

KNIGHT CAPITAL GROUP, INC.  
Form 4  
September 18, 2012

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**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)  
C/O THE BLACKSTONE GROUP, 345 PARK AVENUE  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/27/2012

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
 10% Owner  
\_\_\_\_ Other (specify below)

NEW YORK, NY 10154

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

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

(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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Series A-2 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		67,888		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	45,2
Series A-2 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		35		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	23
Series A-2 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		414		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	276
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		67,888		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	45,2
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		35		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	23
Series A-1 Cumulative Perpetual Convertible Preferred Stock	<u>(1)</u> <u>(2)</u>	09/14/2012	C		414		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Class A Common Stock	276
Restricted Stock Units	<u>(10)</u>	08/27/2012	A		35,461		<u>(10)</u>	<u>(10)</u>	Class A Common Stock	35

## 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	09/18/2012
__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	09/18/2012
__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	09/18/2012
__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	09/18/2012
__Signature of Reporting Person	Date

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

09/18/2012

\_\_Signature of Reporting Person

Date

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

09/18/2012

\_\_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).

(1) Following the reported transactions, the Blackstone Funds (as defined below) beneficially own, in the aggregate, 85,313 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 (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 56,875,361 shares of Class A Common Stock, subject to certain adjustments), and no 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)

(2) 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) Shares of Series A-2 Preferred Stock that were previously reported on Table I are now shown on Table II pursuant to the receipt on September 10, 2012 of certain regulatory approvals that permit the conversion by the Blackstone Funds of the Series A-2 Preferred Stock held by them in accordance with the terms thereof, on a one-for-one-basis into shares of Class A Common Stock.

(4) On September 14, 2012, each of the Blackstone Funds converted all of the Series A-2 Preferred Stock held by them into shares of Series A-1 Preferred Stock on a one-for-one basis pursuant to the terms thereof.

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

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

(7) 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").

(8) 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.

(9) 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.

(10) Restricted stock units granted to Blackstone Management LLC pursuant to the Knight Capital Group, Inc. 2010 Equity Incentive Plan in connection with Martin Brand's service on the board of directors of the Issuer. The restricted stock units vest on August 27, 2016 or upon earlier retirement by Mr. Brand and will be settled upon vesting. Each restricted stock unit represents a contingent right to receive one share of Class A Common Stock of Knight Capital Group, Inc.

(11) Represents restricted stock units owned by Blackstone Management Partners L.L.C. The Blackstone Group, L.P. and Mr. Schwarzman may be deemed to indirectly control Blackstone Management Partners L.L.C.

(12) 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.

(13) 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

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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.

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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