

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

December 31,	2008	2007
(In thousands)		
Assets		
Cash and cash equivalents	\$ 440,621	\$ 222,435
Securities owned, held at clearing brokers, at fair value	476,111	412,565
Receivable from brokers and dealers	341,350	382,544
Asset management fees receivable	11,866	27,588
Investment in Deephaven sponsored funds	47,152	83,732
Receivable from Deephaven sponsored funds	–	85,000
Fixed assets and leasehold improvements, at cost, less accumulated depreciation and amortization of \$118,078 in 2008 and \$112,032 in 2007	83,831	62,073
Strategic investments	83,697	73,704
Goodwill	232,197	132,832
Intangible assets, less accumulated amortization of \$24,853 in 2008 and \$12,985 in 2007	90,477	57,845
Deferred compensation investments	72,690	85,504
Other assets	134,583	129,991
Total assets	\$2,014,575	\$1,755,813
Liabilities and Stockholders' Equity		
Liabilities		
Securities sold, not yet purchased, at fair value	\$ 385,003	\$ 335,280
Payable to brokers and dealers	98,138	117,001
Accrued compensation expense	216,024	228,275
Accrued expenses and other liabilities	140,874	119,879
Long term debt	140,000	70,000
Total liabilities	980,039	870,435
Commitments and contingent liabilities (Note 20)		
Minority interest	7,178	–
Stockholders' equity		
Class A Common Stock, \$0.01 par value;		
Shares authorized: 500,000 at December 31, 2008 and December 31, 2007;		
Shares issued: 154,404 at December 31, 2008 and 150,801 at December 31, 2007;		
Shares outstanding: 90,121 at December 31, 2008 and 91,536 at December 31, 2007	1,544	1,509
Additional paid-in capital	648,716	587,025
Retained earnings	1,112,010	934,099
Treasury stock, at cost; 64,283 shares at December 31, 2008 and 59,265 shares at December 31, 2007	(734,912)	(637,255)
Total stockholders' equity	1,027,358	885,378
Total liabilities and stockholders' equity	\$2,014,575	\$1,755,813

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