

KNIGHT CAPITAL GROUP, INC.
Form 4
August 21, 2012

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Blackstone Group L.P.

2. Issuer Name and Ticker or Trading Symbol
KNIGHT CAPITAL GROUP, INC.
[KCG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
08/17/2012

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

C/O THE BLACKSTONE GROUP, 345 PARK AVENUE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

NEW YORK, NY 10154

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Series A-2 Non-Voting Cumulative Perpetual Conv Pref Stock	08/17/2012		S	1,741	D	\$ 1,500	67,888	I (1) (2) (See Footnotes) (3) (6) (7) (8) (9)
Series A-2 Non-Voting Cumulative Perpetual Conv Pref	08/17/2012		S	1	D	\$ 1,500	35	I (1) (2) (See Footnotes) (4) (6) (7) (8) (9)

Stock

Series A-2
Non-Voting
Cumulative
Perpetual
Conv Pref
Stock

08/17/2012

S

10

D

\$
1,500

414

I (1) (2)

(See
Footnotes)
(5) (6) (7) (8)
(9)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	08/17/2012		S	432	<u>(1)</u> <u>(2)</u> <u>(1)</u> <u>(2)</u>	Class A Common Stock	288,000
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>					<u>(1)</u> <u>(2)</u> <u>(1)</u> <u>(2)</u>	Class A Common Stock	5,333
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	08/17/2012		S	3	<u>(1)</u> <u>(2)</u> <u>(1)</u> <u>(2)</u>	Class A Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Blackstone Group L.P. C/O THE BLACKSTONE GROUP 345 PARK AVENUE NEW YORK, NY 10154		X		
Blackstone Holdings III L.P. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154		X		
Blackstone Holdings III GP L.P. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154		X		
Blackstone Holdings III GP Management L.L.C. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154		X		
Blackstone Group Management L.L.C. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154		X		
SCHWARZMAN STEPHEN A C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154		X		

Signatures

BLACKSTONE HOLDINGS III L.P., By: Blackstone Holdings III GP L.P., its general partner, By: Blackstone Holdings III GP Management L.L.C., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer	08/21/2012
__Signature of Reporting Person	Date
BLACKSTONE HOLDINGS III GP L.P., By: Blackstone Holdings III GP Management L.L.C., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer	08/21/2012
__Signature of Reporting Person	Date
BLACKSTONE HOLDINGS III GP MANAGEMENT L.L.C, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer	08/21/2012
__Signature of Reporting Person	Date
THE BLACKSTONE GROUP L.P., By: Blackstone Group Management L.L.C., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer	08/21/2012
__Signature of Reporting Person	Date

BLACKSTONE GROUP MANAGEMENT L.L.C., By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer

08/21/2012

__Signature of Reporting Person

Date

STEPHEN A. SCHWARZMAN, By: /s/ Stephen A. Schwarzman, Name: Stephen A. Schwarzman

08/21/2012

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Following the reported transactions, Blackstone Funds (as defined below) beneficially own, in the aggregate, 16,976 shares of Series A-1 Cumulative Perpetual Convertible Preferred Stock, par value \$0.01 per share (the "Series A-1 Preferred Stock") (convertible in accordance with the terms thereof at an initial conversion rate of 666.667 shares of Class A Common Stock, par value \$0.01 per share

(1) (the "Common Stock"), per \$1,000 of stated value of Series A-1 Preferred Stock, equal to an equivalent conversion price of \$1.50 per share, into approximately 11,317,338 shares of Class A Common Stock, subject to certain adjustments), and 68,337 shares of Series A-2 Non-Voting Cumulative Perpetual Convertible Preferred Stock, par value \$0.01 per share (the "Series A-2 Preferred Stock," and, with the Series A-1 Preferred Stock, the "Preferred Stock") (Continued in footnote 2)

(convertible in accordance with the terms thereof, upon the occurrence of certain regulatory approvals, on a one-for-one basis into Series A-1 Preferred Stock or, at an initial conversion rate of 666.667 shares of Class A Common Stock per \$1,000 of stated value of Series A-2 Preferred Stock, equal to an equivalent conversion price of \$1.50 per share, into approximately 45,558,022 shares of Class A Common

(2) Stock, subject to certain adjustments). For further information on the events that trigger conversions and other details regarding the conversions, see the terms of the Certificate of Designations of Preferences and Rights of the Series A-1 Cumulative Perpetual Convertible Preferred Stock and Series A-2 Non-Voting Cumulative Perpetual Convertible Preferred Stock of Knight Capital Group, Inc. (attached as Exhibit 3.1 to Form 8-K filed with the Securities and Exchange Commission by the Issuer on August 6, 2012).

(3) Represents securities directly held by Blackstone Capital Partners VI L.P.

(4) Represents securities directly held by Blackstone Family Investment Partnership VI L.P.

(5) Represents securities directly held by Blackstone Family Investment Partnership VI ESC L.P. (collectively, with Blackstone Capital Partners VI L.P. and Blackstone Family Investment Partnership VI L.P., the "Blackstone Funds").

Blackstone Management Associates VI L.L.C. is the general partner of Blackstone Capital Partners VI L.P. BMA VI L.L.C. is the sole member of Blackstone Management Associates VI L.L.C. BCP VI Side-By-Side GP L.L.C. is the general partner of Blackstone Family Investment Partnership VI L.P. and Blackstone Family Investment Partnership VI ESC L.P.

Blackstone Holdings III L.P. is the managing member and the owner of a majority in interest of BMA VI L.L.C. and the sole member of BCP VI Side-By-Side GP L.L.C. Blackstone Holdings III GP L.P. is the general partner of Blackstone Holdings III L.P. The general partner of Blackstone Holdings III GP L.P. is Blackstone Holdings III GP Management L.L.C. The sole member of Blackstone Holdings III GP Management L.L.C. is The Blackstone Group L.P. The general partner of The Blackstone Group L.P. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman.

(7)

Due to the limitations of the electronic filing system, Blackstone Capital Partners VI L.P., Blackstone Family Investment Partnership VI L.P., Blackstone Family Investment Partnership VI ESC L.P., Blackstone Management Associates VI L.L.C., BMA VI L.L.C. and BCP VI Side-By-Side GP L.L.C. are filing a separate Form 4.

(8)

Each of the Reporting Persons, other than the Blackstone Funds to the extent of their direct holdings, disclaims beneficial ownership of such Preferred Stock, except to the extent of such Reporting Person's pecuniary interest therein, and, pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, each of the Reporting Persons, including the Blackstone Funds, states that the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.

(9)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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