment banking firm to the biotechnology sector, a capital intensive market segment, as well as a leader in the PIPE (private investment in public equity) and RD (registered direct placements) transaction markets.

We were the
number one
investment

bank in terms of the aggregate number of PIPE and RD financing transactions completed during the first six months of 2007 and in the calendar years 2006, 2005 and 2003.

We were the number two investment bank in terms of the aggregate number of PIPE and RD financing transactions completed in the calendar year 2004.

From January 1, 2003 through June 30, 2007, we helped raise more than 15% of the total amount generated from PIPE and RD financing transactions in the U.S. biotechnology sector.

Market Opportunity

Based on the factors described below, we believe a significant opportunity exists for us to grow our various lines of business, expand our service offerings, attract new clients within the biotechnology sector and expand into new sectors. We believe that the recent volatility in the U.S. capital markets presents potential opportunities for us. The recurring financing needs of our core client base generally require those clients to access the capital markets on a regular basis, not just opportunistically. Moreover, valuations and activity in the biotechnology sector, for which a large segment of our business could be seen to serve as a proxy, have been strong even through recent market volatility. Finally, we are not burdened with exposure to commercial paper or real estate risk and hold no investments in structured products or vehicles that have undergone recent revaluations. As a result, we believe that both our key market sector and our strong balance sheet leave us well positioned to drive continued growth.

The Biotechnology Sector

The U.S. biotechnology sector continues to experience significant growth, as evidenced by the following:

total market capitalization of U.S. biotechnology companies increased from $15 billion in 1986 to over $500 billion today;

currently, there are over 330 publicly-traded and 1,100 private biotechnology companies in the United States; and

it is estimated that, in 2006, the U.S. biotechnology sector generated more than $60 billion in revenue.

Capital origination in the biotechnology sector has been strong over the past decade.

From 1996 through 2006, U.S. biotechnology companies raised $149.1 billion.

From January 1, 2003 through December 31, 2006, U.S. biotechnology companies raised:

- $4.1 billion from initial public offerings;
- $15.2 billion from follow-on offerings; and
- $11.7 billion from PIPE and RD financing transactions.

From January 1, 2003 through

December 31, 2006, merger and acquisition transaction value within the U.S. biotechnology sector totaled $66.4 billion.

With additional resources to devote to the biotechnology sector, we believe we can grow our corporate finance and strategic advisory businesses as the sector continues to grow. Companies in this sector require growth capital on a regular basis and regularly evaluate their strategic alternatives. Investors in companies in this sector require investment research and brokerage services, which we believe will allow us to grow our equity research and sales and trading platforms.

PIPE and RD Financing Transactions

Today, PIPE and RD financing transactions represent a key source of funding for publicly- traded biotechnology companies. For example, the U.S. biotechnology sector used PIPE and RD financing transactions to raise:

$13.8 billion from January 1, 2003 through June 30, 2007;

$3.6 billion in 2006; and

$2.1 billion in the first six months of 2007.

We believe that PIPE and RD financing transactions will continue to play a significant role in financing the biotechnology sector because the efficiency of these types of transactions better meets the funding needs of biotechnology companies as compared to alternative financing methods.

PIPE and RD financing transactions provide public companies across multiple sectors with effective and viable alternatives to raising capital through public follow-on offerings. The use by issuers of these financing alternatives to public follow-on offerings has grown significantly in recent years. Since 2003, when the capital markets began to recover after the Internet bubble, the number of PIPE and RD financing transactions and the amount of capital raised through such transactions have increased every year. For example, PIPE and RD financing transactions raised an aggregate of:

- $12.6 billion through 882 transactions in 2003;
- $15.6 billion through 1,270 transactions in 2004;
- $20.0 billion through 1,304 transactions in 2005;
- $28.2 billion through 1,342 transactions in 2006; and
- $22.4 billion through 645 transactions in the first six months of 2007.

We believe there is a significant opportunity for continued growth in this space given issuers continuing desire to identify and pursue faster and less costly financing alternatives to traditional follow-on public offerings and institutional investors continuing interest in participating in these financing transactions.

Consolidation in the financial services industry has created an opportunity for us to grow our business

The financial services industry has experienced substantial consolidation over the past 10 to 15 years. During this period, a number of growth-focused investment banks were acquired by larger financial institutions with broader platforms. We believe that large investment banks often under-serve clients considered to be small-cap or mid-cap companies, which has created a significant market opportunity for us to serve the specialized needs of these companies. A significant majority of our investment banking revenues is earned from publicly-traded companies with a market capitalization below $500 million. In addition, we believe many large investment banks have responded to margin pressure within their equity brokerage divisions by reducing research coverage, particularly for smaller companies, consolidating sales and trading services and transitioning to a more commoditized brokerage model. We will continue to work with these small-cap and mid-cap companies and aim to provide them with high quality services tailored to meet their needs for capital origination and strategic advisory services.

Competitive Strengths

We expect to maintain and expand our position in our target sector by continually leveraging our principal competitive strengths, which include the following:

Sector focus

We believe that our focus on the biotechnology sector is a competitive advantage. This focus manifests itself in the form of an integrated platform, including investment bankers, research analysts, traders and institutional sales people, all devoted to companies operating in the biotechnology sector. The team is comprised of individuals who are all knowledgeable and, in some cases, experts in this area. We believe this specialization produces a combination of financial and technical expertise, allowing us to better understand and service the strategic and financing needs of our clients and deliver differentiated advice that our clients require and appreciate when addressing complex financing issues and making important strategic decisions. As a result, we have become a leading provider of investment banking services to companies in the biotechnology sector.

Within the biotechnology sector, our strengths include:

Focus on financing transactions. Our investment bankers are corporate finance specialists and plan to continue to focus primarily on financing transactions, particularly PIPE and RD transactions.

Development of innovative solutions. Our in-depth knowledge of the biotechnology sector enables us to develop financing strategies, transaction structures and financing instruments that simultaneously address issuers needs for capital and the investment community s need to balance risk and reward.

Focused equity research. Our biotechnology research team (including eight PhDs and two medical doctors) focuses on uncovering market opportunities and on developing recommendations that will enhance our clients investment returns.

Industry leading conferences. Our industry-leading investment conferences dedicated to the life science sector, with particular emphasis on biotechnology companies, bring together companies, institutional investors, business development executives and experts from the life science community. Our life science conferences are an effective marketing tool for us and provide an opportunity for us to facilitate relationship building between the participating companies and investors.

Experienced professionals with deep knowledge and broad skills

We have created an entrepreneurial, performance-oriented corporate culture that attracts professionals who share a reputation for sector expertise, strong execution skills and a history of successful transactions. We are led by a team of professionals with extensive track records of success in the biotechnology sector and with arranging and executing PIPE and RD financing transactions.

Strong client relationships

We place great emphasis on developing and nurturing long-term relationships with both issuers and investors, including hedge funds, venture capital funds and private equity funds. This has expanded our distribution and placement capabilities, enabling us to raise significant amounts of capital for our issuer clients. We strive to build long-term relationships with our issuer clients by providing services appropriate to each stage of a company s development. We provide our clients with frequent and consistent interaction with our senior professionals, who are actively involved in all stages of our client engagements. We believe that the high levels of expertise and client trust we have developed have been significant factors contributing to our growth and have enabled us to generate significant repeat business. In 2006 and 2005, over 34% and 44%, respectively, of our investment banking transactions were executed with repeat clients. In the first six months of 2007, the percentage was 29%.

Established and respected brand

We believe the Rodman & Renshaw® brand name is well-recognized, highly-regarded and associated with knowledge leadership, especially in the biotechnology sector and the PIPE and RD transaction markets. In particular, we believe that we are known for developing creative solutions to financial and strategic challenges and for sound execution of our clients transactions.

Growth Strategy

Our primary business objective is to become a leading full-service investment banking firm for companies with significant and recurring capital needs across multiple sectors. We believe that, as a publicly-traded company with increased available capital, we will be better able to: (i) grow our platform by adding new products to serve our existing clients; (ii) build new teams to focus on sectors of the economy other than biotechnology that have similar financing needs; and (iii) hire professionals to supplement our existing staff. We intend to pursue this objective through the following strategies:

Expand our existing biotechnology sector platform

We believe that the biotechnology sector is still a growth area for us and, with our expertise and reputation, we are well-positioned to achieve a greater share of financial and advisory engagements in this sector. First, in order to capitalize on our inherent advantages, we intend to increase our investment banking, sales and trading, and research capability in this sector by adding additional professionals to augment our existing team. Our intention is to grow our leading PIPE and RD transaction business, to pursue more follow-on offerings and initial public offerings, to expand our merger and acquisition advisory services and to increase our focus on raising capital for private companies in the biotechnology sector. Second, we intend to nurture our relationships with those companies for which we have raised capital in the past and aggressively pursue relationships with other companies in this sector. Third, we intend to continue to develop new financing products and create new transactional structures that will address the risks and rewards inherent in this sector. Finally, we intend to apply our capabilities to other areas of the life science sector in addition to biotechnology. For example, specialty pharmaceuticals, medical devices and healthcare services, represent natural areas for expansion, particularly as we broaden our product capabilities.

Expand into new sectors

We intend to expand opportunistically into other sectors of the economy that have particular similarities with the biotechnology sector, including significant and on-going capital needs, highly technical expertise, high risk/high return operating environment and the presence of numerous innovative small and mid-size companies among larger companies. Such sectors may include one or more of the following: mining, energy, technology and business services. During the past 18 months, we completed investment banking transactions for companies in the environmental services, business services, technology, security, oil and gas, retail and logistics sectors, in addition to continuing to grow our presence in the biotechnology sector.

Expand our existing merchant banking and asset management businesses

Our current merchant banking activity includes the following: (i) taking a portion of our fee in warrants in connection with finance transactions; (ii) purchasing securities in a finance transaction in which we are also acting as placement agent; and (iii) retaining equity ownership in public shell companies, *i.e.*, reporting companies that have no active trade or business and nominal assets, which we subsequently merge with operating private companies through reverse mergers or CAPs® (Collateralized Acquisition Pools®) arranged by us.

We may expand our merchant banking activities in a number of ways, including: (i) making larger investments in companies for which we are acting as placement agent in connection with a financing transaction; (ii) making direct investments on a more frequent basis; (iii) making bridge loans and providing other interim capital; (iv) financing a company ourselves or with a limited number of other institutional investors; and (v) increasing the number of shell companies that we own. We may also develop our asset management business by, for example, launching a lifescience sector focused fund. These initiatives may be carried out through in-house efforts, through the recruitment of a fund manager or by acquiring an existing asset management business.

Strategic acquisitions

Our growth strategy also contemplates expansion through strategic acquisitions. We may acquire teams of investment bankers or institutional salesmen and traders in one or more of the sectors that we target or we may acquire an investment bank or financial advisory firm or other company in a complementary business or sector. In addition, our expansion strategy contemplates pursuing business opportunities outside of the United States. We have already raised capital for a number of foreign companies and have business contacts in Europe, Asia, Latin America and the Middle East.

Recent Developments

The Exchange

On July 10, 2007 (the Exchange Date), pursuant to an Exchange Agreement, dated as of July 10, 2007, we completed a reorganization transaction, which we refer to as the Exchange, with Enthrust, a shell company in which we indirectly held 80% of the common equity. As a result of the Exchange, Holding became a wholly-owned subsidiary of Enthrust and the beneficial owners of our outstanding debt and equity securities became stockholders of Enthrust. The Exchange consisted of the following:

(i) Paul Revere, LLC (Revere), a Delaware limited liability company, which owned 70% of Holding, contributed its membership interest in Holding to Enthrust in exchange for 12,711,683 shares of Enthrust s common stock;

(ii) the stockholders of R&R Capital Group, Inc. (RRCG), a Delaware S corporation, who, through their ownership of RRCG, owned 30% of Holding and 25.5% of RRPR, LLC (RRPR), a

Delaware limited liability company, contributed all of their RRCG shares to Enthrust in exchange for 5,967,591 shares of Enthrust s common stock;

(iii) the holders of the 6% Senior Convertible Debentures in the aggregate principal amount of $20 million (the Debentures) and warrants to purchase 714,286 shares of Holding stock at a price of $7.70 per share (the Holding Warrants) issued by Holding in March 2007, contributed the Debentures and the Holding Warrants to Enthrust in exchange for 5,970,099 shares of Enthrust s common stock and warrants to purchase 1,355,600 shares of Enthrust s common stock at a purchase price of $7.00 per share (the Warrants); and

(iv) options held by employees to purchase up to 2,848,370 shares of Holding s stock at prices ranging from $0.409 to $8.24 per share were, by their terms, converted into options to acquire up to 5,278,071 shares of Enthrust s common stock at prices ranging from $0.22 to $4.45 per share.

Immediately after the Exchange, 1,707,144 shares of Enthrust s common stock that were outstanding prior to the Exchange, including all of the shares held indirectly by Holding, were cancelled. Thus, the shares of Enthrust s common stock issued to Revere, the RRCG stockholders and the holders of the Debentures and the Holding Warrants pursuant to the Exchange Agreement represented 98.6% of Enthrust s issued and outstanding shares immediately after the Exchange.

On the Exchange Date, all of Enthrust s officers resigned and its then sole director, Arnold P. Kling, appointed Edward Rubin, Holding s President and a member of Holding s board of directors, as a director of Enthrust. Messrs. Kling and Rubin then appointed the officers of Holding as Enthrust s new officers. In addition, they appointed the other members of the Holdings board of directors to Enthrust s board of directors effective as of July 22, 2007, the tenth day after Enthrust mailed an Information Statement pursuant to Rule 14f-1 of the Securities Exchange Act of 1934, as amended (the Exchange Act) to its stockholders of record. Mr. Kling then resigned as a director of Enthrust effective as of July 22, 2007. In this prospectus, we refer to our board of directors after the Exchange as the Board of Directors.

Finally, on August 31, 2007, Enthrust changed its name to Rodman & Renshaw Capital Group, Inc.

Based on the fact that: (i) prior to the consummation of the Exchange, Enthrust was not engaged in any trade or business; (ii) immediately following the Exchange, the former beneficial owners of Holding s equity and debt securities owned 98.6% of Enthrust s issued and outstanding shares of common stock; (iii) Holding s officers became the officers of Enthrust and Holding s directors became, as of July 22, 2007, the directors of Enthrust; and (iv) Enthrust changed its name to reflect Holding s corporate identity; for accounting purposes: (a) Holding is treated as the acquiror; (b) the Exchange is treated as a recapitalization of Holding; and (c) Holding s historical financial statements are treated as the historical financial statements of Enthrust.

New Chief Executive Officer

In August 2007, we entered into an employment agreement with Michael Lacovara pursuant to which Mr. Lacovara became our Chief Executive Officer and a member of our Board of Directors effective September 4, 2007. Mr. Lacovara previously served as co-chief operating officer of Sandler O Neill & Partners, L.P., the representative of the several underwriters of this offering. Mr. Lacovara replaces John J. Borer III as our Chief Executive Officer. As of September 4, 2007, Mr. Borer became a Senior Managing Director and Head of Investment Banking. For a more detailed description of the terms of Mr. Lacovara s employment, see Executive Compensation Employment Arrangements.

Corporate Information

Our principal executive office is located at 1270 Avenue of the Americas, New York, New York 10020, and our telephone number is (212) 356-0500. Our corporate website address is *www.rodmanandrenshaw.com.* Information contained on our website is not incorporated by reference into this prospectus and you should not consider information contained on, or accessible through, our website as part of this prospectus.

The Offering

Common stock offered	8,000,000 shares(1)
Common stock to be outstanding after this offering	33,750,000 shares(1)(2)
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $43.4 million based on an assumed offering price of $6.00 per share, which is the mid-point of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and expenses payable by us. We plan to use the net proceeds we receive from this offering for general corporate purposes, which may include, among other things: (i) expanding our presence in the biotechnology sector; (ii) continue our expansion into new sectors; (iii) strategic acquisitions; and (iv) expanding our merchant banking and asset management businesses.
Dividend policy	For the foreseeable future, the Board of Directors intends to follow a policy of retaining earnings for the purpose of increasing our capital to support additional growth. Accordingly, we currently do not expect to declare or pay dividends for the foreseeable future.
Listing	We have applied to list our common stock on the NASDAQ Global Market under the symbol RODM.
Risk factors	See Risk Factors, Dilution and other information included in this prospectus for a discussion of certain factors that you should carefully consider before investing in our common stock.

(1) Assumes that the underwriters do not exercise their option to purchase up to an additional 1,200,000 shares of common stock from us to cover over-allotments, if any. If the underwriters exercise this option in full, we will sell 9,200,000 shares in the offering and 34,950,000 shares of common stock will be outstanding

immediately after this offering. See Underwriting.

(2) The number of shares of common stock outstanding immediately after this offering does not include:

- 5,278,071 shares of common stock reserved for issuance upon the exercise of outstanding options granted prior to the adoption of our 2007 Stock and Incentive Plan, at exercise prices ranging from $0.22 to $4.45 per share, having a weighted average exercise price of $3.74;

- 1,355,600 shares of common stock underlying the Warrants, which have an exercise price of $7.00 per share; and

4,500,000 shares of common stock reserved for future issuance pursuant to grants of restricted stock and options under our 2007 Stock and Incentive Plan.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table summarizes our selected historical consolidated financial data for the periods and at the dates indicated. You should read this information in conjunction with our audited and unaudited consolidated financial statements and related notes, Selected Unaudited Pro Forma Combined Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, and other financial information appearing elsewhere in this prospectus. We derived our selected historical consolidated financial data as of December 31, 2006, 2005 and 2004 and for the years ended December 31, 2006 and 2005 and for the nine months ended December 31, 2004, from our audited consolidated financial statements, which have been audited and reported upon by Marcum & Kliegman LLP, an independent registered public accounting firm. We derived our selected historical consolidated financial data for the years ended March 31, 2004 and 2003 from our unaudited consolidated financial statements not included in this prospectus. The selected historical consolidated financial data as of and for the six months ended June 30, 2007 and 2006 is derived from our unaudited interim consolidated financial statements, which includes, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the data for such periods. The results of operations for the six-month period ended June 30, 2007, do not necessarily indicate the results that may be expected for any future period or for the full year 2007.

Consolidated Statement of Operations Data:

	Six Months Ended June 30,		Years Ended December 31,		Nine Months Ended December 31,	Y E Ma
	2007	**2006**	**2006**	**2005**	**2004**	**2004**
	(Unaudited)		**(Audited)**		**(Audited)**	**(Un**
			(in thousands)			
Revenues:						
Private placement, underwriting and strategic advisory fees[1]	$ 39,374	$ 17,234	$ 43,081	$ 17,887	$ 16,669	$ 32,207
Principal transactions, net[2]	(340)	1,480	11,519	1,175	827	5,580
Realized gains (loss) on securities, net[3]	3,540	5,068	1,884	6,174		
Commissions[4]	3,606	2,327	5,161	2,429	2,140	673
Conference fees	719	749	2,093	1,488	1,112	
Other income[5]	326	81	220	102	129	555
Total Revenues	$ 47,225	$ 26,940	$ 63,958	$ 29,255	$ 20,877	$ 39,015
Expenses:						
Employee compensation	$ 26,542	$ 9,508	$ 26,782	$ 15,345	$ 14,427	$ 33,733

and benefits(6)												
Conference fees		2,144		1,670		4,748		3,673		2,957		876
Professional fees		2,713		2,488		6,192		1,492		1,026		765
Business development		1,434		880		1,880		765		410		356
Communication and data processing		889		628		1,452		671		282		132
Other expenses		2,084		1,373		3,319		2,423		1,482		1,336
Total Expenses	$	35,806	$	16,547	$	44,373	$	24,369	$	20,584	$	37,198
Operating income (loss)	$	11,419	$	10,392	$	19,585	$	4,886	$	293	$	1,817
Interest expense		793										
Income (loss) before income taxes and minority interests	$	10,626	$	10,392	$	19,585	$	4,886	$	293	$	1,817
Income taxes		338		349		893		395		19		392
Minority interest in (income) loss of subsidiaries		(261)		(1,718)		(2,174)		18				
Net income (loss)	$	10,027	$	8,325	$	16,518	$	4,509	$	274	$	1,425
Unrealized gain on investments(7)						1,002						
Reclassification adjustment for realized gains on investments	$	(1,002)										
Comprehensive income (loss)	$	9,025	$	8,325	$	17,520	$	4,509	$	274	$	1,425

(1) Includes fees earned in connection with private placement and underwritten financing transactions and advisory fees earned in connection with mergers, acquisitions, divestitures and similar transactions.

(2) Net unrealized gains and losses on publicly traded unrestricted common stock that we have the intent and ability to sell in the short term (*i.e.*, 12 months).

(3) Net proceeds from the sale of securities in excess of or below our cost of those securities. Securities held for investment include: (i) warrants we received as compensation for acting as placement agent; (ii) securities,

including warrants, that we purchased in offerings for which we acted as placement agent; (iii) continuing interests in shell companies that we originally acquired for the purpose of facilitating financing transactions; and (iv) for the year ended December 31, 2006 and the six months ended June 30, 2007, securities held by R&R Opportunity Fund, L.P., a hedge fund that we manage and in which we have a minority equity interest.

(4) Amounts paid by our investor clients from brokerage transactions in equity and other types of securities.

(5) Interest and dividend

income and asset management fees.

(6) Includes salaries, bonuses, benefits, employment taxes and other employee costs, both cash and non-cash.

(7) Unrealized gains and losses on publicly traded unrestricted common stock that we cannot sell in the short term (*i.e.*, 12 months) due to low volume or illiquidity.

Consolidated Balance Sheet Data:

	As of June 30, 2007	As of December 31, 2006	2005	2004
	(Unaudited)	(Audited)		
	(in thousands)			
Cash and cash equivalents	$ 27,740	$ 10,387	$ 1,946	$ 4,716
Securities owned	$ 9,115	$ 19,093	$ 2,460	$ 1,304
Total assets	$ 54,452	$ 38,106	$ 9,682	$ 9,709
Total liabilities	$ 16,718	$ 10,462	$ 1,308	$ 5,568
Members equity[1]	$ 11,447	$ 22,026	$ 8,304	$ 4,142

(1) Holding is a limited liability company. The periods presented are prior to the Exchange.

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following selected unaudited pro forma combined financial data for the periods and at the dates indicated should be read in conjunction with our consolidated financial statements and related notes, our Pro Forma Condensed Combined Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations appearing elsewhere in this prospectus. The selected unaudited pro forma combined financial data is presented to show the impact of the Exchange: (i) on our historical results of operations for the six months ended June 30, 2007 and the year ended December 31, 2006 had the Exchange been consummated on January 1, 2006 and 2007, respectively; and (ii) on our historical financial condition had the Exchange been consummated on June 30, 2007. The unaudited pro forma selected combined financial information is intended for informational purposes only and is not necessarily indicative of our future financial position or future operating results or of our financial position or operating results that would have actually occurred if the Exchange had been consummated as of the dates or for the periods presented.

Pro Forma Combined Statement of Operations Data:

	Six Months Ended June 30, 2007	Year Ended December 31, 2006
	(in thousands, except earnings per share and weighted number of shares data)	
Revenues	$ 47,283	$ 63,958
Operating expenses	36,760	45,180
Operating income	10,523	18,778
Income tax expense (benefit)	899	6,775
Minority interest	261	2,187
Net income	9,363	9,816
Other comprehensive income (loss)	(1,002)	1,002
Comprehensive income	$ 8,361	$ 10,818
Earnings per share, basic and diluted	$ 0.37	$ 0.39
Weighted average number of shares outstanding basic and diluted	25,000,000 (1)	25,000,000 (1)

The pro forma combined statement of operations data set forth above is derived from the historical consolidated statements of income and comprehensive income of Holding, Enthrust and RRCG. As a result of the Exchange, Holding and RRCG became our wholly-owned subsidiaries on the Exchange Date. The pro forma combined statement of operations data reflects the following adjustments:

transaction
costs of
approximately

$800,000 relating to the Exchange;

eliminating Enthrust s operating expenses of $54,943 and $56,798 for the six months ended June 30, 2007 and the year ended December 31, 2006, respectively, and Holding s minority interest in Enthrust s results of operations of $13,266 for the year ended December 31, 2006;

eliminating interest expense, amortization of debt discount and deferred financing costs, in the amount of $792,861, relating to the Debentures;

applying a 40% effective tax rate; and

eliminating RRCG s tax expense.

(1) Does not take into account 750,000 shares of restricted common stock issued in September 2007 to our new Chief Executive Officer. See Executive Compensation Employment Arrangements.

Pro Forma Combined Balance Sheet Data:

	As of June 30, 2007			
		Pro forma		Pro forma, as adjusted
	(in thousands)			
Cash and cash equivalents	$	27,760	$	71,150
Securities owned	$	9,117	$	9,117
Total assets	$	56,630	$	100,020
Total liabilities	$	17,245	$	17,245
Stockholders equity	$	31,495	$	74,885

The pro forma combined balance sheet data set forth above combines the consolidated statement of financial condition of Holding, Enthrust and RRCG as of June 30, 2007. As a result of the Exchange, Holding and RRCG became wholly owned subsidiaries of Enthrust on the Exchange Date. The pro forma combined balance sheet data reflects the following:

24,649,373 shares issued in the Exchange and cancellation of 1,707,144 shares owned by the pre-Exchange Enthrust shareholders, including 1,414,286 owned indirectly by Holding;

eliminating the minority interest in Enthrust, its assets and liabilities and corresponding equity components;

adjustments to reflect the contribution of the Debentures and the Holding Warrants in exchange for shares of common stock and the Warrants;

adjustments to reflect the costs associated with the Exchange net of the effective tax rate of 40%;

recapitalization of Holding s member equity as a result of the Exchange; and

eliminating RRCG s investment in Holding and its corresponding equity components.

The pro forma, as adjusted column in the table above gives effect to all of the pro forma adjustments and the receipt of the estimated net proceeds of this offering based on the sale of shares of common stock by us at a price of $6.00 per share, which is the midpoint of the range set forth on the cover of this prospectus.

RISK FACTORS

An investment in us involves a high degree of risk. You should consider carefully the following information about these risks, together with the other information contained in this prospectus, before deciding to purchase any of our securities. If any of the events or developments described below actually occur, our business, results of operations and financial condition would likely suffer. In these circumstances, you may lose all or part of your investment. In addition, it is also possible that other risks and uncertainties that affect our business may arise or become material in the future.

Risks Related to Our Business

We derive a significant portion of our revenues from the life science sector, primarily from biotechnology companies. Adverse developments or a decline in investor interest in this sector could harm our business.

In 2006 and 2005, 60% and 82%, respectively, of our revenues were derived from the life science sector. For the first six months of 2007, the percentage was 75%. Although we expect this percentage to decrease as our business grows and we execute our growth strategy, we anticipate that the life science sector (primarily biotechnology companies) will continue to account for the largest portion of our revenues in the foreseeable future. The life science sector is known for its volatility due to a number of factors including the following:

- many companies in this sector rely on a single product or class of products;
- the sector is highly regulated;
- a company s success and viability depends on the results of clinical trials, which are unpredictable;
- technological developments;
- disposition of patent applications;
- international respect of

- patents;
- product recalls;
- general economic conditions and political developments;
- global competition; and
- availability of insurance coverage.

Unless we expand into new segments of the economy, our revenue and net profits will continue to be subject to the volatility of the life science sector, which could have a detrimental impact on the price of our securities.

We expect our growth rates to decline and anticipate downward pressure on our operating margins in the future.

In 2006 and 2005 our total revenues were $64.0 million and $29.3 million, respectively, an increase of 118%. Similarly, in 2006 and 2005 our net income was $16.5 million and $4.5 million, respectively, an increase of 267%. As our business grows and matures, it is unlikely that our growth rate can be sustained at those levels, if at all. We expect that in the future our revenue growth rate will decline and anticipate that there will also be downward pressure on our operating margins. We believe this decline and downward pressure could be the inevitable result of a number of factors, including the following:

- expenses increasing at a greater rate than revenues;
- increasing competition in those segments of the market in which we compete;
- additional costs related to being a public reporting company;

our inability to execute our growth strategy;

our lack of liquidity and access to capital; and the relative amounts of revenue we earn from our different operating units, which have different profit margins.

If we are unable to manage our future growth successfully, we may not be able to sustain profitability. Continued growth may place significant demands on our operational, administrative and financial resources.

Our rapid growth has caused, and if it continues, will continue to cause, significant demands on our operational, administrative and financial infrastructure and increase our expenses. If we do not effectively manage our growth, the quality of our services could suffer, which would adversely affect our operating results and our reputation. To effectively manage future growth, we will have to hire, train and manage a larger work force and improve our financial and management controls and our reporting systems and procedures. These systems enhancements and improvements will require significant capital expenditures and allocation of valuable management resources. If the improvements are not implemented successfully, our ability to manage our growth will be impaired and we may incur significant additional expenditures to address these issues, further impairing our financial condition and profitability. We cannot assure you that we will be able to manage our growth effectively and any failure to do so could adversely affect our ability to generate revenues and control expenses.

We depend on the services of Mr. Vasinkevich, Mr. Borer and Mr. Rubin, and the loss of their services would have a material adverse effect on us.

We depend on the efforts and reputations of Michael Vasinkevich, our Vice Chairman, John J. Borer III, formerly our Chief Executive Officer and currently a Senior Managing Director and Head of Investment Banking, and Edward Rubin, our President. Their reputations and relationships with clients and potential clients are critical elements in expanding our businesses, and we believe our historical and future performance is strongly correlated to their involvement to date and their continued involvement in our operations. We entered into employment agreements with each of Messrs. Vasinkevich, Rubin and Borer, which initially expire on February 28, 2010. Each employment agreement then renews automatically for an unlimited number of one-year periods until either party gives a 90-day non-renewal notice. If the executive s employment terminates for any reason, he is subject to a covenant that prohibits him from competing with us for a period of one year from the date of termination. We cannot assure you that one or more of Messrs. Vasinkevich, Borer and Rubin will not resign, join a competitor or form a competing company or that the non-competition provisions in their employment agreements are enforceable. The loss or reduction of the services of any of Messrs. Vasinkevich, Borer or Rubin, due to death, disability, termination of employment or regulatory restriction, could have a material adverse effect on our operations, including our ability to attract new company clients and to raise capital from institutional investors.

Our client base and the number of products we offer are limited. Our rate of growth will be impaired unless we expand our client base and increase our investment banking revenues.

We derive most of our revenues from investment banking engagements, including placement agent and underwriting fees and strategic advisory fees, which have the highest profit margins of any of our operating units. For the first six months of 2007 and for the years 2006 and 2005, investment banking transactions accounted for 83%, 67.4% and 61.1%, respectively, of our total revenues. In addition, most of our investment banking revenue derives from publicly-traded companies in the life science sector. From January 1, 2003 through June 30, 2007, we acted as sole or lead manager in connection with 122 financing transactions, of which 93 were or are on behalf of companies in the life science sector. Most of our investment banking clients are public companies and many of them have little or no revenue. From January 1, 2003 through June 30, 2007, our corporate finance transactions ranged from $1.3 million to $163.0 million.

Although our growth strategy contemplates that we will develop new sources of revenue and expand our sales and trading, strategic advisory, asset management and merchant banking capabilities, our future growth still largely depends on our ability to generate significant placement agent and underwriting fees. To do so, we must: (i) expand into new sectors; (ii) increase the volume of corporate finance transactions in which we act as sole or lead manager; and (iii) actively solicit engagements for larger transactions. Significant factors affecting this strategy include our relatively small size, our lack of familiarity with, and visibility in, sectors other than life science and competition from larger investment banks. We cannot assure you that we will be able to compete effectively for new investment banking engagements. If we are unable to increase our investment banking revenue, our rate of growth will be adversely affected, which may cause the price of our common stock to decline.

Our future success depends on our ability to expand our investment banking services into sectors of the economy other than life science.

For the six months ended June 30, 2007, and for the years 2006, 2005 and 2004, revenues from non-life science companies were 25%, 40%, 18% and 15%, respectively, of our total revenues. Since we do not have any particular expertise in sectors other than life science, we rely, in part, on our relationships with institutional investors and private equity funds to introduce us to companies that need capital and on our own ability to identify opportunities to which we can apply our corporate finance know-how. We cannot assure you that we will be able to continue to receive referrals from institutional investor sources. We may hire teams of investment bankers and other professionals with expertise in a particular sector, which would, in the short-term, increase our operating costs. If these costs are not offset with increases in revenues, our profitability will be adversely affected, which may cause the price of our common stock to decline.

PIPE transactions have been subject to intense regulatory scrutiny over the last few years. To the extent the investor interest is reduced as a result, our business will be adversely affected.

A significant factor in our growth to date has been our leading position as placement agent in PIPE transactions. These transactions usually can be accomplished in less time and at less cost than registered public offerings. Various regulatory and governmental agencies, including the U.S. Securities and Exchange Commission (the SEC), have been reviewing PIPE transactions. Periodically, we receive requests for information from the SEC and other regulatory and governmental agencies regarding PIPEs in general or regarding specific transactions. In most cases, these communications include a request for copies of transaction documents. We always comply with these requests. If the SEC or any other regulatory agency promulgates regulations that make it more difficult or expensive to consummate PIPE transactions, investors and issuers may prefer other financing strategies, such as registered public offerings. Since underwriting registered public offerings has never been a significant source of revenue for us, any decline in the number of PIPE transactions could have a material adverse impact on our business, operations and financial condition, which may cause the price of our common stock to decline.

Our revenue and profits are highly volatile, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our common stock to decline. In addition, the investment banking sector can be highly volatile, which could adversely impact our revenues and profits.

We have experienced, and expect to experience in the future, significant variations from period-to-period in our revenues and results of operations. These variations may be attributed in part to the fact that our investment banking revenues, which represent the largest portion of our revenues, are typically earned when the financing or merger or acquisition transaction is consummated, the timing of which is uncertain and largely beyond our control. In most cases, we receive little or no payment for investment banking engagements that do not result in a successfully completed transaction. As a result, our business depends a great deal on market conditions as well as the decisions and actions of our clients and interested third parties. For example, a client could delay or terminate financing transactions because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, adverse market conditions or because its business is experiencing unexpected operating or financial problems. In addition, many

companies seeking a financing simultaneously explore a merger or sale option. Our investment banking revenues would be adversely affected if companies for which we are acting as placement agent or underwriter were sold and we were not also engaged as a strategic advisor. If a transaction fails to close, we will earn little or no revenue despite the fact that we may have devoted considerable resources to, and incurred significant out-of-pocket expenses in connection with, the transaction. This risk may be intensified by our focus on companies in the biotechnology sector, which is extremely volatile. As a result, our financial results will likely fluctuate from quarter to quarter based on the timing when fees are earned, which could, in turn, lead to increased volatility in the price of our common stock.

Market conditions and valuations for companies in the life science sector, as well as general market conditions, can materially affect our financial performance. The nature of our revenue generation, including the size of transactions, the timing of transaction closings and the sectors in which those transactions occur, make our future performance difficult to predict and potentially highly variable. Revenues for many of the services we provide are earned only upon the successful completion of a transaction. Accordingly, revenues and net income in any period may not be indicative of full-year results or the results of any other period and may vary significantly from year-to-year and quarter-to-quarter depending on whether and when transactions are completed and the number, size and type of transactions completed. In particular, recent volatility in the capital markets may lead to disruptions that delay or eliminate revenue opportunities.

Our corporate finance and strategic advisory engagements are singular in nature and do not generally provide for subsequent engagements.

Our investment banking engagements, whether for a financing, a merger or an acquisition transaction, are usually transaction specific as opposed to long-term engagements. As such, we must continually seek new engagements even from companies that have engaged us in the past. For this reason, we believe it is important to nurture strong relationships with our clients. Although we have been successful in securing repeat engagements from clients in the past, our ability to do so on a regular basis is by no means assured. As a result, high activity levels in any period are not necessarily indicative of continued high levels of activity in any subsequent period. If we are unable to generate a substantial number of new engagements that generate fees from new or existing clients, our business, results of operations and financial condition could be adversely affected.

We may invest our own principal capital in equities that have limited liquidity and that expose us to a significant risk of capital loss.

We use a portion of our own capital in a variety of principal investment activities, including purchasing shell companies to be used in connection with future financing transactions and purchasing securities offered in financing transactions for which we are acting as placement agent. We also hold a portfolio of equity securities, including stock and warrants that we received as part of our compensation in connection with acting as a placement agent. Principal investing involves numerous risks, including illiquidity, loss of invested capital and revaluation.

As part of our growth strategy, we intend to expand our merchant banking operating unit, which may involve purchasing securities in venture capital and other high-risk financings of early-stage, pre-public, mezzanine or turn-around companies. These securities are likely to be restricted as to resale and may, in any event, be highly illiquid. For example, in the case of investments in marketable securities, principal investments could be significant relative to the overall capitalization of the company in which we invest. Resale of a significant amount of these securities might adversely affect their market and/or sales price. Moreover, the companies in which we invest