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RONALD SCHWARTZ, Individually and on	:
behalf of all others similarly situated,	::
	:
	:
Plaintiff,	:
	:
	:
v.	:
	:
	:
KENNETH D. PASTERNAK, KEITH KNOX,	:
JOHN W. MASCONI, ANTHONY SANFILIPPO,	:
JOHN C. SHAW, JR., PETER J. ZUGSCHWERT,	:
HUDSON HOLDING CORPORATION,	:
RODMAN & RENSHAW CAPITAL GROUP,	:
INC. and HHC ACQUISITION, INC,	:
	:
	:
Defendants.	X

TO ALL HOLDERS OF THE COMMON STOCK OF HUDSON HOLDING CORPORATION ("HUDSON" OR THE "COMPANY") ON OR AFTER JANUARY 11, 2011. PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. YOUR RIGHTS WILL BE AFFECTED. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A SHAREHOLDER CLASS ACTION AND CLAIMS ASSERTED THEREIN.

I. WHY YOU ARE RECEIVING THIS NOTICE

This Notice of Pendency of Class Action and Settlement Hearing (“Notice”) is given pursuant to New Jersey Court Rule 4:32-2(e) and by an Order of The Superior Court of New Jersey, Chancery Division, Hudson County (“Court”). The purpose of this Notice is to advise you that a consolidated shareholder class action is now pending in the Court (“Action”) relating to the acquisition by Rodman & Renshaw Capital Group, Inc. and HHC Acquisition, Inc. (collectively, “Rodman”) of Hudson and that the parties hereto have entered into a Stipulation of Settlement (“Stipulation”), dated as of April 5, 2011, reflecting a settlement (“Settlement”), subject to Court approval, which would fully, finally, and forever resolve the pending action on the terms and conditions summarized in this Notice and that a final hearing (“Final Hearing”) will be held on July 21, 2011 at 2:30 p.m. before the Superior Court of New Jersey, Chancery Division, Hudson County, Brennan Courthouse, 583 Newark Avenue, 2nd Floor, Jersey City, New Jersey 07306.

THIS IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF ANY CLAIMS OR ANY DEFENSES ASSERTED BY ANY PARTY IN THE ACTION, OR THE FAIRNESS, REASONABLENESS, OR ADEQUACY OF THE PROPOSED SETTLEMENT.

II. BACKGROUND - WHAT THIS SETTLEMENT IS ABOUT

On January 5, 2011, Hudson and Rodman announced a definitive merger agreement (“Merger Agreement”) pursuant to which each outstanding share of Hudson’s common stock on the effective date of the merger would be converted into the right to receive 0.0338 shares of Rodman common stock, subject to adjustment.

On January 11, 2011, the Action was filed, asserting that by approving the Proposed Acquisition, the Individual Defendants breached their fiduciary duties.

On January 31, 2011, in connection with the Proposed Acquisition, Rodman filed with the SEC a Form S-4, which was subsequently amended on March 15, 2011 (“Registration Statement”).

The parties have engaged in expedited discovery, including the production of thousands of pages of documents from the parties. Further, Plaintiff moved for a preliminary injunction.

Thereafter, following arm’s-length negotiations between the parties concerning a possible settlement of the Action, counsel for the parties reached an agreement in principle providing for the settlement of the Action for good and valuable consideration on the terms and conditions set forth below. The parties believe that the Settlement is in the best interests of the parties and Hudson shareholders.

Based on Plaintiff’s Counsel’s investigation of the facts and their legal analysis, Plaintiff believes that the claims asserted in the Action have merit. However, Plaintiff recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and appeals. Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially in complex shareholder litigation, as well as the difficulties and delays inherent in such litigation. Plaintiff is also mindful of the inherent problems of proof concerning, and the possible defenses to, the alleged violations asserted in the Action. Plaintiff believes that the Settlement confers substantial benefits upon the Class. Based on their evaluation and their substantial experience in this area of law, Plaintiff’s Counsel have also determined that the Settlement is in the best interests of the Class.

Defendants have denied, and continue to deny, each and all of the claims alleged by the Plaintiff in the Action. Defendants deny and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants have denied and continue to deny, inter alia, the allegations concerning any alleged breach of fiduciary duty and any other alleged act of wrongdoing or omission. The Defendants have further asserted, and continue to assert, that all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interest of the Class.

Defendants agreed to settle the Action to eliminate the burden, risk, and expense of further litigation and because it is in the best interest of Hudson stockholders.

The Court has not determined the merits of Plaintiff’s claims or Defendants’ defenses. This Notice does not, and is not intended to, imply that there have been or would be any findings of a violation of law by Defendants or that recovery could be had in any amount if the litigation were not settled.

III. TERMS OF THE PROPOSED SETTLEMENT

The terms and conditions of the proposed Settlement are set forth in the Stipulation, which has been filed on the record with the Court in the Action. On April 6, 2011, Hudson and Rodman made certain disclosures supplemental to those contained in the Registration Statement relating to, among other things: (a) the basis for the decision to terminate discussions between Hudson and another broker-dealer in August 2010; (b) the basis for selecting the broker-dealers to explore strategic opportunities for Hudson in September and October 2010; (c) the basis for the Board’s conclusion that it would be preferable to receive stock and not cash as consideration in connection

with the Proposed Transaction; (d) details concerning the strategic partnerships and other alternatives explored by the Hudson Board during the period between June 2010 and January 2011; (e) the basis for the Board's determination that if market volumes did not improve, the impact of that on Hudson's cash balance and projected cash burn rate favored the exploration of strategic alternatives; (f) details about any work New Century has done for Hudson in the last two years, and any fees paid or owed by Hudson to New Century; (g) details about any work New Century has done for Rodman in the last two years, and any fees paid or owed by Rodman to New Century; (h) the compensation payable to New Century, including what portion (if any) is contingent on consummation of the Proposed Transaction; (i) details concerning New Century's presentation to the Hudson Board during the January 4, 2011 meeting before execution of the Merger Agreement, including the substance of any written materials provided to the Board; and (j) details concerning the lack of Hudson financial projections beyond March 31, 2011.

IV. WHAT CLAIMS THE SETTLEMENT WILL RELEASE

If the Settlement is approved by the Court, then upon the effective date of the Settlement, Plaintiff and the Class shall be deemed to have released all claims against Defendants and their affiliates and agents, including without limitation, Hudson, Rodman, HHC Acquisition, and any investment bankers or attorneys and any past or present officers, directors, and employees of Hudson, Rodman, and HHC Acquisition, and their predecessors, successors, parents, subsidiaries, affiliates, and agents, that have been, could be, or could have been asserted relating in any way to the Proposed Acquisition, including but not limited to disclosures in the Registration Statement, as amended. The Released Claims will not include any claims arising from the performance or non-performance of obligations under the Stipulation and other settlement documents.

V. PLAINTIFF'S REQUEST FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES

At the Final Hearing, Plaintiff's Counsel will apply to the Court for an award of fees and expenses in the amount of \$75,000.00.

VI. FINAL HEARING AND YOUR RIGHT TO BE HEARD

Hudson stockholders who comply with the procedures set forth below for making an appearance (personally or through counsel) may be heard to the extent allowed by the Court regarding the fairness, reasonableness, and adequacy of the Settlement at the Final Hearing to be held before the Superior Court of New Jersey, Chancery Division, Hudson County, Brennan Courthouse, 583 Newark Avenue, 2nd Floor, Jersey City, New Jersey 07306. You are not required to retain your own counsel, but if you choose to do so, it will be at your own expense. In no event shall any person be heard in opposition to the Settlement, and in no event shall any paper or brief submitted by any such person be accepted or considered by the Court, unless by July 11, 2011, such person (i) files with the Clerk of the Court at the addresses below, notice of such person's intention to appear, showing proof that such person is a Hudson stockholder, including the number of shares of Hudson common stock held and the date of purchase and proof of ownership on or after January 11, 2011, and providing a statement that indicates the basis for such appearance, the nature of such objection, the identities of any witnesses that such person plans to call at the Final Hearing, and any documentation in support of any objection, and (ii) simultaneously serves copies of such notice, proof, statement, and documentation, together with copies of any other papers or briefs such person files with the Court, in person or by mail upon:

COHN LIFLAND PEARLMAN
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Peter S. Pearlman
Jeffrey W. Herrmann
Park 80 Plaza West-One
Saddle Brook, NJ 07663

Counsel for Plaintiff and the Putative Class

-and-

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Counsel for Defendants Rodman & Renshaw Capital Group, Inc.
and HHC Acquisition, Inc.

-and-

WILK AUSLANDER LLP
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New York, NY 10017

Counsel for Defendants Rodman & Renshaw Capital Group, Inc.
and HHC Acquisition, Inc.

VII. FURTHER INFORMATION

Further information regarding the Action and this Notice may be obtained by contacting counsel for Plaintiff:

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The pleadings and other records of the Action may be examined and copied at any time during regular office hours at:

Clerk of the Court
Superior Court of New Jersey, Chancery Division
Brennan Courthouse
583 Newark Avenue, 2nd Floor
Jersey City, New Jersey 07306

Please Do Not Telephone the Court or the Clerk's Office Regarding this Notice.

DATED: May 25, 2011

BY ORDER OF THE
SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
HUDSON COUNTY