

ENTHRUST FINANCIAL SERVICES INC
Form DEF 14A
August 14, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] **Confidential, for Use of Commission Only (as permitted by Rule 14a-6(e)(2))**
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
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ENTHRUST FINANCIAL SERVICES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

ENTHRUST FINANCIAL SERVICES, INC.
1270 Avenue of the Americas
New York, New York 10020
(212) 356-0500

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders:

You are cordially invited to attend the Special Meeting of Stockholders (the "Meeting") of Enthrust Financial Services, Inc., a Delaware corporation (the "Company"), which will be held at the offices of Morse, Zelnick, Rose & Lander, LLP located at 405 Park Avenue, Suite 1401, New York, New York 10022 on August 31, 2007 at 10:00 a.m., Eastern Daylight Time, to consider and act upon the following matters, all as more fully described in the accompanying Proxy Statement:

1. To approve the performance based compensation contained in the Company's employment agreement with Michael Lacovara;
2. To approve the Company's 2007 Stock and Incentive Plan;
3. To approve the Company's Executive Bonus Plan; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

Stockholders of record of the Company's common stock at the close of business on July 20, 2007, the record date set by the Board of Directors, are entitled to notice of, and to vote at, the Meeting and at any adjournment or postponements thereof.

THOSE WHO CANNOT ATTEND ARE URGED TO SIGN, DATE, AND OTHERWISE COMPLETE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. ANY STOCKHOLDER GIVING A PROXY HAS THE RIGHT TO REVOKE IT ANY TIME BEFORE IT IS VOTED.

BY ORDER OF THE BOARD OF DIRECTORS

New York, New York
August 14, 2007

**ENTHRUST FINANCIAL SERVICES, INC.
1270 Avenue of the Americas
New York, New York 10020
(212) 356-0500**

PROXY STATEMENT

This proxy statement contains information related to the Special Meeting of Stockholders (the "Meeting") of Enthrust Financial Services, Inc., a Delaware corporation (the "Company"), which will be held at the offices of Morse, Zelnick, Rose & Lander, LLP located at 405 Park Avenue, Suite 1401, New York, New York 10022 on Friday, August 31, 2007 at 10:00 a.m., Eastern Daylight Time, and at any postponements or adjournments thereof. The approximate date of mailing for this proxy statement and the accompanying proxy card is August 15, 2007.

SOLICITATION AND REVOCATION OF PROXIES

A form of proxy is being furnished herewith by the Company to each stockholder and, in each case, is solicited on behalf of the Board of Directors of the Company (the "Board") for use at the Meeting. Stockholders are requested to complete, date and sign the accompanying proxy and return it promptly to the Company. Your execution of the enclosed proxy will not affect your right as a stockholder to attend the Meeting and to vote in person. Any stockholder giving a proxy has the right to revoke it at any time by either (i) a later-dated proxy, (ii) a written revocation sent to and received by the Secretary of the Company prior to the Meeting or (iii) attendance at the Meeting and voting in person.

The entire cost of soliciting these proxies will be borne by the Company. The Company may pay persons holding shares in their names or the names of their nominees for the benefit of others, such as brokerage firms, banks, depositories and other fiduciaries, for costs incurred in forwarding soliciting materials to their principals. Members of the management of the Company may also solicit some stockholders in person or by telephone, telegraph or teletype, but will not be separately compensated for such solicitation services.

Proxies duly executed and returned by stockholders and received by the Company before the Meeting will be voted FOR the approval of the performance based compensation contained in the Company's employment agreement with Michael Lacovara, FOR the approval of the Company's 2007 Stock and Incentive Plan, and FOR the approval of the Company's Executive Bonus Plan, unless a contrary choice is specified in the proxy. Where a specification is indicated as provided in the proxy, the shares represented by the proxy will be voted and cast in accordance with the specification made. As to other matters, if any, to be voted upon, the persons designated as proxies will take such actions as they, in their discretion, may deem advisable. The persons named as proxies were selected by the Board and each of them is a current director of the Company.

STOCKHOLDER'S VOTING RIGHTS

Only holders of record of the Company's common stock, \$0.001 par value ("Common Stock"), at the close of business July 20, 2007 (the "Record Date") will be entitled to notice of, and to vote at, the Meeting or at any adjournment or postponements thereof. On the Record Date there were 25,000,000 shares of Common Stock outstanding with one vote per share.

A complete list of stockholders entitled to vote at the special meeting will be available for examination by any stockholder at our corporate headquarters, 1270 Avenue of the Americas, New York, New York 10020, during normal business hours for a period of ten days before the Meeting and at the time and place of the Meeting.

To approve the performance based compensation in the Company's employment agreement with Michael Lacovara (the "Lacovara Employment Agreement"), the Company's 2007 Stock and Incentive Plan (the "2007 Stock and Incentive Plan") and the Company's Executive Bonus Plan (the "Executive Bonus Plan"), assuming a quorum is present, the affirmative vote of stockholders holding a majority of the voting power represented at the

Meeting is required. A quorum is the presence in person or by proxy of shares representing a majority of the voting power of the Common Stock.

Under the Company's bylaws and Delaware law, shares represented by proxies that reflect abstentions or [broker non-votes] (i.e., shares held by a broker or nominee that are represented at the Meeting but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Any shares represented at the Meeting but not voted (whether by abstention, broker non-vote or otherwise) with respect to the proposals to approve the performance based compensation in the Lacovara Employment Agreement, the 2007 Stock and Incentive Plan and the Executive Bonus Plan will have the effect of a no vote for such proposal.

The Delaware Corporation Law does not afford to the stockholders the right to dissent from the matters described in this Proxy Statement or to receive an agreed or judicially appraised value for their shares.

BACKGROUND

Prior to July 10, 2007 (the "Exchange Date"), the Company was a "shell" company with no business or operations. On the Exchange Date, the Company entered into a reorganization transaction (the "Exchange") in which it issued an aggregate of 24,649,373 shares of Common Stock and warrants to purchase 1,355,600 shares of Common Stock to the former beneficial holders of the debt and equity securities of Rodman & Renshaw Holding, LLC ("Holding"), a Delaware limited liability company engaged, together with its directly- and indirectly-owned subsidiaries, in the investment banking business. As a result of the Exchange: (i) Holding became a wholly-owned subsidiary of the Company and (ii) the former beneficial owners of Holding's equity and debt securities own 98.6% of the issued and outstanding shares of Common Stock. In addition, as part of the Exchange, the Company's officers and directors resigned and Holding's officers and directors became the officers and directors of the Company.

MANAGEMENT

Set forth below is information concerning our directors, senior executive officers and other key employees.

Name	Age	Titles
<i>Officers and Directors:</i>		
Wesley K. Clark	62	Chairman and Director
Michael Vasinkevich	39	Vice Chairman and Director
John J. Borer III	50	Chief Executive Officer (Principal Executive Officer) and Director
Edward Rubin	39	President and Director
Thomas Pinou	47	Chief Financial Officer (Principal Accounting Officer)
John W. Chambers	45	President of AcumenBioFin Division and Senior Managing Director [Investment Banking
Matthew Geller, Ph.D.	59	Senior Managing Director [Investment Banking
Sam Dryden	57	Director
Richard Cohen	55	Director
<i>Key Employees:</i>		
F. Alger Boyer	38	Managing Director [Institutional Sales
William A. Iommi	57	Chief Compliance Officer
Michael G. King, Jr.	46	Managing Director and Director of Research

Executive officers are appointed by and serve at the pleasure of the Board. A brief biography of each director, executive officer and other key employee follows.

Wesley K. Clark. General Clark was appointed Chairman of the Company on the Exchange Date and became a director of the Company on July 22, 2007. He was appointed Chairman and a director of Holding in January 2006. He is chairman and chief executive officer of Wesley K. Clark & Associates, a strategic advisory firm he founded in March 2003. From June 2000 through March 2003, General Clark was a Managing Director at Stephens, Inc., an investment banking firm based in Arkansas. From June 1966 through June 2000, General Clark served in the U.S. Army where he held numerous staff and command positions and rose to the rank of 4-star general. He served as NATO Supreme Allied Commander and Commander in Chief of the U.S.-European Command from July 1997 through May 2000. In August 2000, General Clark was awarded the Presidential Medal of Freedom, the United States' highest civilian honor. General Clark graduated from the United States Military Academy at West Point in 1966. He received a Masters in Philosophy, Politics and Economics from Oxford University where he was a Rhodes Scholar from 1966 to 1968.

Michael Vasinkevich. Mr. Vasinkevich was appointed Vice Chairman of the Company on the Exchange Date and became a director on July 22, 2007. He was appointed Vice Chairman of Holding in May 2007. He joined Holding in July 2002 as Senior Managing Director and was appointed a director of Rodman & Renshaw, LLC (R&R), our broker-dealer affiliate, in 2006 and a director of Holding in 2004. From August 1999 through May 2002, Mr. Vasinkevich was a managing director at Ladenburg Thalmann & Co. Inc., and for the last 11 months of his tenure there he was president of capital markets. From November 1998 through July 1999 he was the founder and managing director of Tandem Venture Partners, Ltd., a specialized financial advisory firm focusing on growth companies in the United States and Asia. From June 1997 to November 1998 he was the managing director of the structured finance group at New York City-based Jesup & Lamont Securities Corp.

John J. Borer III. Mr. Borer was appointed Chief Executive Officer of the Company on the Exchange Date and became a director on July 22, 2007. He was appointed Chief Executive Officer of Holding in May 2007 and has also been a director of Holding since April 2004 and a director of R&R since 2002. From 1998 through 2006 he was a Senior Managing Director and the President of R&R. From 1991 through 1998, Mr. Borer was a managing director and head of investment banking at the broker-dealer affiliate of the original Rodman & Renshaw firm. From 1984 through 1991 Mr. Borer was senior vice president and investment manager in the new business development office of Security Pacific Business Credit Inc. From 1979 through 1984, he served as a vice president and business development officer with Barclays American Business Credit in its Los Angeles office. Mr. Borer received his B.S. in Agricultural Economics from the University of California at Davis in 1978 and his J.D. from Loyola Law School in Los Angeles in 1984.

Edward Rubin. Mr. Rubin was appointed President of the Company and a director on the Exchange. He was appointed President of Holding in May 2007. He originally joined us in June 2002 as Senior Managing Director. He has served as president of R&R from September 2006, as a director of R&R since 2006 and as a director of Holding since 2004. From August 1999 through May 2002, Mr. Rubin was a director, corporate finance with Ladenburg Thalmann & Co. Inc. From November 1998 through July 1999 he was the founder and executive vice president of Tandem Venture Partners, Ltd., a specialized financial advisory firm focusing on growth companies in the United States and Asia. From July 1998 to November 1998 he was a vice president in the structured finance group at New York City-based Jesup & Lamont Securities Corp. From November 1995 through December 1997, Mr. Rubin was assistant general counsel for NCH Capital, a New York-based investment fund specializing in investments in Eastern Europe and the former Soviet Union. From September 1993 through November 1995, Mr. Rubin was an associate in two law firms in New York, Friedman & Kaplan and Coudert Brothers. Mr. Rubin received his B.A. in political science from Bernard M. Baruch College in 1989 and his J.D. from New York University School of Law in 1993.

Thomas Pinou. Mr. Pinou was appointed Chief Financial Officer and Principal Accounting Officer of the Company on the Exchange Date. He was appointed Chief Financial Officer and Principal Accounting of Holding in October 1998. From August 1996 to December 1997 he was the controller of the broker-dealer affiliate of the original Rodman & Renshaw firm, and in December 1997 was appointed chief financial officer of the original Rodman & Renshaw firm, a position he held until March 1998. From September 1991 to May 1996 Mr. Pinou was responsible for trading and syndicate accounting at Yamaichi Securities and Bankers Trust. Mr. Pinou received his B.B.A. from Pace University in 1982.

John W. Chambers. Mr. Chambers joined R&R in August 2006 as a Senior Managing Director □ Investment Banking and was appointed President of Holding□s AcumenBioFin division in November 2006. From May 2005 through June 2006 he served as a managing director and senior biotechnology specialist at SG Cowen. From April 2002 through May 2005, Mr. Chambers was the managing director responsible for the biotechnology sector at Lehman Brothers. From November 1999 through March 2002, Mr. Chambers spearheaded the global biotechnology sector as a managing director at UBS. Mr. Chambers received his M.B.A. from Columbia Business School in 1988 and his B.S. in Mechanical Engineering from Union College in 1984.

Matthew Geller, PhD. Dr. Geller joined R&R in February 2006 as a Senior Managing Director □ Investment Banking. From May 1994 through November 2005 he was managing director and senior biotechnology analyst at Oppenheimer & Co. and CIBC World Markets. Dr. Geller received his B.S. in Mathematics from Yale University in 1969, a Masters in Mathematics from the University of California, San Diego in 1971 and a Ph.D. in computer sciences from the University of California, Berkeley in 1975.

Sam Dryden. Mr. Dryden became a director of the Company on July 22, 2007. He was appointed a director of Holding in March 2007. Since January 1, 2007, he has served as a managing director of Wolfensohn & Company, a corporate advisory and investment firm, where he focuses on private equity investments in biofuels and other alternative energies. He is currently the chief executive officer of Emergent Genetics, LLC, a life science investment holding company, a position he has held since April 2004. From January 1997 through June 2006, he served as chairman and chief executive officer of Emergent Genetics, Inc, an international biotechnology company. He founded and held executive positions with Agrigenetics Corporation, now part of Dow AgroSciences, and Big Stone Inc., a private venture-investment and development company, which participated in the founding of over a dozen life science companies. Mr. Dryden is an advisor to the World Bank regarding rural development strategy and a member of the Council on Foreign Relations where he serves on its Advisory Committee on Intellectual Property and American Competitiveness. Mr. Dryden received his B.A. from Emory University in 1973.

Richard M. Cohen. Mr. Cohen was appointed to our Board in August 2007. Since 1996, he has been the President of Richard M. Cohen Consultants, a financial services consulting company that accepts engagements from public and private companies to assist with their corporate governance and corporate finance needs. In addition, since 2003 Mr. Cohen has served as a director of Dune Energy, Inc., a publicly traded energy company (AMEX: DNE) for which he served as Chief Financial Officer from November 2003 to April 2005. He is also currently serving as Secretary of Dune. In addition, since February 2006, Mr. Cohen has served as a director of Helix Biomedix Inc. (OTCBB: HXBM.OB) and as the Chief Financial Officer of ABC Funding Inc. (OTCBB: AFDG.OB). From 1984 through 1992, Mr. Cohen was an Investment Banker at Henry Ansbacher, Furman Selz, where he specialized in Mergers & Acquisitions, Public Equity Offerings, and Restructurings. From 1980 through 1983, Mr. Cohen was a Vice President of Corporate Development at Macmillan. Mr. Cohen is a Certified Public Accountant (New York State). He received a B.S. from The University of Pennsylvania (Wharton) and an M.B.A. from Stanford University.

Set forth below are the biographies of our other key employees:

F. Alger Boyer. Mr. Boyer joined R&R in January 2006 as Managing Director □ Institutional Sales & Trading. From August 2001 through December 2005, Mr. Boyer was an executive director and senior relationship salesman at CIBC World Markets. From January 1998 through June 2001, Mr. Boyer was an associate director of research at U.S. Bancorp Piper Jaffrey. Mr. Boyer received his B.S. in Anthropology from U.C. Berkeley in 1992.

William A. Iommi. Mr. Iommi joined R&R in October 2003 as Chief Compliance Officer and is responsible for monitoring our businesses for compliance of securities regulations. From June 2003 through October 2003 he served as compliance manager at Goldstein Law Group. From November 2002 through June 2003 he served as chief compliance officer for Eagle Ridge Securities. From June 2000 through November 2002 he served as chief compliance officer of Sands Brothers, Ltd. From June 1993 through May 2000 he served as divisional compliance director (northeast) for Citigroup Salomon Smith Barney. From May 1989 through May 1993 he served as executive director of Trading Analysis and Inquiries at the AMEX. From May 1981 through April 1989 he served as manager of market surveillance services at the NYSE.

Michael G. King, Jr. Mr. King joined R&R in May 2005 as a Managing Director and Senior Biotechnology Analyst. In January, 2006, he also became the Director of Research. From June 2002 through May 2005, Mr. King was a managing director and senior equity research analyst in the Health Care Group at Banc of America Securities LLC where he covered the biotechnology sector for three years. From September 1998 through June 2002, Mr. King was a managing director and senior biotechnology analyst at Robertson Stephens. He served as a senior biotechnology analyst at Vector Securities from March 1996 through September 1998 and at Dillon, Read & Co. from November 1994 to March 1996. Mr. King received his B.B.A. with honors in finance from Bernard M. Baruch College in 1985.

Board Composition

According to our bylaws, the number of directors at any one time may not be less than one or more than nine. The maximum number of directors at any one time may be increased by a vote of a majority of the directors then serving. Currently, the Board consists of six members, two of whom qualify as "independent" under the rules and regulations of the SEC and NASDAQ.

Our charter provides for the annual election of directors. At each annual meeting of stockholders, our directors will be elected for a one-year term and serve until their respective successors have been elected and qualified. It is anticipated that the Board will meet at least quarterly.

Family Relationships

None of the directors or executive officers is related by blood, marriage or adoption.

Board Committees

The Board has the authority to appoint committees to perform certain management and administrative functions. The Board has authorized the creation and constitution of an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

Compensation Committee. In August 2007, we constituted a Compensation Committee whose current members are Messrs. Cohen and Dryden, both of whom qualify as "independent" in accordance with the applicable rules of the SEC, the NYSE, AMEX and NASDAQ and as "outside directors" under Section 162(m) of the Internal Revenue Code (the "Code"). The Compensation Committee will review and, as it deems appropriate, recommend to the Board policies, practices and procedures relating to the compensation of the officers and other managerial employees, including the determination in its discretion of the amount of annual bonuses, if any, for our executive officers and other professionals, and the establishment and administration of employee benefit plans. The Compensation Committee will exercise all authority under our employee equity incentive plans and will advise and consult with our senior executives as may be requested regarding managerial personnel policies.

Audit Committee. We intend to create an Audit Committee that will review and report to the Board on our internal accounting and financial controls and on the accounting principles and auditing practices and procedures to be employed in preparing and reviewing our consolidated financial statements. The Audit Committee will also be responsible for engaging and overseeing our independent public auditors, the scope of the audit to be undertaken by such auditors and the pre-approval of any audit and permitted non-audit services provided by such auditors.

Nominating and Corporate Governance Committee. We intend to create a Nominating and Corporate Governance Committee that will identify and recommend nominees to the Board and oversee compliance with our corporate governance guidelines.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Board or Compensation Committee.

Director Compensation

Arnold Kling served as a non-employee director during the year ended December 31, 2006 and continued to serve until July 22, 2007. He received no compensation for services rendered as a director during such period.

As of the date of this proxy statement, we do not compensate our directors for their services other than to reimburse them for out-of-pocket expenses incurred in connection with their attendance at Board meetings. In order to attract and retain qualified independent directors, we intend to adopt a compensation plan for non-employee directors that will include cash as well as equity-based compensation.

BENEFICIAL STOCK OWNERSHIP BY PRINCIPAL AND SELLING STOCKHOLDERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our Common Stock as of July 31, 2007 by: (i) each stockholder known by us to be the beneficial owner of more than 5% of the outstanding shares of our Common Stock; (ii) each of our directors; (iii) each of our named executive officers; and (iv) all of our directors and named executive officers as a group.

Unless otherwise indicated in the footnote to this table, based on information furnished by such stockholders, each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

Name and address of Beneficial Owner (1)(2)	Common Stock Beneficially Owned (3)	
	Shares	%
<i>Directors and Named Executive Officers:</i>		
Wesley K. Clark(4)	425,980	1.7%
Michael Vasinkevich(5)	--	--
John J. Borer III	2,428,210	9.7%
Edward Rubin(6)	12,711,683	50.8%
Thomas Pinou(7)	445,543	1.8%
Matthew Geller(4)	106,495	*
Sam Dryden(8)	36,628	*
Richard Cohen	--	--
All officers and directors as a group (12 persons)(9)	16,154,540	63.2%
<i>5% Shareholders:</i>		
Steven A. Horowitz(6) c/o Moritt Hock Hamroff & Horowitz 400 Garden City Plaza, Suite 202 Garden City, New York 11530	12,711,683	50.8%

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* Less than 1.0%.

- (1) Under the rules and regulations of the SEC, beneficial ownership includes: (i) shares actually owned; (ii) shares underlying options and warrants that are currently exercisable; and (iii) shares underlying options and warrants that are exercisable within 60 days of August 14, 2007. All shares beneficially owned by a particular person under clauses (ii) and (iii) of the previous sentence are deemed to be outstanding for the purpose of computing the percentage ownership of that person but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.
- (2) Unless otherwise indicated, the address for each person listed below is: c/o Enthrust Financial Services, Inc. , 1270 Avenue of the Americas, New York, New York 10020.

- (3) Based on 25,000,000 shares issued and outstanding.
- (4) Reflects shares underlying options that are currently exercisable at \$3.78 per share.
- (5) Mr. Vasinkevich does not beneficially own any shares. Paul Revere, LLC (["Revere"]), a former member of Holding, owns 12,711,683 shares. ARF Trust, a trust for the benefit of Mr. Vasinkevich's wife and children, owns a two-thirds membership interest in Revere.
See note 6 below.
- (6) Shares owned by Revere, a former member of Holding. The members of Revere are the ARF Trust (two-thirds) and Edward Rubin (one-third). Steven A. Horowitz is the sole trustee of the ARF Trust and the wife and children of Michael Vasinkevich, our Vice Chairman, are its beneficiaries. Each of Messrs. Rubin and Horowitz has voting and disposition rights over all of the shares owned by Revere.
- (7) Includes 13,312 shares underlying options that are currently exercisable or exercisable within 60 days of this proxy statement at \$3.78.
- (8) Includes 6,778 shares underlying warrants that are currently exercisable at \$7.00 per share.
- (9) Includes 552,566 shares underlying options that are currently exercisable or exercisable within 60 days of this proxy statement.

EXECUTIVE COMPENSATION AND OTHER MATTERS

Compensation Discussion and Analysis

Overview

Our executive compensation program is designed to incentivize our executive officers to effectively lead, manage and grow our business. Because the compensation of our executive officers plays an integral role in our success, our compensation programs are designed to attract, retain, and motivate top quality and effective executives and professionals. We refer to our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers during 2006 as our ["named executive officers"].

A substantial portion of each named executive officer's total compensation is variable and delivered on a pay-for-performance basis. We believe this model provides the greatest incentive to motivate management to achieve our business objectives. The executive compensation program provides compensation opportunities, contingent upon performance, that are competitive with practices of other similar investment banking firms. We are committed to utilizing the executive compensation program to maintain our ownership culture and to broaden executive ownership over time. We strongly believe that the cash and equity components of our compensation plans will align the interests of our named executive officers and other key employees with our stockholders and will promote the creation of long-term stockholder value.

Determination of Compensation

In allocating compensation to our named executive officers, the primary emphasis, in addition to our performance, is on each individual's contribution and business unit performance and on compensation recommendations of the Compensation Committee, which will have the primary responsibility and authority to determine and recommend the compensation of our named executive officers and other key employees. We may utilize third-party compensation consultants and surveys to provide industry data to better support our determination of the key elements of our named executive officer compensation programs. Compensation of our named executive officers will be determined by the Compensation Committee.

Compensation Components

A significant component of the compensation program for our three senior executives in 2006 was profit allocations and distributions on membership interests in Holding. As a result of the Exchange, they no longer have membership interests in Holding. Following the Exchange, we anticipate that the key components of our

compensation program will be base salary, cash bonus and equity-based awards. Beginning with the current fiscal year, we are targeting our total compensation and benefits expense, excluding equity-based compensation granted prior to September 30, 2007, to approximately 55% of revenues each year.

Base Salary

Consistent with industry practice, except in the case of our Chief Financial Officer, the base salaries for our named executive officers account for a relatively small portion of their overall compensation. We believe that relatively modest salaries are accepted in the industry and the potential for substantial bonus compensation is seen by senior management personnel as the more important component. Named executive officer base salaries and subsequent adjustments, if any, are expected to be determined annually based on a review of relevant market data and each executive's performance for the prior year, as well as each executive's experience, expertise and position.

Cash Bonus

Cash bonus compensation has been a key component of our executive compensation program. We have in the past, and our Compensation Committee will in the future, award discretionary cash bonuses based on a number of variables that are linked to our overall, and the executive's individual, performance.

In March 2007, we established a bonus plan (the "Bonus Plan") for our three most senior executives, Michael Vasinkevich, Edward Rubin and John J. Borer III (the "Principals"). Although certain limitations on the payment of bonuses under the Bonus Plan would have terminated upon the Exchange, we and the Principals agreed to continue the Bonus Plan until a new plan is adopted. Under the Bonus Plan as now in effect, beginning with the current fiscal year, we have agreed to target our total compensation and benefits expense, excluding equity-based compensation granted prior to September 30, 2007, to approximately 55% of revenues each year, although we may increase this percentage for years subsequent to 2007. The compensation and benefits payable to each of the Principals in any year will be determined before the end of each fiscal year, by reference to the individual's productivity during such year and his overall contribution to our profits and success during that period.

We believe that the deduction of payments to the Principals in 2007 pursuant to the Bonus Plan will not be limited by Section 162(m) of the Code and, as such, the payments to the Principals should qualify as deductible compensation expenses for a public company. The inapplicability of Section 162(m) of the Code is based on a transitional rule of the Treasury regulations promulgated under Section 162(m) of the Code since the Bonus Plan was adopted before we became a public reporting company and this transitional relief should be available through August 31, 2007. For periods after August 31, 2007, we intend to adopt a bonus plan under which cash bonuses may be paid in a manner that qualifies for a deduction as performance based compensation under Section 162(m) of the Code unless it is in our best interests to pay compensation that is not so qualified.

Profit Distributions on Membership Interests

Prior to the Exchange, Holding operated as a limited liability company, classified as a partnership for income tax purposes, and the members (which consisted of entities in which certain of our Principals, or a trust for their family, held an interest) received distributions of profits in respect of their membership interests. In addition, prior to the Exchange, Holding made special allocations and related distributions of profits to our Principals with respect to their individual membership interests. After the Exchange, any dividends we declare on our Common Stock will be paid pro rata to all our stockholders.

Other Compensation

All of our executives are eligible to participate in our employee benefit plans, including medical, dental, life insurance and 401(k) plans. These plans are available to all salaried employees and do not discriminate in favor of senior executive officers. It is generally our policy to not extend significant perquisites to our executives that are not available to our employees generally. We have no current plans to make changes to levels of benefits and perquisites provided to senior executives.

Summary Compensation Table

The information below describes the components of the total compensation paid (by Holding) to the named executive officers in 2004, 2005 and 2006, based on total compensation for the year ended December 31, 2006. It does not reflect any amounts received by such person, if applicable, as a distribution of profits or a dividend from one of the members of Holding.

	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Option Awards (1)</u>	<u>All Other Compensation (2)</u>	<u>Total</u>
<i>Principal Executive Officer</i>						
John J. Borer III	2006	\$ --	\$ 400,000	\$ --	\$ 1,534,000	\$ 1,934,000
Chief Executive Officer	2005	\$ --	\$ 471,182	\$ --	\$ 14,000	\$ 485,182
	2004	\$ --	\$ 713,550	\$ --	\$ 676,486	\$ 1,390,036
<i>Principal Accounting Officer</i>						
Thomas Pinou	2006	\$150,000	\$ 250,000	\$ 11,942	\$ 14,000	\$ 425,942
Chief Financial Officer	2005	\$150,000	\$ 172,000	\$ --	\$ 14,000	\$ 336,000
	2004	\$146,875	\$ 191,000	\$ --	\$ 14,000	\$ 351,875
Michael Vasinkevich	2006	\$ --	\$ 712,172	\$ --	\$ 4,230,626	\$ 4,942,798
Vice Chairman	2005	\$ --	\$ 2,464,257	\$ --	\$ 46,928	\$ 2,511,185
	2004	\$ --	\$ 600,000	\$ --	\$ 2,386,312	\$ 2,986,312
Edward Rubin	2006	\$ --	\$ 378,929	\$ --	\$ 2,056,897	\$ 2,435,826
President	2005	\$ --	\$ 1,176,359	\$ --	\$ 37,462	\$ 1,213,821
	2004	\$ --	\$ 300,000	\$ --	\$ 1,223,434	\$ 1,523,434
Matthew Geller(3)	2006	\$137,500	\$ 2,257,025	\$ 131,833	\$ 6,600	\$ 2,532,958
Senior Managing Director - Investment Banking						

- (1) Reflects the value of the stock options that was charged to income in 2006 as reported on our financial statements.
- (2) Does not include amounts distributed to Revere and R&R Capital Group, Inc. (["RRCG"]) that were then distributed proportionately to their respective members and stockholders. However, in the case of Messrs. Borer, Vasinkevich and Rubin (i) the 2006 amount includes a special distribution of 2006 profits that was made by Holding directly to them in lieu of compensation and (ii) the 2004 amount includes a special distribution of 2004 profits to them that was recorded as compensation. Also includes reimbursement of medical, dental and vision plan premiums; term life insurance premium; tax preparation expense reimbursement and legal fees incurred on behalf of the named executive officer.
- (3) Mr. Geller's employment commenced February 1, 2006.

The following table provides information regarding each grant of an award made to a named executive officer in the year ended December 31, 2006. The number of securities underlying options and the exercise price of an option give retroactive effect to the Exchange.

Grants of Plan-Based Awards

Name	Grant Date	Number of Shares Underlying Options	Exercise Price of Options (\$/Sh)	Grant Date Fair Value of Option Awards
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John J. Borer III	---	---	---	---
Thomas Pinou	04/01/2006	106,495	\$ 3.78	\$ 71,494
Michael Vasinkevich	---	---	---	---
Edward Rubin	---	---	---	---
Matthew Geller	02/01/2006	425,980	\$ 3.78	\$304,873

Employment Arrangements

In March 2007, we entered into an employment agreement with each of John J. Borer III, Edward Rubin and Michael Vasinkevich, subsequently modified in July 2007. Each of these agreements is substantially identical and their salient provisions are as follows:

Term: Three years, terminating February 28, 2010, with 90-day "evergreen" provision.

Base Salary: \$150,000 per annum, subject to increase in the sole discretion of the Compensation Committee.

Incentive Compensation: For each fiscal year during the term of their agreements, an amount to all of the Principals, which, when added to the amount of salaries, bonuses, the cost of benefits and all other employee-related expenses (including employment taxes), but excluding equity-based compensation granted prior to the Exchange Date, does not exceed in the aggregate 55% of our gross revenues for such fiscal year, although we may increase this percentage for years subsequent to 2007. The amount of incentive compensation to each of the Principals will be determined by the Compensation Committee based on our overall revenue and profits and the relative productivity of the Principal.

Benefits. Each executive is entitled to participate in our group health, dental and life insurance plans, 401(k) savings plan and equity incentive plan.

Termination of Employment. Upon termination other than for cause (as defined in the respective agreements) the executive is entitled to, in addition to his Base Salary and Incentive Compensation for the year in which the termination occurs, a lump-sum payment equal to twelve times his Monthly Salary amount which is defined in the respective agreements to mean one-twelfth of the sum of (a) the Executive's then current Base Salary plus (b) the average of the annual incentive compensation paid to the Executive for the full fiscal year periods immediately preceding the termination, commencing with the fiscal year period ended December 31, 2006.

In June 2007, we amended and restated an employment agreement with Wesley K. Clark. His employment had commenced January 30, 2006. Under the agreement, Mr. Clark serves as our Chairman. His annual base salary is \$250,000. In addition, he is eligible to receive the following cash bonuses: (i) up to 15% of fees received by R&R in connection with any transaction introduced by him and (ii) a discretionary amount at the end of each calendar quarter. In addition, the agreement:

- Granted him options to purchase 425,980 shares of our Common Stock at \$3.78 per share, subject to a vesting schedule; and
- Provides for payment of an amount if there is a "Change of Control Event" during the period of employment. In general, the amount cannot exceed \$1,514,942, and reduces to the extent that the fair market value of a share of our Common Stock is less than \$3.78 per share (as adjusted) on the date of the Change of Control Event. We may make the payment, in our absolute discretion, in cash or other property, including the shares or other property which may have been received in the transaction which constituted the Change of Control Event. A "Change of Control Event", in general, means the acquisition by any one person, or a group, of more than 50% of the total fair market value or total voting power of our capital stock or of substantially all of our assets.

Outstanding Equity Awards as of December 31, 2006

The following table provides information regarding each unexercised stock option held by each of our named executive officers as of December 31, 2006. No options were exercised during the year ended December 31, 2006. We have never made grants of restricted stock. The number of securities underlying unexercised options and the option exercise price of an option give retroactive effect to the Exchange.

Name	Option Awards (1)		Option Exercise Price	Option Expiration Date
	Number of Securities Underlying Unexercised Options			
	Exercisable	Unexercisable		
John J. Borer III	--	--	\$ --	
Edward Rubin	--	--	\$ --	
Michael Vasinkevich	--	--	\$ --	
Thomas Pinou	--	106,495	\$ 3.78	04/01/2011
Matthew Geller	--	425,980	\$ 3.78	02/01/2016

- (1) The options vest in equal quarterly installments over a two-year period beginning 15 months after the date of grant with 12.5% of the options becoming exercisable on each vesting date.

Potential Payments upon Change of Control

The following table and summary set forth potential payments payable to our named executive officers upon a change of control. The table below reflects amounts payable to our named executive officers assuming a change of control occurred on December 31, 2006. The amount reflected in the Option Acceleration column gives retroactive effect to the Exchange.

Name	Cash Payment	Option Acceleration
John J. Borer III	\$ (1)	-
Edward Rubin	\$ (1)	-
Michael Vasinkevich	\$ (1)	-
Thomas Pinou	\$ -	\$71,494(2)
Matthew Geller	\$ -	-

- (1) None of Messrs. Borer, Rubin and Vasinkevich had employment agreements in 2006 and, therefore, they had no contractual right to a payment upon a change in control. Assuming a change in control occurs in 2007, they would be entitled to severance payments under their respective employment agreements in the following amounts: Mr. Borer - \$2,069,310; Mr. Rubin - \$2,639,091; and Mr. Vasinkevich - \$5,232,333.
- (2) Under Mr. Pinou's option agreement, all unvested options vest one year after the occurrence of a change in control. The amount set forth in the table reflects the compensation expense relating to the vesting of options to purchase 106,495 shares of Common Stock at a price of \$3.78 per share one year after the change of control. For the year ended December 31, 2006, we recognized \$12,000 of stock-based compensation expense relating to the grant of Mr. Pinou's options.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following are descriptions of the material provisions of the agreements and other documents discussed below. You should, however, refer to the exhibits that were filed in connection with a Current Report on Form 8-K filed on July 11, 2007 for copies of the relevant agreements.

Distributions

From January 1, 2004 through June 30, 2007, Holding distributed an aggregate of \$7.5 million in cash to its members, Revere and RRCG, which then distributed an aggregate of \$6.2 million to John J. Borer III, Edward Rubin, Thomas Pinou and the ARF Trust, the beneficiaries of which are the wife and children of Michael Vasinkevich. This is in addition to any amount paid to Messrs. Vasinkevich, Borer, Rubin and Pinou as compensation.

In March 2007, Holding distributed 85% of the beneficial interests in equity securities, including stock and warrants, of 62 companies, to Revere (59.5%) and RRCG (25.5%), retaining 15%. Holding, Revere and RCG then contributed our interests in these securities to RRPR, LLC (["RRPR"]) in exchange for membership interests in the same proportion that we owned the securities. Revere is owned two-thirds by a trust whose beneficiaries are the wife and children of Michael Vasinkevich, our Vice Chairman and a member of the Board, and one-third by Edward Rubin, our President and a member of the Board, and RRCG was owned 40.7% by John J. Borer III, our Chief Executive Officer and a member of the Board, and 7.2% by Thomas Pinou, our Chief Financial Officer. The value of the securities on the date of transfer was \$11.9 million. As a result of the Exchange, both Holding and RRCG became our wholly owned subsidiaries. As a consequence, we own 40.5% of RRPR □ 15.0% through our ownership of Holding and 29.5% through our ownership of RRCG.

Pursuant to a Distribution Agreement, dated as of July 9, 2007, on July 9, 2007, Holding distributed \$5.0 million to Revere and RRCG. This amount represented approximately 70% of the taxes payable on Holding's estimated taxable income from January 1, 2007 through the Exchange Date (the ["Short Year"]) based on the maximum combined individual federal, New York State and New York City income tax rate of 45.498% (the ["Maximum Rate"]). As soon as reasonably practicable, we will calculate our actual taxable income for the Short Year and then make a final distribution to Revere and the former stockholders of RRCG, who are now our stockholders (pro rata in accordance with their former interests in RRCG), in an amount equal to the taxes payable, based on the Maximum Rate, on Holding's taxable income for the Short Year over the amount distributed to Revere and RRCG on July 9, 2007. In the event the amount distributed on July 9, 2007 exceeds the actual taxes payable with respect to our taxable income for the Short Year, Revere and the former stockholders of RRCG are obligated to reimburse us for such excess distribution.

In March 2007, Holding assigned its rights to fees associated with three pending financing transactions to its then members, Revere and RRCG, in accordance with their then ownership interests in Holding. Two of these financing transactions were consummated in April 2007 and July 2007, respectively. In the event that the remaining transaction is consummated, the net fees associated with that transaction will be payable to Revere and the former stockholders of RRCG.

Director and Officer Indemnification

We have entered into indemnity agreements with our directors and officers indemnifying them against all losses, damages, costs and expenses incurred by them arising out of their service in such capacity, subject to the limitations imposed by Delaware law. This agreement is in addition to our indemnification obligations under our bylaws.

Tax Indemnification Agreement

Since Holding is a limited liability company (treated as a partnership for income tax purposes), the former members of Holding generally will be liable for adjustments to taxes (including federal and state income taxes) attributable to its operations prior to the Exchange. In connection with the Exchange, we entered into a tax indemnification agreement to indemnify the former members of Holding, Revere and RRCG, and their respective members or stockholders against certain increases in taxes that relate to our activities prior to the Exchange. The tax indemnification agreement includes provisions that permit us to control any tax proceeding or contest which might result in our being required to make a payment under the tax indemnification agreement.

The Fund's Relationship with Our Chief Executive Officer

We manage R&R Opportunity Fund, L.P. (the "Fund") through Rodman & Renshaw Fund Management, LLC (the "Fund Manager"). John J. Borer III, our Chief Executive Officer, and members of his family have provided a majority of the capital contributed to the Fund. In addition, some of our employees have invested in the Fund.

Policies and Procedures for Related Party Transactions

We intend to adopt a code of business conduct and ethics, or Code of Conduct, pursuant to which our executive officers, directors, and principal stockholders, including their immediate family members and affiliates, will not be permitted to enter into a related party transaction with us without the prior consent of our Audit Committee, or other independent committee of the Board in the case where it is inappropriate for our Audit Committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, principal stockholder, or any of such persons' immediate family members or affiliates, in which the amount involved exceeds \$120,000, must first be presented to the Audit Committee for review, consideration and approval. All of our directors, executive officers and employees will be required to report to our Audit Committee any such related party transaction. In approving or rejecting the proposed agreement, our Audit Committee will consider the relevant facts and circumstances available and deemed relevant to the Audit Committee, including, but not limited to the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products, and, if applicable, the impact on a director's independence. The Audit Committee will approve only those agreements that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as the Audit Committee determines in the good faith exercise of its discretion.

As of the end of the Company's last fiscal year, it did not have any equity compensation plans.

PROPOSAL NO. 1 APPROVAL OF PERFORMANCE BASED COMPENSATION CONTAINED IN THE LACOVARA EMPLOYMENT AGREEMENT

The Compensation Committee and the Board unanimously approved and adopted the employment agreement between the Company and Michael Lacovara, which provides for Mr. Lacovara to serve as Chief Executive Officer of the Company and directed that it be submitted to stockholders for approval of the performance based compensation contained therein.

Prior to August 1, 2007, Mr. Lacovara was a Principal and Co-Chief Operating Officer of Sandler O'Neill + Partners, L.P., a full-service investment bank focused on serving financial services companies. Mr. Lacovara had been responsible for Sandler's strategic planning and business development activities, and directed Sandler's marketing, advertising, public affairs, legal, HR, IT, professional development, and compliance functions. He also oversaw the corporate governance and structuring of the firm and its investment advisory, investment management and mortgage finance affiliates. He resigned from his positions at Sandler in anticipation of assuming his responsibilities with the Company.

Prior to joining Sandler in 2004, Mr. Lacovara was a partner in the New York and Palo Alto, California offices of Sullivan & Cromwell, LLP. While at Sullivan & Cromwell, Mr. Lacovara represented a variety of

financial services and technology firms and served as trial counsel to Microsoft Corporation in *United States v. Microsoft*.

Mr. Lacovara received his bachelor's degree in 1984 *summa cum laude*, from the University of Pennsylvania, where he was elected to Phi Beta Kappa. He was selected to study at Cambridge University on a Thouron Fellowship, receiving a master's degree in international relations in 1985. He also earned a law degree *cum laude*, from Harvard Law School in 1988.

The following is a brief summary of the salient terms of the employment agreement. This summary is qualified in its entirety by reference to the text of the employment agreement, a copy of which is attached as Exhibit A.

Term: September 4, 2007 through December 31, 2009, subject to one-year "evergreen" provisions.

Title: Chief Executive Officer and a member of the Company's Board.

Base compensation: \$150,000 per year.

Level One Incentive Compensation: Year ended 12/31/07 - \$616,666; Year ended 12/31/08 - \$800,000 plus \$1,050,000 if the consolidated gross revenues of the Company for the year ended December 31, 2008 shall be more than 110% of the consolidated gross revenues of the Company for the year ended December 31, 2007; Year ended 12/31/09 - \$800,000 plus \$1,050,000 if the consolidated gross revenues of the Company for the year ended December 31, 2009 shall be more than 120% of the consolidated gross revenues of the Company for the year ended December 31, 2007.

Additional Incentive Compensation: Mr. Lacovara will be eligible to participate in the Executive Bonus Plan to be considered and adopted at this meeting as well as any other plan adopted by the Company for its executives.

Restricted Stock Grant: Mr. Lacovara will be granted 750,000 shares of the Company's Common Stock pursuant to the restricted stock agreement annexed to the employment agreement as Exhibit A. The shares shall vest in three annual installments on the first, second and third anniversary of the grant date subject to the achievement of targeted revenue goals, and shall be subject to accelerated vesting in the event of death, disability, termination without cause, termination for Good Reason and termination upon a Change in Control Event. In the event that the Company does not extend the agreement beyond 12/31/09, any unvested shares will be forfeited and will revert to the Company.

Stock Options: Mr. Lacovara will be granted options to purchase 750,000 shares of the Company's Common Stock pursuant to the stock option agreement annexed to the employment agreement as Exhibit B. The exercise price per share shall be equal to the offering price set forth on the cover page of the prospectus relating to the Company's sale of its Common Stock in a firm commitment underwritten public offering, which prospectus is dated any date subsequent to the date of the employment agreement and prior to November 1, 2007; provided that if a Public Offering has not occurred prior to November 1, 2007, then the price per share shall be equal to the greater of: (1) \$7.00; or (2) the fair market value of a share of the Company's Common Stock at the close of business on October 31, 2007, as determined by the Board in good faith. The options shall vest in three tranches on the first, second and third anniversary of the grant date, subject to continued employment on such dates, and shall be subject to accelerated vesting in the event of death, disability, termination without cause, termination for Good Reason and termination upon a Change in Control Event. In the event that the Company does not extend the agreement beyond 12/31/09, one-half of any unvested options will immediately vest and one-half will be immediately cancelled.

Termination Payment. In the event the Company does not extend the employment agreement beyond its stated 12/31/09 expiration date, it shall pay to Mr. Lacovara, in consideration for his covenant not to compete, a lump sum payment equal to nine times his monthly salary amount (which is equal to one-twelfth his average base and incentive compensation for the year preceding such termination).

Section 162(m) Tax Treatment: The Level One Incentive Compensation subject to consolidated gross revenues exceeding stated thresholds, the Additional Incentive Compensation, the Restricted Stock Grant and the Stock Options under the employment agreement are intended to be performance-based compensation, such that the deduction of compensation expense of the Company attributable to these payments and awards will not be limited by Section 162(m) of the Code.

The Board Unanimously Recommends a Vote FOR the Approval of the Performance Based Compensation Contained in the Lacovara Employment Agreement and Proxies That Are Signed and Returned Will Be So Voted Unless Otherwise Instructed

**PROPOSAL NO. 2
APPROVAL OF THE 2007 STOCK AND INCENTIVE PLAN**

The Compensation Committee and the Board unanimously approved and adopted the 2007 Stock and Incentive Plan and directed that it be submitted to stockholders for approval. The 2007 Stock and Incentive Plan will become effective upon stockholders' approval.

Introduction

The purpose of the 2007 Stock and Incentive Plan is to align the interests of the participants with those of other Company stockholders through equity-based compensation alternatives, thereby p