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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE TO  
TENDER OFFER STATEMENT  
under Section 14(d)(1) or Section 13(e)(1) of the Securities Exchange Act of 1934

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JMP GROUP LLC  
(Name Of Subject Company (Issuer))

JMP GROUP LLC  
(Name of Filing Persons (Offeror))

Shares representing limited liability company interests in JMP Group LLC  
(Title of Class of Securities)

46629U107  
(CUSIP Number of Class of Securities)

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Raymond S. Jackson  
Chief Financial Officer  
JMP Group LLC  
600 Montgomery Street, Suite 1100  
San Francisco, CA 94111  
(415) 835-8900

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

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*with copies to:*

Andrew D. Thorpe, Esq.  
Niki Fang, Esq.  
Justin Ho, Esq.  
Orrick, Herrington & Sutcliffe LLP  
The Orrick Building  
405 Howard Street  
San Francisco, CA 94105  
(415) 773-5700

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CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$11,850,000	\$1436.22

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\* Estimated solely for purposes of calculating the filing fee pursuant to Rules 0-11 under the Securities Exchange Act of 1934, as amended, based on the dollar amount to be used in the purchase of shares in the tender offer described in this Schedule TO.

\*\* The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$121.20 per million of the aggregate amount of transaction value.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid.

Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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Amount Previously Paid:  
Form or Registration No.:

N/A  
N/A

Filing Party:  
Date Filed:

N/A  
N/A

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
  - Rule 14d-1(d) (Cross-Border Third Party Tender Offer)
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This Tender Offer Statement on Schedule TO (together with the exhibits hereto, this “**Schedule TO**”) relates to a tender offer by JMP Group LLC (the “**Company**”) to purchase up to 3,000,000 shares representing limited liability company interests, at a purchase price per share of \$3.95, in cash, without interest and less any applicable withholding taxes, for an aggregate purchase price of \$11,850,000, upon the terms and subject to the conditions set forth in the offer to purchase, dated May 16, 2019 (the “**Offer to Purchase**”) and the accompanying letter of transmittal (the “**Letter of Transmittal**”), which together, as each may be amended and supplemented from time to time, constitute the tender offer (the “**Offer**”). This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended.

The information contained in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, is incorporated herein by reference in response to all the items of this Schedule TO as more particularly described below.

#### **ITEM 1. SUMMARY TERM SHEET**

The information set forth in the Summary Term Sheet of the Offer to Purchase is incorporated herein by reference.

#### **ITEM 2. SUBJECT COMPANY INFORMATION**

(a) *Name and Address.* The name of the issuer is JMP Group LLC. The address of its principal executive offices is 600 Montgomery Street, Suite 1100, San Francisco, CA 94111. The telephone number of the principal executive offices of JMP Group LLC is (415) 835-8900.

(b) *Securities.* The information set forth in the Introduction to the Offer to Purchase is incorporated herein by reference.

(c) *Trading and Market Price.* The Company’s shares are traded on the New York Stock Exchange under the symbol “JMP.” The information set forth in Section 7 of the Offer to Purchase (“Price Range of Shares; Dividends”) is incorporated herein by reference.

#### **ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON**

The Company is the filing person. The Company’s address and telephone number are set forth in Item 2 above. The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

#### **ITEM 4. TERMS OF THE TRANSACTION**

(a) *Material Terms.* The following sections of the Offer to Purchase contain information regarding the material terms of the transaction and are incorporated herein by reference:

- Summary Term Sheet;
- Introduction;
- Section 1 (“Number of Shares; Proration; Odd Lots”);
- Section 2 (“Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals”);
- Section 3 (“Procedures for Tendering Shares”);
- Section 4 (“Withdrawal Rights”);
- Section 5 (“Purchase of Shares and Payment of Purchase Price”);
- Section 6 (“Conditions of the Offer”);
- Section 8 (“Source and Amount of Funds”);
- Section 10 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”);
- Section 13 (“Certain United States Federal Income Tax Consequences”); and
- Section 14 (“Extension of the Offer; Termination; Amendment”).

(b) *Purchases.* The information set forth in the Introduction to the Offer to Purchase and in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

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**ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS**

(e) *Agreements Involving the Subject Company's Securities*. The information set forth in Section 10 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

**ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS**

(a); (b); (c) *Purposes; Use of Securities Acquired; Plans*. The following sections of the Offer to Purchase, which contain information regarding the purposes of the transaction, the use of securities acquired in the transaction and plans, are incorporated herein by reference:

- Summary Term Sheet; and
- Section 2 (“Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals”).

**ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION**

(a); (b); (d) *Source of Funds; Conditions; Borrowed Funds*. The information set forth in Section 8 (“Source and Amount of Funds”) and Section 6 (“Conditions of the Offer”) of the Offer to Purchase is incorporated herein by reference.

**ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY**

(a); (b) *Securities Ownership; Securities Transactions*. The information set forth in Section 10 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) is incorporated herein by reference.

**ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED**

(a) *Solicitations or Recommendations*. The information set forth in Section 15 of the Offer to Purchase (“Fees and Expenses”) is incorporated herein by reference.

**ITEM 10. FINANCIAL STATEMENTS**

Not applicable.

**ITEM 11. ADDITIONAL INFORMATION**

(a) *Agreements, Regulatory Requirements and Legal Proceedings*. The information set forth in Section 10 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”), Section 11 of the Offer to Purchase (“Effects of the Offer on the Market for Our Shares; Registration Under the Securities Exchange Act of 1934”) and Section 12 of the Offer to Purchase (“Legal Matters; Regulatory Approvals”) is incorporated herein by reference.

(b) *Other Material Information*. The information set forth in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference.

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## ITEM 12. EXHIBITS

<u>Exhibit Number</u>	<u>Document</u>
(a)(1)(A)	<a href="#"><u>Offer to Purchase dated May 16, 2019.</u></a>
(a)(1)(B)	<a href="#"><u>Form of Letter of Transmittal.</u></a>
(a)(1)(C)	<a href="#"><u>Form of Notice of Guaranteed Delivery (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on substitute Form W-9).</u></a>
(a)(1)(D)	<a href="#"><u>Form of Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.</u></a>
(a)(1)(E)	<a href="#"><u>Form of Letter to Clients for Use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.</u></a>
(a)(5)(A)	<a href="#"><u>Press Release issued on May 13, 2019 (incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K filed on May 13, 2019).</u></a>
(a)(5)(B)	<a href="#"><u>Form of Summary Advertisement.</u></a>
(d)(1)	<a href="#"><u>JMP Group LLC Amended and Restated Senior Executive Bonus Plan (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on Form S-4 (File No. 333-198264) filed on October 16, 2014).</u></a>
(d)(2)	<a href="#"><u>JMP Group LLC Amended and Restated Equity Incentive Plan (incorporated by reference to Exhibit 99.2 to the Registrant's Post-Effective Amendment No. 1 to Form S-8 filed on January 27, 2015).</u></a>
(d)(3)	<a href="#"><u>Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.13.6 to JMP Group Inc.'s quarterly report on Form 10-Q filed on May 6, 2010).</u></a>
(d)(4)	<a href="#"><u>Form of Share Appreciation Right Award (incorporated by reference to Exhibit 99.3 to the Registrant's Post-Effective Amendment No. 1 to Form S-8 filed on January 27, 2015).</u></a>
(d)(5)	<a href="#"><u>Revolving Note and Cash Subordination Agreement, dated as of April 8, 2011 (incorporated by reference to Exhibit 10.31 to the Registrant's registration statement on Form S-4 (File No. 333-198264) filed on October 29, 2014).</u></a>
(d)(6)	<a href="#"><u>Amendment Number Five to Revolving Note and Cash Subordination Agreement &amp; Revolving Note, effective as of April 30, 2014 (incorporated by reference to Exhibit 10.31 to JMP Group Inc.'s quarterly report on Form 10-Q filed May 1, 2014).</u></a>
(d)(7)	<a href="#"><u>Amendment Number Six to Revolving Note and Cash Subordination Agreement &amp; Revolving Note, effective as of May 6, 2015 (incorporated by reference to Exhibit 10.11 to the Registrant's quarterly report on Form 10-Q filed on August 4, 2015).</u></a>
(d)(8)	<a href="#"><u>Amendment Number One to Second Amended and Restated Credit Agreement, dated April 27, 2016, between JMP Holding LLC and City National Bank (incorporated by reference to Exhibit 10.12 to the Registrant's quarterly report on Form 10-Q filed on May 2, 2016).</u></a>
(d)(9)	<a href="#"><u>Amendment Number Seven to Revolving Note and Cash Subordination Agreement &amp; Revolving Note, effective April 26, 2016, between JMP Securities and City National Bank (incorporated by reference to Exhibit 10.13 to the Registrant's quarterly report on Form 10-Q filed on May 2, 2016).</u></a>
(d)(10)	<a href="#"><u>Amendment Number Two to Second Amended and Restated Credit Agreement, dated August 24, 2016, between JMP Holding LLC and City National Bank (incorporated by reference to Exhibit 10.14 to the Registrant's quarterly report on Form 10-Q filed on November 1, 2016).</u></a>

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- (d)(11) [Collateral Administration Agreement, dated as of June 29, 2017, by and among JMP Credit Advisors CLO IV Ltd., JMP Credit Advisors LLC and U.S. Bank National Association, as collateral administrator \(incorporated by reference from Exhibit 10.15 to the Company's Form 8-K filed on July 3, 2017\).](#)
- (d)(12) [Amendment Number Three to Second Amended and Restated Credit Agreement, dated May 9, 2017, between JMP Holding LLC and City National Bank \(incorporated by reference to Exhibit 10.16 to the Registrant's Form 10-Q filed on August 8, 2017\).](#)
- (d)(13) [Amendment Number Eight to Revolving Note and Cash Subordination Agreement & Revolving Note, dated May 9, 2017, between JMP Securities LLC, City National Bank \(incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-Q filed on August 8, 2017\).](#)
- (d)(14) [Credit Agreement, dated as of July 31, 2017, among JMP Credit Advisors CLO V Ltd., as Borrower, JMP Credit Advisors LLC, as Collateral Manager, and BNP Paribas, as Lender \(incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-Q filed on November 9, 2017\).](#)
- (d)(15) [Indenture, dated as of February 20, 2018, among JMP Credit Advisors CLO III\(R\) Ltd., as Issuer, JMP Credit Advisors CLO III\(R\) LLC, as Co-Issuer, and U.S. Bank National Association, as Trustee \(incorporated by reference to Exhibit 10.19 to the Registrant's Form 8-K filed on February 22, 2018\).](#)
- (d)(16) [First Amendment to Credit Agreement, dated as of May 2, 2018, among JMP Credit Advisors CLO V Ltd., as Borrower, JMP Credit Advisors LLC, as Collateral Manager, and BNP Paribas, as Lender \(incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-Q filed on May 10, 2018\).](#)
- (d)(17) [Second Amendment to Credit Agreement, dated as of June 21, 2018, among JMP Credit Advisors CLO V Ltd., as Borrower, JMP Credit Advisors LLC, as Collateral Manager, and BNP Paribas, as Lender \(incorporated by reference to Exhibit 10.21 to the Registrant's Form 8-K filed on June 21, 2018\).](#)
- (d)(18) [Indenture, dated as of July 26, 2018, among JMP Credit Advisors CLO V Ltd., as Issuer, JMP Credit Advisors CLO V LLC, as Co-Issuer, and U.S. Bank National Association, as Trustee \(incorporated by reference to Exhibit 10.22 to the Registrant's Form 8-K filed on July 27, 2018\).](#)
- (d)(19) [Amendment Number Nine to Revolving Note and Cash Subordination Agreement & Revolving Note, dated June 6, 2018, by and between JMP Securities LLC and City National Bank \(incorporated by reference to Exhibit 10.24 to the Registrant's Form 10-Q filed on August 7, 2018\).](#)
- (d)(20) [Amendment Number Four to Second Amended and Restated Credit Agreement, dated August 6, 2018, by and between JMP Holding LLC, the lenders, and City National Bank \(incorporated by reference to Exhibit 10.24 to the Registrant's Form 10-Q filed on August 7, 2018\).](#)
- (d)(21) [Credit Agreement, dated as of October 11, 2018, by and among BNP Paribas, as lender and administrative agent, JMP Credit Advisors Long-Term Warehouse Ltd., as borrower, JMP Credit Advisors CLO VI Warehouse Ltd., as a subsidiary of borrower, each other CLO Subsidiary from time to time party thereto, JMP Credit Advisors LLC, as collateral manager, and JMP Capital LLC as preferred investor \(incorporated by reference to Exhibit 10.25 to the Registrant's Form 8-K filed on October 12, 2018\).](#)
- (d)(22) [Lease Agreement, dated August 10, 2011, between Transamerica Pyramid Properties, LLC, as landlord, and JMP Group Inc., as tenant \(incorporated by reference to Exhibit 10.26 to the Registrant's Form 10-Q filed on November 9, 2018\).](#)
- (d)(23) [Third Amendment to Office Lease, dated as of October 31, 2018, by and among Transamerica Pyramid Properties, LLC as landlord, and JMP Group Inc. as tenant \(incorporated by reference to Exhibit 10.27 to the Registrant's Form 10-Q filed on November 9, 2018\).](#)
- (d)(24) [Form of Deferred Restricted Share Unit Award Agreement \(Section 16\) \(incorporated by reference to Exhibit 10.28 to the Registrant's Form 8-K filed on February 6, 2019\).](#)
- (d)(25) [Indenture, dated as of June 29, 2017 among JMP Credit Advisors CLO IV Ltd., as Issuer, JMP Credit Advisors CLO IV LLC, as CO-Issuer, and U.S. Bank National Association, as Trustee \(incorporated by reference to exhibit 4.10 to the Registrants current report on Form 8-k filed on July 3, 2017\).](#)

**ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3**

Not applicable.

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**SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

JMP Group LLC

Dated: May 16, 2019

By: \_\_\_\_\_ s/Raymond S. Jackson  
Name: Raymond S. Jackson  
Title: Chief Financial Officer

## JMP GROUP LLC

**OFFER TO PURCHASE FOR CASH  
UP TO A MAXIMUM OF 3,000,000 SHARES  
REPRESENTING LIMITED LIABILITY COMPANY INTERESTS  
AT A PURCHASE PRICE OF \$3.95 PER SHARE,  
HAVING AN AGGREGATE PURCHASE PRICE OF \$11,850,000**

THE OFFER AND YOUR RIGHT TO WITHDRAW YOUR SHARES WILL EXPIRE AT 11:59 P.M., NEW YORK TIME, ON JUNE 13, 2019, UNLESS THE OFFER IS EXTENDED. WE MAY EXTEND THE OFFER PERIOD AT ANY TIME.

**JMP Group LLC is:**

- Offering to purchase up to 3,000,000 shares representing limited liability company interests in a tender offer (the “*Offer*”), or such lesser number of shares as are properly tendered and not properly withdrawn; and
- Offering to purchase these shares at a purchase price of \$3.95 per share in cash, without interest and less any applicable withholding taxes, upon the terms and subject to the conditions described in this offer to purchase (the “*Offer to Purchase*”). We will purchase shares having an aggregate purchase price of no more than \$11,850,000.

**If you want to tender your shares in the Offer, you should:**

- Specify the number of shares you want to tender; and
- Follow the instructions in this Offer to Purchase and the related documents, including the accompanying Letter of Transmittal, to submit your shares.

**When the Offer expires:**

- All shares acquired in the Offer will be acquired at the same purchase price of \$3.95 per share; and
- If the number of shares tendered exceed 3,000,000 shares, we will purchase shares on a pro rata basis (subject to the “odd lot” priority described in *Section 1*) from all shareholders who properly tendered shares, with appropriate adjustments to avoid purchases of fractional shares.

**Our shares:**

- Are listed and traded on the New York Stock Exchange (“*NYSE*”) under the symbol “JMP.”
- Had a closing price of \$3.91 on May 15, 2019, the last full trading day before we commenced the Offer. We urge you to obtain current market quotations for the shares.

**The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions, some or all of which we may elect to waive as discussed in *Section 6*, “Conditions of the Offer.” We reserve the right, in our discretion, to purchase more than 3,000,000 shares, subject to applicable legal requirements.**

Our board of directors has approved this Offer. However, neither we, nor our board of directors or executive officers, the information agent, the depositary or the dealer manager is making any recommendation to you as to whether you should tender or not tender your shares. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them.

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This Offer to Purchase contains important information about the Offer. We urge you to read this Offer to Purchase, including the documents incorporated by reference, and the related Letter of Transmittal in their entirety.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of the transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.**

**If you have any questions or need assistance, you should contact D.F. King & Co., Inc. (“D.F. King”), the information agent for the Offer, using the contact information set forth on the back cover of this Offer to Purchase. If you require additional copies of this Offer to Purchase or the related Letter of Transmittal, you should contact D.F. King.**

The Dealer Manager for the Offer is:

**JMP SECURITIES LLC**

Offer to Purchase dated May 16, 2019

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## IMPORTANT PROCEDURES

If you want to tender all or part of your shares, you must do one of the following before the Offer expires:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you;
- if you hold certificates in your own name, complete and sign a Letter of Transmittal according to its instructions, and deliver it, together with any required signature guarantees, the certificates for your shares and any other documents required by the Letter of Transmittal, to American Stock Transfer & Trust Company, LLC (“AST”), the depository for the Offer;
- if you are an institution participating in The Depository Trust Company, which we call the “book-entry transfer facility” in this Offer to Purchase, tender your shares according to the procedure for book-entry transfer described in *Section 3*; or
- if you are a holder of vested options or share appreciation rights (“SARs”), you may exercise your vested options or SARs and tender any of the shares issued upon exercise; however, you must exercise your vested options or SARs at least five business days prior to the expiration date of the Offer (which, unless the Offer is extended, will require you to exercise such options or SARs no later than 11:59 p.m., New York time, on June 6, 2019) in order to provide you with sufficient time to properly tender the shares in the Offer. Holders of vested options or SARs who exercise and tender the shares underlying such options or SARs will have their shares purchased on the same basis as other holders of shares and will be subject to the same conditions and pro-rata. Accordingly, not all of the shares issued on exercise, and tendered, may be purchased. No exercise of vested options or SARs may be revoked even if some of the shares that are issued on exercise of the options or SARs are not purchased yet.

If you want to tender your shares, but:

- your certificates for the shares are not immediately available or cannot be delivered to the depository by the expiration of the Offer; or
- you cannot comply with the procedure for book-entry transfer by the expiration of the Offer; or
- your other required documents cannot be delivered to the depository by the expiration of the Offer,

then you can still tender your shares if you comply with the guaranteed delivery procedure described in *Section 3*.

**To tender your shares, you must follow the procedures described in this Offer to Purchase, the Letter of Transmittal and the other documents related to the Offer, including choosing a price at which you wish to tender your shares.**

If you have questions or need assistance, you should contact D.F. King, which is the information agent for the Offer using the contact information on the back page of this Offer to Purchase. You may request additional copies of this Offer to Purchase, the Letter of Transmittal or the notice of guaranteed delivery from the information agent.

We are not making this Offer to, and will not accept any tendered shares from, shareholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary to allow us to make this Offer to shareholders in any such jurisdiction.

**We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering shares in the Offer. We have not authorized any person to give any information or to make any representation on our behalf in connection with the Offer other than those contained in this Offer to Purchase or in the related Letter of Transmittal. If given or made, any recommendation, information or representation must not be relied upon as having been authorized by us, the dealer manager or the information agent.**

## TABLE OF CONTENTS

	Page
SUMMARY TERM SHEET	1
FORWARD-LOOKING STATEMENTS	7
INTRODUCTION	11
THE TENDER OFFER	13
1. Number of Shares; Proration; Odd Lots	13
2. Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals.	15
3. Procedures for Tendering Shares.	17
4. Withdrawal Rights.	22
5. Purchase of Shares and Payment of Purchase Price.	22
6. Conditions of the Offer.	23
7. Price Range of Shares; Dividends.	25
8. Source and Amount of Funds.	25
9. Information About Us.	26
10. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares.	27
11. Effects of the Offer on the Market for Our Shares; Registration Under the Securities Exchange Act of 1934.	29
12. Legal Matters; Regulatory Approvals.	30
13. Certain United States Federal Income Tax Consequences to U.S. Holders.	30
14. Extension of The Offer; Termination; Amendment.	32
15. Fees and Expenses.	33
16. Miscellaneous.	33

## SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights material information in this Offer to Purchase (the “**Offer to Purchase**”), but you should realize that it does not describe all of the details of the Offer to the same extent that they are described in the body of this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the Offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion. In this Offer to Purchase, we use the terms “JMP Group LLC,” “JMP,” the “Company,” “we,” “us” and “our” to refer to JMP Group LLC and its subsidiaries.

### **Who is offering to purchase my shares?**

JMP Group LLC, a Delaware limited liability company, is offering to purchase up to 3,000,000 shares representing limited liability company interests (the “**Offer**”) or such lesser number of shares as are properly tendered and not properly withdrawn. See Section 1.

### **What will be the purchase price?**

The price for the Offer is \$3.95 per share. All shares we purchase will be purchased at the same price.

### **How many shares will JMP purchase?**

We will purchase up to 3,000,000 shares, or such lesser number of shares as are properly tendered and not withdrawn. At the price of \$3.95 per share in the Offer, we will purchase shares having an aggregate purchase price of \$11,850,000, or approximately 14.1% of our outstanding shares as of March 31, 2019. All purchases are subject to the terms and conditions of the Offer. See Sections 1 and 2. We will not purchase fractional shares.

The Offer is not conditioned on any minimum number of shares being tendered but is subject to a number of other important conditions described below.

### **What will be the form of payment of the purchase price?**

If your shares are purchased in the Offer, you will be paid the purchase price in cash, without interest, for all your shares that we purchase pursuant to the Offer and less any applicable withholding taxes. We will pay the purchase price promptly after the Offer expires, but under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Sections 1 and 5.

### **How will JMP obtain the funds to make the payment?**

The maximum aggregate purchase price for the shares purchased in the Offer will be \$11,850,000, which we will fund from cash on hand.

### **If I tender my shares, how many of my shares will JMP purchase?**

We may not purchase all of your tendered shares. If shares having an aggregate value of more than \$11,850,000 (valued at the purchase price) are tendered, we will purchase shares from all shareholders who properly tender shares on a pro rata basis, subject to the odd lot procedures described in Section 1.

### **What is the purpose of the Offer?**

With the assistance of management, our board of directors has reviewed a variety of alternatives for using our available financial resources. Among other factors, our board of directors considered our existing and anticipated capitalization and financial position, including our outstanding shares, the market price of our shares and our operations, financial ratios, strategy and expectations for the future and the attractiveness of the tender offer to our shareholders. The board of directors also considered risks and uncertainties, including the potential for positive and negative developments relating to our business. Our board of directors believes the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without potential disruption to the share price and the usual transaction costs associated with market sales.

In addition, if we complete the Offer, shareholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations.

The Offer, and particularly the preference given to holders of fewer than 100 shares, may reduce the number of holders of our shares and thereby reduce the administrative costs of mailing securities filings and notices to such holders.

For a further discussion of the potential benefits and the potential risks and disadvantages of the Offer, *see Section 2*.

#### **What does the board of directors of JMP think of the Offer?**

Our board of directors has approved the Offer. However, none of JMP's management, our board of directors and executive officers, the information agent, the depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of JMP's shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 3,000,000 shares in the Offer, which represents the maximum number of shares that we would purchase in the Offer, the proportional beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019.

Our directors and executive officers may, in compliance with applicable law, sell shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our shareholders in the Offer. *See Section 10*. You must decide whether to tender your shares and, if so, how many shares to tender. You should discuss whether to tender your shares with your broker and financial or tax advisor.

#### **What are the significant conditions to the Offer?**

The Offer is subject to a number of conditions, including, among others:

- That there has been no decrease of 10% or more in the market price of our shares or in the Nasdaq Composite Index, the New York Stock Exchange Composite Index, the Dow Jones Industrial Average or the S&P 500 Composite Index, measured from the close of business on May 15, 2019, or any change in the general political, market, economic or financial conditions in the United States or abroad that could have, in our reasonable judgment, a material adverse effect on our business condition (financial or otherwise), income, operations or prospects or that of our subsidiaries, taken as a whole, or on the trading in our shares;
- That there has been no change or event discovered or threatened relating to our business, general affairs, management, financial position, shareholders equity, income, results of operations, condition (financial or otherwise), operations or prospects, or in the ownership of our shares, which in our reasonable judgment is or may be material to us or otherwise makes it inadvisable for us to proceed with the Offer.

We may terminate the Offer, if, among other things, following the date of this Offer to Purchase another person or entity:

- Proposes, announces or makes a tender or exchange offer for our shares or any other merger, business combination or other similar transaction involving us;

- To our knowledge and subject to exceptions, acquires or proposes to acquire more than 5% of our shares or any current holder of 5% or more of our shares acquires or proposes to acquire an additional 2% or more of our shares; or
- Files a notification form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 reflecting an intent to acquire JMP or any of our shares.

These and other conditions are described in greater detail in *Section 6*.

#### **How will the Offer affect the number of shares outstanding and the number of record holders of JMP?**

As of March 31, 2019, we had 21,210,107 issued and outstanding shares. If the Offer is fully subscribed, we will purchase a maximum of 3,000,000 shares, or approximately 14.1% of our outstanding shares as of March 31, 2019, and will have 18,210,107 shares outstanding following the purchase of shares tendered in the Offer. *See Section 2*.

To the extent any of our shareholders tender their shares in full and that tender is accepted in full, the number of our record holders could be reduced. *See Section 2*.

Shareholders who do not have their shares purchased in the Offer will realize a proportionate increase in their relative ownership interest in JMP. *See Section 2*.

#### **Following the Offer, will JMP continue as a public company?**

Yes. The completion of the Offer in accordance with its terms and conditions will not cause JMP to be delisted from NYSE or stop being subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). *See Section 2*.

#### **How long do I have to decide whether to tender my shares in the Offer? Can JMP extend the Offer past the initial expiration date?**

You may tender your shares until the Offer expires. Currently, the Offer is scheduled to expire at 11:59 p.m., New York time, on June 13, 2019. If your shares are held by a nominee or broker, it is likely that they have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to contact your nominee or broker to find out their deadline.

We can extend the Offer past this scheduled expiration date in our sole discretion. If we choose to do so, we will announce the extension of the Offer no later than 9:00 a.m. New York time on the next business day after the previously scheduled or announced expiration date. You will be able to tender your shares until 11:59 p.m., New York time, on the day selected as the new expiration date. *See Sections 1 and 14*.

#### **Can JMP amend the terms of the Offer?**

We reserve the right in our sole discretion to amend the tender offer in any respect. *See Section 14*.

#### **Will JMP notify me if it amends the terms of the Offer or extends the expiration date?**

We will announce any amendment to the Offer by making a public announcement of the amendment. We will announce any extension of the Offer no later than 9:00 a.m., New York time, on the next business day after the last previously scheduled or announced expiration date. In the event of an extension, termination or postponement of the Offer, we will also give written or oral notice to the depositary. *See Section 14*.

### **How do I tender my shares?**

To tender your shares, you must complete one of the actions described under “Important Procedures” on the inside front cover page of this Offer to Purchase before the Offer expires.

You may also contact the information agent or your broker for assistance. The contact information for the information agent is on the back page of this Offer to Purchase.

For a more detailed explanation of the tendering procedures, see *Section 3*.

### **Can I participate in the Offer if I hold vested options or SARs to purchase shares?**

If you hold vested but unexercised options or SARs to purchase shares, you may exercise such options or SARs in accordance with the terms of the applicable share plan and tender the shares received upon such exercise in accordance with the Offer. An exercise of an option or SAR cannot be revoked for any reason even if shares received upon the exercise thereof and tendered in the Offer are not purchased in the Offer. See *Section 3*. If your options or SARs have vested, you should follow the instructions in “Important Procedures” on the inside front cover of this Offer to Purchase. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you, based on your option or SAR exercise prices, the date of your option or SARs grants, the years left to exercise your options or SARs and the provisions for pro rata purchases by us described in *Section 1*. We strongly encourage you to discuss the Offer with your tax advisor or broker.

### **How do holders of vested options or SARs participate in the Offer?**

If you hold vested but unexercised options or SARs, you must exercise such options or SARs in accordance with the terms of the applicable share plan and tender the shares received upon such exercise in accordance with the Offer. You must exercise your vested options or SARs at least five business days prior to the expiration date of the Offer (which, unless the Offer is extended, will require you to exercise such options or SARs no later than 11:59 p.m., New York time, on June 6, 2019) in order to provide you with sufficient time to properly tender the shares in the Offer.

### **Can I participate in the Offer if I hold unvested share awards or other restricted equity interests?**

Holders of unvested share awards or other restricted equity interests may not tender shares represented by such interests.

### **In what order will JMP purchase the tendered shares?**

If the terms and conditions of the Offer have been satisfied or waived and an excess of 3,000,000 shares have been properly tendered and not properly withdrawn on or prior to the expiration date of the Offer, we will purchase shares in the following order of priority:

- First, all shares owned in “odd lots” (less than 100 shares) that have been properly tendered; and
- Second, all other tendered shares on a pro rata basis, if necessary.

### **If I own fewer than 100 shares and I tender all of my shares, will I be subject to proration?**

No. If you properly tender, and do not properly withdraw, your shares according to the procedures specified for holders of “odd lots,” we will purchase all your shares without subjecting them to the proration procedure, subject to the conditions of the Offer. See *Section 1 and Section 6*.



### **How and when will I be paid?**

If your shares are purchased in the Offer, you will be paid the purchase price less all tax withholdings, in cash, without interest and less any applicable withholding taxes, promptly after the expiration date of the Offer period and the acceptance of the shares for payment. There may be tax consequences to receiving this payment. *See Sections 3 and 14.*

We will pay for the shares accepted for payment by depositing the aggregate purchase price with the depositary promptly after the expiration date of the Offer. The depositary will act as your agent and will transmit to you the payment for all your shares accepted for payment. *See Section 5.*

### **Once I have tendered my shares in the Offer, can I withdraw my tender?**

You can withdraw your previously tendered shares at any time before the Offer expires, which is initially 11:59 p.m., New York time, on June 13, 2019.

### **How do I withdraw previously tendered shares?**

To withdraw your previously tendered shares, you must deliver a written or facsimile notice of withdrawal with the required information to the depositary on a timely basis while you still have the right to withdraw. If you have tendered by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct the broker or bank to arrange for withdrawal of your shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the depositary, if your shares have been tendered under the procedure for book-entry transfer set forth in *Section 3*, or if you are exercising options or SARs to tender shares. *See Section 4.*

### **Do the directors or executive officers of JMP intend to tender their shares in the Offer?**

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 3,000,000 shares in the Offer, which represents the maximum amount of shares that we would purchase in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019.

### **What are the United States federal tax consequences if I tender my shares to JMP?**

Generally, you will be subject to United States federal income taxation when you receive cash from us in exchange for the shares you tender. *See Section 13.*

The cash you receive generally will be treated either as:

- Proceeds of a sale or exchange eligible for capital gains treatment; or
- A dividend to the extent of our available current year or accumulated earnings and profits, and thereafter, first as a non-taxable return of capital (to the extent of your tax basis in our shares) and then as capital gain.

In the case of foreign shareholders, because it is unclear which characterization applies, we intend to withhold 30% of the gross proceeds paid (i.e., applying the withholding rate applicable to the payment of dividends to foreign shareholders), unless you establish your entitlement to a lower or zero withholding rate by timely filing the applicable Form W-8. *See Section 3.*

### **What is the market value of my shares as of a recent date?**

On May 15, 2019, the last full trading day before we commenced the Offer, the closing per share price on NYSE was \$3.91.

We urge you to obtain a current market quotation for your shares before deciding whether and, if so, at what purchase price or prices, to tender your shares. *See Section 7.*

**Will I have to pay brokerage commissions or share transfer taxes if I tender my shares to JMP?**

If you are a registered shareholder and tender your shares directly to the depositary, you will not have to pay any brokerage commissions. If you hold shares through a broker or bank, however, you should ask your broker or bank if you will be charged a fee to tender your shares. *See Section 5.*

If you instruct the depositary in the Letter of Transmittal to make payment for the shares to the registered holder, you will not incur any domestic share transfer tax. *See Section 5.*

**Whom can I talk to if I have questions about the Offer?**

Our information agent can help answer your questions. The information agent is D.F. King. Contact information for the information agent appears on the back page of this Offer to Purchase.

## FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains a number of forward-looking statements, including, among others, statements dealing with the Offer and the terms of the Offer, when we will determine the final proration factor or pay for tendered shares, the repurchase of additional shares in the future, the fees and expenses we will incur in connection with the Offer, and the listing and tradability of our shares after the Offer is completed. We caution readers that the important factors set forth below, as well as factors discussed in other documents filed by us with the Securities and Exchange Commission, among others, could cause our actual results to differ materially from statements contained in this Offer to Purchase.

These forward-looking statements are based on current management expectations and are subject to substantial risks and uncertainties (many of which are beyond our control) which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. When used herein or in such statements, the words “anticipate,” “believe,” “estimate,” “expect,” “may,” “will,” “should” or the negative thereof and similar expressions as they relate to JMP or its management are intended to identify such forward-looking statements. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this Offer except as required by law.

Important factors that could cause actual results to differ materially from those implicit in our forward-looking statements include, without limitation, the following:

- the opportunity to grow our investment banking and sales and trading businesses because of the prevalent demand for our services in our four target industries;
- the potential for impaired performance of our investment banking and sales and trading businesses due to a declining demand for our services or a declining market for securities of companies in our four target industries;
- our ability to depend on follow-on offerings, PIPEs and registered direct offerings to generate corporate finance revenues;
- the growth of our mergers and acquisitions and other strategic advisory business derived from our positions as a lead manager or senior co-manager of public and private securities offerings;
- the opportunity to increase our representation of corporate clients as buyers and to grow our mergers and acquisitions and strategic advisory businesses;
- our ability to succeed as a strategic advisor due to our ability to structure and execute complex transactions;
- the possibility of generating stable or growing investment banking revenues due to our ability to engage in multiple types of transactions;
- our plans to continue to focus our equity research and sales and trading products and services on small- and mid-capitalization companies in order to benefit institutional investors;
- our expectations regarding the impact of the trend toward alternative trading systems and downward pricing pressure on trading commissions and spreads in the sales and trading business;
- the impact on our brokerage or asset management business of additional rulemaking by the SEC with respect to soft dollar practices;
- the characteristics of the asset management business, including its comparatively high margins, the recurring nature of its fee-based revenues and its dependence on intellectual capital, and our belief that this makes our asset management business less susceptible to competitive threats from larger financial institutions;

- our expectations of a heightened demand for alternative asset management products and services;
- our ability to increase assets under management and to develop new asset management products;
- the fact that the past performance of our funds is not indicative of our future performance;
- our plans to generate principal investing opportunities from our investment banking and asset management relationships;
- the emergence of investment opportunities that offer attractive risk-adjusted returns on our investable assets;
- our plans to grow our businesses both through internal expansion and through strategic investments, acquisitions or joint ventures;
- our ability to take advantage of market opportunities as they arise, based on the strength of our capital position and the low level of leverage that we have traditionally employed;
- our ability to realize revenues through gain on sale and payoff of loans and gain on repurchase of asset-backed securities;
- our plans for the use of restricted cash to buy additional loans or pay down collateralized loan obligation notes;
- the impact of changes in interest rates on the value of interest-bearing assets in which we invest;
- the nature of the competition faced in the financial services industry, particularly among investment banks and asset managers, and our expectations regarding trends and changes with respect to competing entities;
- our ability to attract, incentivize and retain top professionals and to retain valuable relationships with our clients;
- our ability to avoid restrictions imposed by the Investment Company Act of 1940;
- our expectations regarding the likelihood of increased scrutiny of financial services firms from regulators;
- the impact of recent pronouncements by the Financial Accounting Standards Board (the “**FASB**”) on our financial position or operations;
- the fact that we do not anticipate that any tax adjustments will result in a material adverse effect on our financial condition;
- the impact of existing claims and currently known threats against us on our business or financial condition;
- the impact of bonus compensation payments to our employees on our cash position;
- our ability to satisfy our funding needs with existing internal and external financial sources;
- our beliefs regarding the impact of interest rate, credit and inflation risks;

- the fact that we believe that our available liquidity and current level of equity capital will be adequate to meet our liquidity and regulatory capital requirements for the next twelve months; and
- our intention to declare distributions on our shares, our ability to do so without borrowing funds, and our expected distribution rate.

The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions, based upon our current expectations and projections about future events. Any projections of our future financial performance may be based upon expected outcomes of our growth strategies and anticipated trends in our business. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks including, but not limited to, the following factors:

- the impact of multiple bookrunners, co-managers and multiple financial advisors on the competitive landscape and, in turn, on our revenues;
- our ability to remain competitive with larger investment banks that provide commercial financing;
- the impact of unsettled market conditions on our ability to serve as underwriter or placement agent;
- the potential for uncertainty related to creditworthiness, volatility in the equity markets and diminished access to financing to impact our mergers and acquisitions and strategic advisory businesses;
- the potential for volatility and weakness in the equity markets to adversely impact our sales and trading business, investment banking business and ability to manage exposure to market risks;
- the impact of conditions in the global financial markets, such as the level and volatility of interest rates, investor sentiment, the availability and the cost of credit, the U.S. mortgage market, the U.S. real estate market, energy prices, consumer confidence, unemployment, and geopolitical issues on our business and revenues;
- the impact of any deterioration in the business environment of our target sectors on our revenues;
- our expectations regarding the effect of a market downturn on transaction volume and, therefore, our revenues;
- our expectations regarding the impact of bankruptcies on our investment banking revenues;
- the impact of securities-related write-downs on our securities trading revenues;
- the impact of a market downturn on asset management fees;
- the impact of the inability of companies to repay their borrowings on our principal investments;
- the potential for market declines to lead to an increase in litigation and arbitration claims;
- our ability to pursue business opportunities in an environment of increased legislative or regulatory initiatives;
- the potential for governmental fiscal and monetary policy to have a negative impact on our business;
- our expectation that the ability to recruit and retain professionals impacts our reputation, business, results of operations and financial condition;

- the impact of larger firms on our ability to grow our business;
- the impact of increased competition in the middle-market investment banking space on our market share and revenues;
- the impact on brokerage revenues of pricing arrangements with certain institutional sales and trading clients;
- the potential for larger and more frequent capital commitments in our trading and underwriting business to increase losses;
- the potential for increased competition in the asset management sector to affect our ability to raise capital and generate positive economic results;
- the impact of investment performance and redemptions on our asset management business;
- the potential for fluctuations in the global credit markets to affect our CLO investments;
- any fluctuations in the credit markets, including reduced access to capital and liquidity, and the costs of credit;
- any exposure to volatile and illiquid securities and their impact on our business;
- the impact of principal investment activities on our capital base;
- the challenges posed when valuing non-marketable investments;
- the impact of our increased leverage as a result of our January 2013 offering of 8.00% Senior Notes due 2023 (the “**2013 Senior Notes**”) and the November 2017 offering of 7.25% Senior Notes due 2027 (the “**2017 Senior Notes**,” together with the 2013 Senior Notes, the “**Senior Notes**”);
- the impact of requirements by the SEC, the Financial Industry Regulatory Authority and various other self-regulatory organizations on our business;
- the potential for increased scrutiny of financial services firms to adversely impact our business;
- the business risks posed by potential conflicts of interest, employee misconduct and business partner misconduct;
- the risks posed by using estimates to prepare our consolidated financial statements and new accounting standards;
- the potential for risks related to infrastructure and operations to impact our business;
- the potential for interest rate, credit and inflation risks to impact our business;
- the potential for market and non-market factors to impact our share price; and
- any fluctuations in our share price related to the performance of our investment banking division.

These and other factors are discussed in our Securities and Exchange Commission filings, including our most recent annual report on Form 10-K, which is incorporated by reference herein.

The list of factors above is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. All subsequent written and oral forward-looking statements concerning the Offer or other matters addressed in this Offer to Purchase and attributable to us or any person acting on our behalf are qualified by these cautionary statements. Except as required by applicable law, we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this Offer to Purchase or to reflect the occurrence of unanticipated events.

## INTRODUCTION

To the Holders of Shares of JMP Group LLC:

JMP Group LLC, a Delaware limited liability company, invites its shareholders to tender up to 3,000,000 shares representing its limited liability company interests, at a purchase price of \$3.95 per share in cash, without interest and less any applicable withholding taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which together constitute the “**Offer**.”

We plan to fund this Offer with \$11,850,000 of cash on hand. We will not purchase fractional shares and the total number of shares we purchase will be rounded down to the largest number of whole shares that can be purchased.

We reserve the right, in our sole discretion, to purchase more than 3,000,000 shares in the Offer by amending the terms of the Offer to reflect this change in the manner set forth in *Section 14*.

We will purchase only those shares properly tendered, and not properly withdrawn. However, because of the “odd lot” priority and proration provisions described in this Offer to Purchase, we will not purchase all the shares tendered if more than the number of shares we seek are tendered. We will return shares we do not purchase because of the “odd lot” priority or proration promptly following the expiration of the Offer.

Tendering shareholders whose shares are registered in their own names and who properly tender their shares directly to American Stock Transfer & Trust Company LLC, the depository for the Offer, will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 7 of the Letter of Transmittal, share transfer taxes on the purchase of shares by us in the Offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

**The Offer is not conditioned on a minimum number of shares being tendered. The Offer, however, is subject to other important conditions. See Section 6.**

**Our board of directors has approved the Offer. However, neither we, nor any of our board of directors, executive officers, the information agent, depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of JMP’s shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations.**

**Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase a maximum amount of 3,000,000 shares in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019. See Section 10. You must decide whether to tender your shares. You should discuss whether to tender your shares with your broker and financial or tax advisor.**

As of March 31, 2019, there were 21,210,107 shares issued and outstanding. We will purchase a maximum of 3,000,000 shares, or approximately 14.1% of our outstanding shares as of March 31, 2019. Based on the foregoing, if the Offer is fully subscribed, we will have 18,210,107 shares outstanding following the purchase of shares tendered in the Offer. The actual number of shares outstanding will depend on the number of shares tendered and purchased in the Offer. *See Section 2.*

Our shares are listed and traded on NYSE under the symbol “JMP.” On May 15, 2019, the last full trading day before we commenced the Offer, our closing per share price on the NYSE was \$3.91.

This Offer to Purchase and the related Letter of Transmittal contain important information that you should read carefully before you make any decision regarding the Offer.



## THE TENDER OFFER

### 1. Number of Shares; Proration; Odd Lots

On the terms and subject to the conditions of the Offer, we will purchase up to 3,000,000 shares representing limited liability company interests in JMP at a purchase price of \$3.95 per share, without interest and less any applicable withholding taxes, having an aggregate purchase price of \$11,850,000, or such lesser amount of shares that are properly tendered before the expiration date and not properly withdrawn in accordance with *Section 4*.

For purposes of the Offer, the term “*expiration date*” means 11:59 p.m., New York time, on June 13, 2019, unless and until we, in our sole discretion, extend the period of time during which the Offer will remain open. If extended by us, the term “*expiration date*” will refer to the latest time and date at which the Offer, as extended, will expire. See *Section 14* for a description of our right to extend, delay, terminate or amend the Offer.

We reserve the right, in our sole discretion, to purchase more in the Offer by amending the terms of the Offer to reflect this change in the manner set forth in *Section 14*.

In accordance with the Letter of Transmittal, shareholders desiring to tender shares must specify the number of shares they are willing to sell in the Offer. If the number of the shares properly tendered is in excess of 3,000,000 shares, we will purchase shares on a pro rata basis (subject to the “odd lot” priority described in *Section 1*) from all shareholders who properly tendered shares, with appropriate adjustments to avoid purchases of fractional shares. See *Section 5* for a more detailed description of our purchase of and payment for properly tendered shares.

We will not purchase fractional shares and the total number of shares we purchase will be rounded down.

All shares properly tendered and not purchased and shares not purchased because of the odd lot priority or proration, will be returned to you at our expense promptly following the expiration date.

If we:

- Increase the price per share above \$3.95; or
- Increase by more than 2% the amount of shares being sought; or
- Decrease the amount of shares being sought; or
- Materially change the fees to be paid to our dealer manager,

then the Offer must remain open, or will be extended until at least ten business days from, and including, the date that notice of such change is first published, sent or given in the manner specified in *Section 14*. For purposes of the Offer, a “*business day*” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York time.

We also expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in *Section 6*, “*Conditions of the Offer*,” shall have occurred or shall be deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depository and making a public announcement of such extension. See *Section 14*.

**The Offer is not conditioned on any minimum number of shares being tendered. The Offer, however, is subject to other important conditions.**

**Priority of Purchase.** Upon the terms and subject to the conditions of the Offer, if less than 3,000,000 shares are properly tendered, we will purchase all shares that are properly tendered and not properly withdrawn.

If the terms and conditions of the Offer have been satisfied or waived and shareholders have properly tendered and not properly withdrawn shares in excess of 3,000,000, we will purchase shares in the following order of priority:

- First, all such shares owned beneficially or of record by a holder of fewer than 100 shares who properly tenders all such shares (partial tenders will not qualify for this preference) and completes, or whose broker, bank or other nominee completes, the section captioned “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery; and
- Second, after purchase of all the foregoing shares, all other shares on a pro rata basis, if necessary (with appropriate rounding and adjustment to avoid purchases of fractional shares).

In accordance with the Letter of Transmittal, shareholders desiring to tender shares must specify the number of shares they are willing to sell in the Offer.

**Proration.** In the event of an over-subscription from the shareholders in the Offer, shares tendered will be subject to proration, except for “odd lots,” which are described below. We will determine the final proration factor for each shareholder as promptly as practicable after the expiration date. The proration factor for each shareholder tendering shares will be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares tendered by all shareholders. This ratio will be applied to 3,000,000 (which represents the maximum amount of shares that we would purchase in the Offer) less the number of “odd lots” to determine the number of shares that will be purchased from each tendering shareholder in the Offer.

Because of the potential difficulty in determining the number of shares properly tendered and not properly withdrawn, including shares tendered by guaranteed delivery procedures as described in *Section 3*, we may not be able to commence payment for any shares purchased under the Offer immediately following the expiration of the Offer. Shareholders may obtain preliminary proration information from the information agent and may be able to obtain this information from their brokers.

As described in *Section 13*, the number of shares that we will purchase from a shareholder may affect the United States income tax consequences to the shareholder and, therefore, may be relevant to a shareholder’s decision whether to tender shares. The Letter of Transmittal affords each tendering shareholder the opportunity to designate (by certificate) the order of priority in which such shareholder wishes the shares it tenders to be purchased in the event of proration. In the event a shareholder does not designate such order and fewer than all Shares are purchased due to proration, the depositary will select the order of Shares purchased.

We will mail this Offer to Purchase and the related Letter of Transmittal to shareholders on May 16, 2019 and will furnish them to brokers, banks and similar persons whose names, or the names of whose nominees, appear on our shareholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing for subsequent transmittal to beneficial owners of shares.

**Odd Lots.** The term “odd lots” means all shares tendered at prices by a shareholder who owns beneficially or of record a total of fewer than 100 shares (such shareholder, an “**odd lot holder**”) and so certified in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for the priority preference for odd lots, an odd lot holder must tender all shares owned in accordance with the procedures described in *Section 3*, “*Procedures for Tendering Shares*.” Odd lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts or certificates representing fewer than 100 shares. By properly tendering shares in the Offer, an odd lot holder who holds shares in its name and tenders its shares directly to the depositary would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the holder’s shares. Any odd lot holder wishing to tender all shares held pursuant to the Offer should complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the notice of guaranteed delivery.

## 2. Purpose of the Offer; Certain Effects of the Offer; Other Plans or Proposals.

### *Purpose of the Offer*

Our board of directors has decided to conduct a tender offer at a purchase price of \$3.95 for the shares after reviewing a variety of alternatives for using our available financial resources with the assistance of management. With the assistance of management, our board of directors has reviewed a variety of alternatives for using our available financial resources. Among other factors, our board of directors considered our existing and anticipated capitalization and financial position, including our outstanding shares, the market price of our shares and our operations, financial ratios, strategy and expectations for the future and the attractiveness of the tender offer to our shareholders. The Board of Directors also considered risks and uncertainties, including the potential for positive and negative developments relating to our business. Our Board of Directors believe the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without potential disruption to the share price and the usual transaction costs associated with market sales.

We believe that the Offer represents a prudent use of our financial resources given our business profile, assets, current indebtedness, debt capacity and the current market price for our shares. The primary purpose of the Offer is to provide our shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all their investment if they so elect. In addition, if we complete the Offer, shareholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations. Furthermore, the Offer, and particularly the preference given to holders of fewer than 100 shares, may reduce the number of holders of our shares and thereby reduce the administrative costs of mailing securities filings and notices to such holders.

After the Offer is completed, we believe that our anticipated cash flow from operations, our access to credit facilities and capital markets and our financial condition will be adequate for our needs. However, actual experience may differ significantly from our expectations. See “*Forward-Looking Statements.*” In considering the Offer, our management and our board of directors took into account the expected financial impact of the Offer and other transactions.

**Our board of directors has approved the Offer. However, neither we, nor any of our board of directors, executive officers, the information agent, depositary or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares. We are not making a recommendation as to whether you should tender shares into the Offer because we believe that you should make your own decision based on your views as to the value of JMP’s shares, our prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations.**

**Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 3,000,000, which represents the maximum amount of shares that we would purchase, the beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019. Our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our shareholders in the Offer. See Section 10. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor.**

### *Certain Effects of the Offer*

The Offer presents potential risks and disadvantages to us and our continuing shareholders. It will reduce our “*public float,*” which is the number of shares owned by outside shareholders and available for trading in the securities markets. This may result in lower share prices or reduced liquidity in the trading market for our shares in the future as well as increased volatility of our share price. See Section 11. Future open market purchases, if authorized, would further reduce our public float.

Shareholders who do not tender their shares pursuant to the Offer and shareholders who otherwise retain an equity interest in JMP as a result of a partial tender of shares or a proration will continue to be owners of JMP. As a result, those shareholders will likely realize a proportionate increase in their relative equity interest in JMP and, thus, in our future earnings and assets, if any, and will bear the attendant risks associated with owning our equity securities, including risks resulting from our purchase of shares.

Shareholders may be able to sell non-tendered shares in the future on NYSE or otherwise, at a net price which may be significantly higher or lower than the purchase price in the Offer. We can give no assurance, however, as to the price at which a shareholder may be able to sell his or her shares in the future, which may be higher or lower than the purchase price paid by us in the Offer.

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 3,000,000 shares in the Offer, which represents the maximum number of shares that we would purchase in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019. In addition, our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our shareholders in the Offer. *See Section 10.*

We may in the future purchase additional shares in the open market subject to market conditions. We may also purchase shares in private transactions, tender offers or otherwise. Any of these purchases may be on the same terms as, or on terms more or less favorable to shareholders than, the terms of the Offer. However, Rule 13e-4 under the Exchange Act generally prohibits us and our affiliates from purchasing any shares, other than through the Offer, until at least 10 business days after the expiration or termination of the Offer. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of the Offer, our business and financial position and general economic and market conditions.

Shares acquired pursuant to the Offer will be canceled and returned to the status of authorized but unissued shares, and will be available for us to issue without further shareholder action except as required by applicable law or the rules of NYSE or any securities exchange on which the shares are then listed, for purposes including, without limitation, the acquisition of other businesses, the raising of additional capital for use in our business and the satisfaction of obligations under existing or future employee benefit or compensation programs or share plans or compensation programs for directors. We have no current plans for issuance of the shares purchased in the Offer.

***Other Plans or Proposals.***

Except as described in this Offer to Purchase, we currently have no plans or proposals that relate to or would result in:

- An extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- A purchase, sale or transfer of an amount of our assets or any of our subsidiaries' assets that would be material to us and our subsidiaries, taken as a whole;
- Any material change in our dividend policy, or indebtedness or capitalization (other than changes in our capitalization resulting from the Offer);
- Any change in our present board of directors or executive officers;
- Any other material change in our corporate structure or business;

- A class of our equity securities being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotation system of a registered national securities association;
- A class of our equity securities becoming eligible for termination of registration under the Exchange Act;
- The suspension of our obligation to file reports under the Exchange Act;
- The acquisition by any person of additional securities of ours or the disposition of our securities; or
- Any changes in our charter, bylaws or other governing instruments or other acquisitions that could impede acquisition or control of us.

Although we do not currently have any plans, other than as described in this Offer to Purchase, that relate to or would result in any of the events discussed above, we continue to evaluate opportunities for increasing shareholder value and we may undertake or plan actions that relate to or could result in one or more of these events.

### 3. Procedures for Tendering Shares.

**Proper Tender of Shares.** For shares to be properly tendered, EITHER (1) OR (2) below must happen:

(1) The depository must receive all the following before 11:59 p.m., New York Time, on the expiration date at the depository's address on the back page of this Offer to Purchase:

- Either (a) the certificates for the shares, or (b) in the case of tendered shares delivered in accordance with the procedures for book-entry transfer we describe below, a confirmation of receipt of the shares; and
- Either (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) in the case of a book-entry transfer, an "agent's message" of the type we describe below; and
- Any other documents required by the Letter of Transmittal.

(2) You must comply with the guaranteed delivery procedure set forth below.

Odd lot holders who tender all their shares must also complete the section captioned "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in *Section 1*.

If you tender your shares directly to the depository, you will not have to pay any brokerage commissions. If you hold shares through a broker or bank, however, you should ask your broker or bank if you will be charged a fee to tender your shares through the broker or bank.

**Endorsements and Signature Guarantees.** Depending on how your shares are registered and to whom you want deliveries made, you may need to have your certificates endorsed and the signatures on the Letter of Transmittal and endorsement guaranteed by an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act. No endorsement or signature guarantee is required if:

- The Letter of Transmittal is signed by the registered holder of the shares tendered (which, for purposes of this *Section 3*, includes any participant in The Depository Trust Company, referred to as the "book-entry transfer facility," whose name appears on a security position listing as the owner of the shares) exactly as the name of the registered holder appears on the certificate(s) for the shares and payment and delivery are to be made directly to the holder, unless the holder has completed the section captioned "Special Delivery Instructions" on the Letter of Transmittal; or

- Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity that is also an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act, each such entity, referred to as an “eligible guarantor institution.”
- If a certificate for shares is registered in the name of a person other than the person executing a Letter of Transmittal or you are completing the section captioned “Special Delivery Instructions” in the Letter of Transmittal, then:
  - Your certificates must be endorsed or accompanied by an appropriate share power, in either case signed exactly as the name of the registered holder appears on the certificates; and
  - The signature on (1) the Letter of Transmittal, and (2) on your endorsed certificates or share power must be guaranteed by an eligible guarantor institution.

**Method of Delivery.** Payment for shares tendered and accepted for payment under the Offer will be made only after timely receipt by the depositary of all of the following:

- Certificates for those shares or a timely confirmation of the book-entry transfer of those shares into the depositary’s account at the book-entry transfer facility as described below;
- One of (a) a properly completed and duly executed Letter of Transmittal or a manually signed facsimile of it, including any required signature guarantees, or (b) an agent’s message as described below in the case of a book-entry transfer; and
- Any other documents required by the Letter of Transmittal.

**The method of delivery of all documents, including share certificates, the Letter of Transmittal and any other required documents, is at your election and risk. If you decide to make delivery by mail, we recommend you use registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to insure timely delivery.**

**All deliveries made in connection with the Offer, including a Letter of Transmittal and certificates for shares, must be made to the depositary and not to us, the dealer manager, the information agent or the book-entry transfer facility. Any documents delivered to us, the dealer manager, the information agent or the book-entry transfer facility will not be forwarded to the depositary and therefore will not be deemed to be properly tendered.**

**Book-Entry Delivery.** The depositary will establish an account with respect to the shares at the book-entry transfer facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any institution that is a participant in the book-entry transfer facility’s system may make book-entry delivery of the shares by causing that facility to transfer those shares into the depositary’s account in accordance with that facility’s procedure for the transfer. However, even if delivery of shares is made through book-entry transfer into the depositary’s account at the book-entry transfer facility, EITHER (1) OR (2) below must occur:

(1) The depositary must receive all of the following before 11:59 p.m., New York Time, on the expiration date at the depositary’s address on the back page of this Offer to Purchase:

- One of (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees, or (b) an agent’s message as described below; and

- Any other documents required by the Letter of Transmittal; or
- (2) The guaranteed delivery procedure described below must be followed.

Delivery of the Letter of Transmittal or any other required documents to the book-entry transfer facility does not constitute delivery to the depository.

The term “*agent’s message*” means a message transmitted by the book-entry transfer facility to, and received by, the depository, which states that the book-entry transfer facility has received an express acknowledgement from the participant in the book-entry transfer facility tendering the shares that the participant in the book-entry transfer facility tendering the shares has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against them.

**Guaranteed Delivery.** If you want to tender your shares but your share certificates are not immediately available or cannot be delivered to the depository before the expiration date, the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the depository before the expiration date, you can still tender your shares, if all of the following conditions are satisfied:

- The tender is made by or through an eligible guarantor institution;
- The depository receives by mail, overnight courier or facsimile transmission, prior to the expiration time, a properly completed and duly executed notice of guaranteed delivery in the form we have provided with this Offer to Purchase, specifying the price at which shares are being tendered, including (where required) signature guarantees by an eligible guarantor institution in the form set forth in the notice of guaranteed delivery; and
- All of the following are received by the depository within three NYSE trading days after the date of receipt by the depository of the notice of guaranteed delivery, either:
  - the certificates representing the shares being tendered together with (a) a Letter of Transmittal, or a facsimile thereof, relating thereto that has been properly completed and duly executed and includes all signature guarantees required thereon and (b) all other required documents; or
  - in the case of any book-entry transfer of the shares being tendered that is effected in accordance with the book-entry transfer procedures we describe above under “Book-Entry Delivery”: (a) a Letter of Transmittal or a facsimile thereof, relating thereto that has been properly completed and duly executed and includes all signature guarantees required thereon, or an agent’s message, (b) a book-entry confirmation relating to that transfer, and (c) all other required documents.

**Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects.** We will determine, in our sole discretion, all questions as to the number of shares to be accepted, the price to be paid and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares. Our determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders we determine not to be in proper form or the acceptance of or payment for which we determine may be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular shares or any particular shareholder. No tender of shares will be deemed to be properly made until all defects or irregularities have been cured by the tendering shareholder or waived by us. None of us, the depository, the information agent, the dealer manager or any other person will be under any duty to give notice of any defects or irregularities in any tender, or incur any liability for failure to give any such notice. Our interpretation of the terms of and conditions to the Offer, including the Letter of Transmittal and the instructions thereto, will be final and binding. By tendering shares to us, you agree to accept all decisions we make concerning these matters and waive any right you might otherwise have to challenge those decisions.

***Your Representation and Warranty; Our Acceptance Constitutes an Agreement.*** It is a violation of Rule 14e-4 promulgated by the Securities and Exchange Commission under the Exchange Act for a person, acting alone or in concert with others, directly or indirectly, to tender shares for that person's own account unless, at the expiration date, the person so tendering:

- within the meaning of Rule 14e-4, has a "net long position" equal to or greater than the amount tendered in our shares or in securities immediately convertible into, or exchangeable or exercisable for, our shares and will deliver or cause to be delivered the shares within the period specified in the Offer; or
- in the case of securities immediately convertible into, or exchangeable or exercisable for our shares, acquires shares by conversion, exchange or exercise of such securities, and, to the extent required by the terms of the Offer, delivers or causes to be delivered the shares within the period specified by the Offer.
- A tender of shares under any of the procedures described above will constitute your acceptance of the terms and conditions of the Offer, as well as your representation and warranty to us that:
- you have a "net long position" in the shares or equivalent securities at least equal to the shares tendered; and
- the tender of shares complies with Rule 14e-4.

Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Our acceptance for payment of shares tendered under the Offer will constitute a binding agreement between you and us upon the terms and conditions of the Offer described in this and related documents.

***Return of Unpurchased Shares.*** If any tendered shares are not purchased or are properly withdrawn, or if less than all shares evidenced by a shareholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the Offer or the proper withdrawal of the shares, as applicable. In the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering shareholder at the book-entry transfer facility. In each case, shares will be returned or credited without expense to the shareholder.

***Procedure for Options or SARs.*** We are not offering, as part of the Offer, to purchase any options or SARs outstanding and tenders of options or SARs will not be accepted. Holders of options or SARs who wish to participate in the Offer may exercise their options or SARs and purchase shares, and then tender the shares under the Offer, provided that any exercise of an option or SAR and tender of shares is in accordance with applicable law and the terms of the applicable plan and award agreements. In no event are any options or SARs to be delivered to the depository in connection with a tender of shares hereunder. An exercise of an option or SAR cannot be revoked even if all or a portion of the shares received upon the exercise or conversion and tendered in the Offer are not purchased in the Offer for any reason.

***Federal Income Tax Withholding.*** To prevent backup federal income tax withholding equal to 24% of the gross payments payable pursuant to the Offer, each shareholder who is not a foreign shareholder (as defined below) and who does not otherwise establish an exemption from backup withholding must notify the depository of the shareholder's correct taxpayer identification number (employer identification number or social security number), and provide certain other information by completing, under penalties of perjury, the Substitute Form W-9 included in the Letter of Transmittal. Failure to timely provide the correct taxpayer identification number on Substitute Form W-9 may subject the shareholder to a penalty imposed by the Internal Revenue Service ("IRS"). Certain shareholders (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding requirements.



In order for a foreign shareholder to qualify as a recipient exempt from backup withholding, that shareholder must submit a statement (generally, an IRS Form W-8-BEN or other applicable Form W-8), signed under penalties of perjury, attesting to that shareholder's exempt status. However, as described above in the Summary Term Section entitled "What are the United States federal tax consequences if I tender my shares to JMP", we stated our intention to withhold on payments to foreign shareholders at a rate of 30% of the gross proceeds paid, unless the foreign shareholder establishes an entitlement to a lower or zero withholding rate by timely filing the applicable Form W-8. Since backup withholding does not apply to amounts subject to a 30% withholding rate or to amounts subject to a reduced or zero rate of withholding by reason of the filing of a Form W-8 by a foreign shareholder, the backup withholding rules should have no practical application to foreign shareholders in the instant transaction.

If a partnership (including for this purpose an entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership, and partners in such partnership, should consult their own tax advisors.

**ANY TENDERING SHAREHOLDER WHO IS NOT A FOREIGN SHAREHOLDER OR OTHER PAYEE THAT FAILS TO COMPLETE FULLY AND SIGN THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL OR APPLICABLE FORM W-8 MAY BE SUBJECT TO REQUIRED U.S. BACKUP WITHHOLDING AT A RATE EQUAL TO 24% OF THE GROSS PROCEEDS PAID TO SUCH SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER.**

Gross proceeds payable pursuant to the Offer to a foreign shareholder or a foreign shareholder's agent will be subject to U.S. withholding tax of 30%, unless the depositary determines that a reduced or zero rate of withholding is applicable pursuant to an applicable income tax treaty or that an exemption from withholding is applicable because the gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign shareholder generally is a shareholder that is not a U.S. Holder (as defined in *Section 13*).

A foreign shareholder may be eligible to obtain a refund of all or a portion of any tax withheld if such shareholder meets the "complete termination," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in *Section 13* or if the shareholder is entitled to a reduced or zero rate of withholding pursuant to any applicable income tax treaty and the higher rate was withheld. In order to obtain a reduced or zero rate of withholding pursuant to an applicable income tax treaty, a foreign shareholder must deliver to the depositary before any payment is made to the shareholder, a properly completed and executed IRS Form W-8BEN (or other applicable W-8) claiming such an exemption or reduction. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a foreign shareholder must deliver to the depositary before the payment is made a properly completed and executed IRS Form W-8ECI claiming such exemption or reduction. Backup withholding generally will not apply to amounts subject to the 30% or a treaty-reduced rate of withholding. **Foreign shareholders are urged to consult their own tax advisors regarding the application of U.S. federal withholding tax, including eligibility for a withholding tax reduction or exemption and the refund procedure.**

For a discussion of certain United States federal income tax consequences generally applicable to tendering shareholders. *See Section 13.*

**Lost or Destroyed Certificates.** If your certificate for part or all of your shares has been lost, stolen, destroyed or mutilated, you should contact American Stock Transfer & Trust Company LLC, the transfer agent for the shares at (877) 248-6417 (toll-free), for instructions as to obtaining an affidavit of loss. The affidavit of loss will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond may be required to be posted by you to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact the depositary immediately in order to receive further instructions, to permit timely processing of this documentation and for a determination as to whether you will need to post a bond.

#### **4. Withdrawal Rights.**

Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless we have already accepted the shares for payment after the Offer expires, may also be withdrawn any time after 11:59 p.m., New York time, on July 15, 2019. Except as otherwise provided in this *Section 4*, tenders of shares pursuant to the Offer are irrevocable.

For a withdrawal to be effective, the depositary must receive (at its address set forth on the back cover of this Offer to Purchase) a notice of withdrawal in written or facsimile transmission form on a timely basis. The notice of withdrawal must specify the name of the person who tendered the shares to be withdrawn, the number of shares tendered, the number of shares to be withdrawn and the name of the registered holder. If the certificates have been delivered or otherwise identified to the depositary, then, prior to the release of those certificates, the tendering shareholder must also submit the serial numbers shown on the particular certificates evidencing the shares and the signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (except in the case of shares tendered by an eligible guarantor institution).

If shares have been tendered pursuant to the procedure for book-entry transfer set forth in *Section 3*, the notice of withdrawal must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the procedures of the facility.

We will determine, in our sole discretion, all questions as to the form and validity, including time of receipt, of notices of withdrawal. Our determination shall be final and binding on all parties. None of us, the depositary, the information agent, the dealer manager or any other person will be under any duty to give any notice of any defects or irregularities in any notice of withdrawal, or incur any liability for failure to give any such notice.

Withdrawals may not be rescinded, and any shares properly withdrawn will thereafter be deemed not tendered for purposes of the Offer unless the withdrawn shares are properly re-tendered before the expiration date by following any of the procedures described in *Section 3*.

If we extend the Offer, or if we are delayed in our purchase of shares or are unable to purchase shares under the Offer for any reason, then, without prejudice to our rights under the Offer, the depositary may retain on our behalf all tendered shares, and those shares may not be withdrawn except as otherwise provided in this *Section 4*, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the Offer shall either pay the consideration offered, or return the tendered securities promptly after the termination or withdrawal of the Offer.

#### **5. Purchase of Shares and Payment of Purchase Price.**

Upon the terms and subject to the conditions of the Offer, we will:

- Determine the purchase price that we will pay for shares properly tendered and not properly withdrawn under the Offer, taking into account the number of shares so tendered and the prices specified by tendering shareholders; and
- Accept for payment and pay for, and thereby purchase, shares properly tendered and not properly withdrawn.

For purposes of the Offer, we will be deemed to have accepted for payment, and therefore purchased, shares that are properly tendered and not properly withdrawn, subject to the odd lot priority and proration provisions of the Offer, only when, as and if we give oral or written notice to the depositary of our acceptance of shares for payment under the Offer.

Upon the terms and subject to the conditions of the Offer, promptly after the expiration date, we will purchase and pay a single per share purchase price for shares accepted for payment under the Offer. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the depositary of:

- Certificates for shares or a timely confirmation of a book-entry transfer of those shares into the depositary's account at the book-entry transfer facility;

- A properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or an agent's message in the case of a book-entry transfer; and
- Any other documents required by the Letter of Transmittal.

We will pay for the shares purchased under the Offer by depositing the aggregate purchase price for the shares with the depository, which will act as agent for tendering shareholders for the purpose of receiving payment from us and transmitting payment to the tendering shareholders.

In the event of proration, we will determine the proration factor for each shareholder and pay for those tendered shares accepted for payment promptly after the expiration date. **Under no circumstances will we pay interest on the purchase price, regardless of any delay in making payment.** In addition, if specified events occur, we may not be obligated to purchase shares in the Offer. *See Section 6.*

We will pay all share transfer taxes, if any, payable on the transfer to us of shares purchased in the Offer. If, however:

- Payment of the purchase price is to be made to, or, in the circumstances permitted by the Offer, if unpurchased shares are to be registered in the name of, any person other than the registered holder; or
- If tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal,

then the amount of all share transfer taxes, if any (whether imposed on the registered holder or such other person), payable on account of the transfer to that person will be deducted from the purchase price unless evidence satisfactory to us of the payment of taxes or exemption from payment of taxes is submitted. *See Instruction 7 of the Letter of Transmittal*

**Any tendering shareholder who is not a foreign shareholder or other payee that fails to complete fully and sign the substitute form W-9 included in the Letter of Transmittal or applicable form W-8 may be subject to required U.S. backup withholding at a rate equal to 24% of the gross proceeds paid to such shareholder or other payee pursuant to the Offer. *See Section 3.* Also see Section 3 regarding federal income tax consequences for foreign shareholders.**

## 6. Conditions of the Offer.

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) promulgated under the Exchange Act, if at any time on or after May 16, 2019 and prior to the time of payment for any shares (whether or not any shares have theretofore been accepted for payment, purchased or paid for under the Offer) any of the following events occur or are determined by us to have occurred, that, in our reasonable judgment in any such case and regardless of the circumstances giving rise to the event, including any action or omission to act by us, makes it inadvisable to proceed with the Offer or with acceptance for payment or payment for the shares in the Offer:

1. There shall have been threatened, instituted, pending or taken before any court, agency, authority or other tribunal any action, suit or proceeding by any government or governmental, regulatory or administrative agency or authority or by any other person, domestic or foreign, or any judgment, order or injunction entered, enforced or deemed applicable by any court, authority, agency or tribunal, which:

- (a) challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making of the Offer, the acquisition of shares under the Offer, or is otherwise related in any manner to, or otherwise affects, the Offer; or

(b) could, in our reasonable judgment, materially affect our business, general affairs, management, financial position, shareholders equity, income, results of operations, condition (financial or other), income, operations or prospects, or the ownership of our shares, or which in our reasonable judgment makes it inadvisable for us to proceed with the Offer;

2. There shall have been any action threatened or taken, or any approval withheld, or any statute, rule or regulation invoked, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries, by any government or governmental, regulatory or administrative authority or agency or tribunal, domestic or foreign, which, in our reasonable judgment, would or might directly or indirectly result in any of the consequences referred to in clause (a) or (b) of paragraph (1) above;

3. The declaration of any banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory);

4. Any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market;

5. The commencement or escalation of a war, armed hostilities or any other national or international crisis directly or indirectly involving the United States;

6. Any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might materially affect, the extension of credit by banks or other lending institutions in the United States;

7. Any change or event occurs, is discovered, or is threatened relating to our business, general affairs, management, financial position, shareholders equity, income, results of operations, condition (financial or otherwise), income, operations or prospects or in ownership of our shares, which in our reasonable judgment is or may be material to us or otherwise makes it inadvisable for us to proceed with the Offer;

8. In the case of any of the foregoing existing at the time of the announcement of the Offer, a material acceleration or worsening thereof;

9. A 10% or greater decrease in the market price of our shares measured from the close of business on May 15, 2019, or any change in the general political, market, economic or financial conditions in the United States or abroad that could have, in our reasonable judgment, a material adverse effect on our business, condition (financial or otherwise), income, operations or prospects or that of our subsidiaries, taken as a whole, or on the trading in our shares;

10. Any decline in the Nasdaq Composite Index, the New York Stock Exchange Composite Index, the Dow Jones Industrial Average or the S&P 500 Composite Index of at least 10% measured from the close of business on May 15, 2019;

11. A tender or exchange offer with respect to some or all of our outstanding shares, other than the Offer, or a merger, acquisition, business combination or other similar transaction involving us, is proposed, announced or made by another person or is publicly disclosed, or we learn that any person or "group," within the meaning of Section 13(d)(3) of the Exchange Act, has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares, or any new group is formed that beneficially owns more than 5% of our outstanding shares (in each case, other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the Securities and Exchange Commission before May 16, 2019 or in any subsequent Schedule 13G filed with the Securities and Exchange Commission) or any current holder of 5% or more of our shares acquires or proposes to acquire an additional 2% or more of our shares;

12. Any person or group files a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 reflecting an intent to acquire us or any of our shares; or

13. We determine that the completion of the Offer and the purchase of the shares may cause our shares to be delisted from NYSE or to be subject to deregistration under the Exchange Act.

The conditions listed above are for our sole benefit and we may assert those conditions regardless of the circumstances (including our action or inaction) that give rise to the conditions and we may, in our sole discretion, waive any of the conditions listed above, in whole or in part, before the expiration date. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted by us at any time prior to the expiration of the Offer. Any determination or judgment by JMP concerning the events described above will be final and binding on all parties.

#### 7. Price Range of Shares; Dividends.

Our shares are listed and principally traded on NYSE under the symbol “JMP.” The high and low sales prices per share on NYSE (without adjusting for dividends and distributions) as compiled from published financial sources for the periods indicated are listed below:

	High		Low	
<b>Fiscal Year Ended December 31, 2017</b>				
First Quarter	\$	6.90	\$	5.98
Second Quarter	\$	6.09	\$	5.34
Third Quarter	\$	7.21	\$	5.24
Fourth Quarter	\$	5.78	\$	5.25
<b>Fiscal Year Ended December 31, 2018</b>				
First Quarter	\$	5.60	\$	5.05
Second Quarter	\$	5.42	\$	4.95
Third Quarter	\$	5.52	\$	5.20
Fourth Quarter	\$	5.27	\$	3.90
<b>Fiscal Year Ended December 31, 2019</b>				
First Quarter	\$	4.60	\$	3.75
Second Quarter (through May 15, 2019)	\$	4.05	\$	3.72

#### We urge shareholders to obtain current quotations of the market price of the shares.

On May 15, 2019, the last full trading day before we commenced the Offer, the closing price of the Shares on the NYSE was \$3.91 per Share.

**Dividends.** We paid a quarterly dividend on our shares from the time of our initial public offering through 2014 and began making monthly cash distributions in 2015. On January 17, 2019, we filed an election with the Internal Revenue Service to have JMP Group LLC be treated as a C corporation for tax purposes, rather than as a partnership, with an effective date retroactive to January 1, 2019. The Internal Revenue Service has since approved the change in JMP Group LLC’s tax status. As a result, monthly cash distributions that were declared in advance of each period while JMP Group LLC was taxed as a partnership have been replaced with quarterly cash dividends declared subsequent to each period, in keeping with our practices prior to the Reorganization Transaction (described under Item 9, below) when JMP Group, Inc. was our parent company.

#### 8. Source and Amount of Funds.

**Funding.** The aggregate purchase price will be \$11,850,000, unless the Offer is undersubscribed. We expect to fund the purchase from existing cash on hand

## 9. Information About Us.

**General.** JMP is a diversified capital markets firm. We provide investment banking, sales and trading, and equity research services to corporate and institutional clients as well as alternative asset management products and services to institutional investors and high-net-worth individuals. In addition, we invest in corporate credit instruments through collateralized loan obligations and direct investments, and we serve as the investment advisor to a business development company under the Investment Company Act of 1940.

JMP Group Inc. was incorporated in Delaware in January 2000, and JMP Group LLC was formed in Delaware in August 2014. We completed an initial public offering in May 2007 and a reorganization transaction (the “Reorganization Transaction”) in January 2015, pursuant to which JMP Group Inc. became a wholly owned subsidiary of JMP Group LLC. The Reorganization Transaction was previously announced by JMP Group Inc. in a current report on Form 8-K filed with the SEC on August 20, 2014.

On January 31, 2019, JMP Group LLC filed an election with the U.S. Internal Revenue Service, which has since been approved by the IRS, to be treated as C corporation for tax purposes, rather than a partnership, going forward.

The principal executive offices of JMP are located at 600 Montgomery Street, Suite 1100, San Francisco, California 94111 and our telephone number is (415) 835-8900. Our website is located at [www.JMPG.com](http://www.JMPG.com); the information contained on our website is neither part of, nor incorporated by reference into, this Offer to Purchase.

**Where You Can Find More Information.** We are subject to the informational filing requirements of the Exchange Act and, in accordance with these requirements, are obligated to file reports and other information with the Securities and Exchange Commission relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and officers, their compensation, share awards granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our shareholders and filed with the Securities and Exchange Commission. In connection with this Offer, we have also filed a Tender Offer Statement on Schedule TO, which includes additional information with respect to the Offer.

**Incorporation by Reference.** The rules of the Securities and Exchange Commission allow us to “incorporate by reference” information into this Offer to Purchase, which means that we can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission. This Offer to Purchase incorporates by reference the documents listed below, including the financial statements and the notes related thereto contained in those documents that have been previously filed with the Securities and Exchange Commission. These documents contain important information about us.

Annual Report on Form 10-K  
Quarterly Report on Form 10-Q  
Current Reports on Form 8-K  
Definitive Proxy Statement on Schedule 14A

Fiscal year ended December 31, 2018, filed March 28, 2019  
Quarter ended March 31, 2019, filed May 14, 2019  
Filed on February 6, 2019, April 22, 2019 and May 13, 2019  
Filed on April 26, 2019

Our public filings are available to the public from document retrieval services and the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

You may also request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Copies of these filings are also available, without charge, on our website at <http://www.JMPG.com>.

**10. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares.**

The following table sets forth, as of March 31, 2019 (unless otherwise indicated), certain information regarding the beneficial ownership of our shares. We had 21,210,107 shares outstanding as of March 31, 2019. In accordance with the rules of the SEC, “beneficial ownership” includes voting or investment power with respect to equity securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we deemed as outstanding shares subject to options or restricted share units held by that person that are currently exercisable or that vest or become exercisable within 60 days of March 31, 2019. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address for each person listed below is: c/o JMP Group LLC, 600 Montgomery Street, Suite 1100, San Francisco, California 94111. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them.

Name	Number of Shares Owned and Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class
<b>5% Shareholders</b>		
Joseph A. Jolson 1996 Trust dtd 3/7/96	1,287,584	6.07%
Joseph A. Jolson 1991 Trust dtd 6/4/91	5,092,887	24.01%
<b>Directors and Executive Officers</b>		
Joseph A. Jolson	6,592,497 <sup>(2)</sup>	30.99%
Carter D. Mack	1,428,631 <sup>(3)</sup>	6.72%
Craig R. Johnson	1,366,700 <sup>(4)</sup>	6.43%
Mark L. Lehmann	797,238 <sup>(5)</sup>	3.75%
Thomas R. Wright	383,760	1.81%
Kenneth M. Karmin	234,238 <sup>(6)</sup>	1.10%
Glenn H. Tongue	232,003 <sup>(7)</sup>	1.09%
H. Mark Lunenburg	185,893	*
Jonathan M. Orszag	161,059	*
Raymond S. Jackson	139,887	*
David M. DiPietro	113,491	*
<b>All directors and executive officers as a group (11 persons)</b>	<b>11,635,397</b>	<b>54.86%</b>

\* Indicates less than 1% of class.

- (1) For purposes of this table, “beneficial ownership” is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have “beneficial ownership” of any shares that such person has the right to acquire within 60 days of the date of determination.
- (2) Includes (a) 1,287,584 shares owned by the Joseph A. Jolson 1996 Trust dtd 3/7/96, of which Mr. Jolson is a trustee, (b) 5,092,887 shares owned by the Joseph A. Jolson 1991 Trust, of which Mr. Jolson is the trustee, (c) 77,026 shares owned by Mr. Jolson directly, and (d) 60,000 shares underlying vested options. Also included in the number reported is 75,000 shares owned by The Jolson Family Foundation although Mr. Jolson disclaims beneficial ownership of these shares.

- (3) Includes (a) 1,064,710 shares owned by the Mack Trust dated February 14, 2002, of which Mr. Mack is the trustee, (b) 303,921 shares owned by Mr. Mack directly, and (c) 60,000 shares underlying vested options.
- (4) Includes (a) 946,782 shares held by the Johnson Revocable Trust, UAD 7/2/97, of which Mr. Johnson is the trustee, (b) 359,918 shares owned by Mr. Johnson directly, and (c) 60,000 shares underlying vested options.
- (5) Includes (a) 737,238 shares owned by the Mark L. and Kerri C. Lehmann Trust U/A dated 3/4/2009, of which Mr. Lehmann is the co-trustee and (b) 60,000 shares underlying vested options.
- (6) Includes (a) 202,238 shares held by the Beth & Ken Karmin Family Trust Dated November 5, 2009, of which Mr. Karmin is the co-trustee; (b) 2,000 shares held by Mr. Karmin directly; and (c) 30,000 shares underlying vested options.
- (7) Includes (a) 177,117 shares held by Mr. Tongue directly; (b) 34,886 shares held indirectly through the Deer Haven Fund, of which Mr. Tongue is the general partner; and (c) 20,000 shares underlying vested options.

Each of our directors and executive officers has advised us that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming we purchase 3,000,000 shares in the Offer, which represents the maximum amount of shares that we would purchase in the Offer, the beneficial ownership of our directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019. Our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our shareholders in the Offer.

### **Equity Compensation Plan Information**

In June 2011, the shareholders of JMP Group Inc., our predecessor, approved and adopted the Amended and Restated JMP Group Inc. Equity Incentive Plan. Subject to adjustment, the plan authorizes the issuance of up to 4,000,000 shares pursuant to the grant or exercise of options, SARs, restricted shares, restricted share units and other equity-based awards. The number of shares authorized for issuance under this plan will be increased by the number of shares underlying awards under this plan or our predecessor's 2004 JMP Group LLC Equity Incentive Plan (the "2004 LLC Plan") to the extent that such shares or awards are forfeited, settled in consideration other than shares, surrendered to the Company, or otherwise revert to the Company in connection with an award, as well as increased by the number of shares repurchased by the Company in open market or privately negotiated repurchases; provided, however, that such maximum aggregate number of shares shall be reduced by the number of units subject to awards made pursuant to the 2004 LLC Plan to the extent such number of units exceeds an aggregate of 2,960,000.

The following table provides information, as of December 31, 2018, with respect to compensation plans (including individual compensation arrangements) under which equity securities of the registrant are authorized for issuance.

<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
	<b>Number of Shares to be Issued Upon Exercise of Options/SARs and Restricted Share Units</b>	<b>Weighted Average Exercise Price of Outstanding Options/SARs</b>	<b>Number of Shares Remaining Available for Future Issuance under Equity Compensation Plans (excluding shares reflected in column(a))<sup>(1)</sup></b>
Equity compensation plans approved by shareholders	4,082,639	\$7.16	4,129,560
Equity compensation plans not approved by shareholders	N/A		N/A
Total			4,129,560



- (1) Subject to the Amended and Restated JMP Group Inc. Equity Incentive Plan, the maximum aggregate number of shares which may be issued pursuant to all awards is 4,000,000 shares, plus (a) any shares the Company purchases on the open market or through any share repurchase or share exchange program initiated by the Company, unless the administrator of the Amended and Restated Equity Incentive Plan determines otherwise, and (b) any units that would otherwise return to the 2004 LLC Plan as a result of forfeiture, termination, surrender or expiration or other return to the Company of awards previously granted under the 2004 LLC Plan; provided, however, that such maximum aggregate number of shares shall be reduced by the number of units subject to awards made pursuant to the 2004 LLC Plan to the extent such number of units exceeds an aggregate of 2,960,000.

**Recent Securities Transactions.** Based upon our records and upon information provided to us by our directors, executive officers, associates and subsidiaries, neither we nor any of our subsidiaries or persons controlling us nor, to our knowledge, any of our directors, executive officers or associates, nor any director or executive officer of any of our subsidiaries, has effected any transactions in our shares during the 60 days prior to the date of this Offer to Purchase, except for the following transactions:

Name	Transaction Date	Number of Shares	Transaction Description
Joseph A. Jolson	March 18, 2019	31,513	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 19, 2019	34,100	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 20, 2019	16,575	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 22, 2019	8,900	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 25, 2019	3,810	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 26, 2019	14,964	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 27, 2019	12,695	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 28, 2019	7,300	Purchase of Shares pursuant to 10b5-1 Trading Plan
	March 29, 2019	5,900	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 1, 2019	40,969	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 8, 2019	1,000	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 16, 2019	1,300	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 17, 2019	7,500	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 18, 2019	7,506	Purchase of Shares pursuant to 10b5-1 Trading Plan
	April 22, 2019	1,000	Purchase of Shares pursuant to 10b5-1 Trading Plan

**Share Repurchase Program.** On February 13, 2017, our board of directors authorized the repurchase of up to 1,000,000 shares through December 31, 2017. On December 11, 2017, the board of directors authorized the repurchase of 1,000,000 shares through December 31, 2018. On December 3, 2018, our board of directors approved the extension of the term of the Company's share repurchase program through April 30, 2019, and on April 22, 2019, we announced a further extension until June 30, 2019. In connection with this offer, the share repurchase program was terminated effective May 8, 2019.

**Arrangements with Others Concerning Our Securities.** Except (i) for outstanding share awards to purchase shares granted to certain employees (including executive officers); (ii) for share awards held in JMP's various equity compensation plans; (iii) for our director compensation program; (iv) for our Deferred Compensation Program; and (v) as otherwise described in this Offer to Purchase, neither we nor any of our subsidiaries or person controlling us nor, to our knowledge, any of our directors, executive officers or associates, nor any director or executive officer of any of our subsidiaries, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

## **11. Effects of the Offer on the Market for Our Shares; Registration Under the Securities Exchange Act of 1934.**

Our purchase of shares in the Offer will reduce the number of our shares that might otherwise trade publicly and may reduce the number of our shareholders. As of March 31, 2019, 9,864,710 shares were held by non-affiliated shareholders. Assuming the Offer is fully subscribed, we will have 6,864,710 shares held by non-affiliated shareholders following the purchase of shares tendered in the Offer, based on shares outstanding as of March 31, 2019. The actual number of shares outstanding will depend on the number of shares tendered and purchased in the Offer.

This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of shares without affecting the market price, which could adversely affect continuing shareholders. Nonetheless, we anticipate that there will still be a sufficient number of shares outstanding and publicly traded following the Offer to ensure a continued trading market in the shares. Based on the published guidelines of NYSE, we do not believe that our purchase of shares pursuant to the Offer will cause our remaining shares to be delisted from NYSE.

The shares are currently “margin securities” under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit on the collateral of the shares. We believe that, following the purchase of shares pursuant to the Offer, the shares will continue to be “margin securities” for purposes of the Federal Reserve Board’s margin regulations.

Our shares are registered under the Exchange Act, which requires, among other things, that we furnish specific information to our shareholders and to the Securities and Exchange Commission and comply with the Securities and Exchange Commission’s proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares in the Offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

## **12. Legal Matters; Regulatory Approvals.**

Except as described in this Offer to Purchase, we are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for our acquisition or ownership of shares as contemplated by the Offer. Should any such approval or other action be required, we currently contemplate that we will seek approval or such other action. We cannot predict whether we may determine that we are required to delay the acceptance for payment of, or payment for, shares tendered in response to the Offer pending the outcome of any of these matters. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any approval or other action might not result in adverse consequences to our business.

Our obligation to accept for payment and pay for shares under the Offer is subject to various conditions. *See Section 6.*

## **13. Certain United States Federal Income Tax Consequences to U.S. Holders.**

The following discussion describes certain U.S. federal income tax consequences of participating in the Offer for U.S. Holders (as defined below). This discussion is based upon the Internal Revenue Code of 1986, as amended (the “*Code*”), applicable U.S. Treasury regulations, administrative pronouncements and judicial decisions in effect on the date of this document, all of which are subject to change, with possible retroactive effect. The discussion is for general information only and does not purport to consider all aspects of federal income taxation that may be relevant to U.S. Holders. If you are not a U.S. Holder the following discussion does not apply to you.

The discussion deals only with shares held as capital assets within the meaning of Section 1221 of the Code, and does not address matters that may be relevant to shareholders in light of their particular circumstances. It also does not address matters that may be relevant to certain shareholders subject to special treatment under the Code, such as financial institutions, insurance companies, S corporations, partnerships and other pass-through entities, shareholders liable for the alternative minimum tax, dealers in securities or currencies, traders who elect to apply a mark-to-market method of accounting, tax-exempt organizations, U.S. expatriates, directors, employees, former employees or other persons who acquired their shares as compensation, including upon the exercise of employee options or SARs, and persons who are holding shares as part of a straddle, conversion, constructive sale, hedge or hedging or other integrated transaction. The discussion does not consider the effect of any applicable estate tax, gift tax, state, local or foreign tax consequences of participating in the Offer. **Each U.S. Holder is urged to consult the U.S. Holder's tax advisor as to the particular tax consequences to such U.S. Holder of participating or not participating in the Offer, including the applications of state, local and foreign tax laws and possible tax law changes.**

As used herein, a "U.S. Holder" means a beneficial holder of shares that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States, (b) a corporation or entity treated as a corporation for U.S. federal income tax purposes organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision of the trust's administration and one or more United States persons have the authority to control all substantial decisions of the trust.

Non-U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences and any applicable foreign tax consequences of the Offer and also should see *Section 3* for a discussion of the applicable U.S. withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

**Non-Participation in the Tender Offer.** U.S. Holders that do not participate in the Offer will not incur any tax liability as a result of the consummation of the Offer.

**Exchange of Shares Pursuant to the Tender Offer.** Effective January 1, 2019, we elected to be treated as a C corporation for U.S. federal income tax purposes, rather than as a partnership. The exchange of shares for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder that participates in the Offer will be treated, depending on such U.S. Holder's particular circumstances, either as recognizing gain or loss from the disposition of the shares or as receiving a distribution from us.

Under the share redemption rules of Section 302 of the Code, a U.S. Holder will recognize gain or loss on an exchange of shares for cash if the exchange: (a) results in a "complete termination" of all such U.S. Holder's equity interest in us, (b) results in a "substantially disproportionate" redemption with respect to such U.S. Holder, or (c) is "not essentially equivalent to a dividend" with respect to the U.S. Holder. In applying the Section 302 tests, a U.S. Holder must take into account shares that such U.S. Holder actually or constructively owns under certain attribution rules, pursuant to which the U.S. Holder will be treated as owning shares owned by certain family members (except that in the case of a "complete termination" a U.S. Holder may waive, under certain circumstances, attribution from family members) and related entities and shares that the U.S. Holder has the right to acquire by exercise of an option or SAR or the vesting of a restricted share unit. An exchange of shares for cash will be a substantially disproportionate redemption with respect to a U.S. Holder if the percentage of the then-outstanding shares owned by such U.S. Holder in us immediately after the exchange is less than 80% of the percentage of the shares owned (directly and by attribution) by such U.S. Holder in us immediately before the exchange. If an exchange of shares for cash fails to satisfy the "substantially disproportionate" test, the U.S. Holder nonetheless may satisfy the "not essentially equivalent to a dividend" test. An exchange of shares for cash will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the U.S. Holder's equity interest in us. An exchange of shares for cash that results in any reduction of the proportionate equity interest in us of a U.S. Holder with a relative equity interest in us that is minimal and who does not exercise any control over or participate in the management of our corporate affairs could be treated as "not essentially equivalent to a dividend." U.S. Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

If a U.S. Holder is treated as recognizing gain or loss from the disposition of the shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such U.S. Holder's tax basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange.

If a U.S. Holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of shares for cash, the entire amount of cash received by such U.S. Holder pursuant to the exchange will be treated as a dividend to the extent of the portion of our current and accumulated earnings and profits allocable to such shares. Provided certain holding period requirements are satisfied, non-corporate holders generally will be subject to U.S. federal income tax at a maximum rate of 20% on amounts treated as dividends, without reduction for the tax basis of the shares exchanged. To the extent that cash received in exchange for shares is treated as a dividend to a corporate U.S. Holder, (a) it generally will be eligible for a dividends-received deduction (subject to certain requirements and limitations) and (b) it generally will be subject to the “extraordinary dividend” provisions of the Code. Corporate U.S. Holders should consult their tax advisors concerning the availability of the dividends-received deduction and the application of the “extraordinary dividend” provisions of the Code in their particular circumstances.

To the extent that amounts received pursuant to the Offer that are treated as dividends exceed a U.S. Holder’s allocable share of our current and accumulated earnings and profits, the distribution will first be treated as a non-taxable return of capital, causing a reduction in the tax basis of such U.S. Holder’s shares, and any amounts in excess of the U.S. Holder’s tax basis will constitute capital gain. Any remaining tax basis in the shares tendered will be transferred to any remaining shares held by such U.S. Holder.

We cannot predict whether or to what extent the Offer will be oversubscribed. If the Offer is oversubscribed, proration of the tenders pursuant to the Offer will cause us to accept fewer shares than are tendered. Accordingly, a U.S. Holder can be given no assurance that a sufficient number of such U.S. Holder’s shares will be exchanged pursuant to the Offer in order for the shareholder to meet any of the three Section 302 tests for sale or exchange treatment, rather than dividend treatment, for U.S. federal income tax purposes. **Each U.S. Holder is urged to consult the U.S. Holder’s own tax advisor as to the application of the Section 302 tests to his or her particular circumstances.**

**Withholding.** For a discussion of certain withholding tax consequences to tendering shareholders, see *Section 3*.

**Information Reporting.** Information statements will be provided to U.S. Holders whose shares are purchased by us and to the IRS, reporting the payment of the total purchase price (except with respect to U.S. Holders that are exempt from the information reporting rules, such as corporations).

**The federal income tax discussion set forth above is included for general information only. Each U.S. Holder is urged to consult the U.S. Holder’s own tax advisor to determine the particular tax consequences to him or her (including the applicability and effect of the constructive ownership rules and estate and gift taxes, foreign, state and local tax laws and possible tax law changes) of the sale of shares pursuant to the Offer.**

#### **14. Extension of The Offer; Termination; Amendment.**

We reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in *Section 6* occur or are deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depository and making a public announcement of the extension. We also reserve the right, in our sole discretion, to terminate the Offer and not accept for payment or pay for any shares not already accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in *Section 6* by giving oral or written notice of such termination or postponement to the depository and making a public announcement of the termination or postponement. Our reservation of the right to delay acceptance for payment and to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of the Offer.

Subject to compliance with applicable law, we also reserve the right, in our sole discretion, and regardless of whether any of the events set forth in *Section 6* occur or are deemed by us to have occurred, to amend the Offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the Offer to holders of shares or by decreasing or increasing the number of shares being sought in the Offer.

The announcement, in the case of an extension, shall be issued no later than 9:00 a.m., New York time, on the next business day after the last previously scheduled or announced expiration date.

Any public announcement made under the Offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of that change. Without limiting the manner in which we may choose to make any public announcement, except as provided by applicable law, we have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to PR Newswire or another comparable news service.

If we materially change the terms of the Offer or the information concerning the Offer, we will extend the Offer to the extent required by Rule 13e-4 promulgated under the Exchange Act. This rule and certain related releases and interpretations of the Securities and Exchange Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information.

If we undertake any of the following actions:

- Increase the price per share above \$3.95; or
- Increase by more than 2% the amount of shares being sought; or
- Decrease the amount of shares being sought; or
- Materially change the fees to be paid to our dealer manager,

and the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this *Section 14*, then the Offer will be extended until the expiration of a period of ten business days.

#### **15. Fees and Expenses.**

We have retained our wholly-owned subsidiary, JMP Securities LLC, to act as our dealer manager in connection with the Offer. The dealer manager may contact holders of shares by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Offer to holders of shares. Questions regarding the terms of the Offer may be directed to the dealer manager at its address and telephone numbers listed in this Offer to Purchase.

We have retained D.F. King to act as information agent and American Stock Transfer & Trust Company, LLC to act as depositary in connection with the Offer. The information agent may contact holders of shares by mail, telephone, telegraph and in person and may request that brokers, dealers, commercial banks, trust companies and other nominee shareholders forward materials relating to the Offer to beneficial owners. The information agent and the depositary will each receive reasonable and customary compensation for their services, will be reimbursed by us for specified reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

We will not pay fees or commissions to any broker, dealer, commercial bank, trust company or other person for soliciting any shares under the Offer, other than as described above. We will, however, on request, reimburse brokers, dealers, commercial banks, trust companies and other persons for customary handling and mailing expenses incurred in forwarding the Offer and related materials to the beneficial owners for when they act as nominees. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or as an agent of our dealer manager, information agent or depositary for purposes of the Offer. We will pay, or cause to be paid, any share transfer taxes on our purchase of shares, except as otherwise provided in *Section 5* hereof and the Letter of Transmittal.

**16. Miscellaneous.**

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer is not in compliance with any applicable law, we will make a good faith effort to comply with the applicable law. If, after good faith effort, we cannot comply with the applicable law, we will not make the Offer to, nor will we accept tenders from or on behalf of, the holders of shares residing in that jurisdiction. In any jurisdiction where the securities or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by the dealer manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

In accordance with Rule 13e-4 under the Exchange Act, we have filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule TO that contains additional information with respect to the Offer. The Schedule TO, including the exhibits and any amendments thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in *Section 9* with respect to information concerning us.

**We have not authorized any person to make any recommendation on our behalf regarding whether you should tender or refrain from tendering your shares in the Offer. We have not authorized any person to provide any information or make any representation in connection with the Offer, other than those contained in this Offer to Purchase or in the Letter of Transmittal. You should not rely upon any recommendation, information or representation that is given or made to you as having been authorized by JMP, the dealer manager or the information agent.**

JMP Group LLC  
May 16, 2019

***The Depository for the Offer is:***  
American Stock Transfer & Trust Company, LLC  
(877) 248-6417 (toll-free)  
Fax # (718) 234-5001

***If delivering by mail:***  
American Stock Transfer & Trust Company, LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

***If delivering by hand, express mail, courier, or other expedited service:***  
American Stock Transfer & Trust Company, LLC  
Operations Center  
Attn: Reorganization Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York 11219

Manually signed facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal and certificates for shares and any other required documents should be sent or delivered by each JMP record shareholder or the shareholder's broker, dealer, commercial bank, trust company or nominee to the depository at its address set forth above.

Any questions or requests for assistance may be directed to the information agent using the contact information set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the notice of guaranteed delivery may be directed to the information agent using the contact information set forth below. You may also contact your broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer. To confirm delivery of shares, shareholders are directed to contact the depository.

***The Information Agent for the Offer is:***

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005  
Banks and Brokers call: (212) 269-5550  
All others call: (800) 622-1569 (toll-free)  
Email: [jmp@dfking.com](mailto:jmp@dfking.com)

***The Dealer Manager for the Offer is:***

JMP Securities LLC  
600 Montgomery Street, Suite 1100  
San Francisco, CA 94111  
(415) 835-8900

**Letter of Transmittal to Tender Shares**  
**Representing Limited Liability Company Interests in**  
**JMP GROUP LLC**

**at a Purchase Price of \$3.95 Per Share in Cash Pursuant to the Offer to Purchase dated May 16, 2019**

The undersigned represents that I (we) have full authority to surrender without restriction the certificate(s) listed below. You are hereby authorized and instructed to deliver to the address indicated below (unless otherwise instructed in the boxes in the following page) a check representing a cash payment for limited liability company interests in JMP Group LLC tendered pursuant to this Letter of Transmittal, at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 16, 2019 (as it may be amended or supplemented from time to time, the "Offer to Purchase" and, together with this Letter of Transmittal, as it may be amended or supplemented from time to time, the "Offer").

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JUNE 13, 2019, UNLESS THE OFFER IS EXTENDED (SUCH DATE AND TIME, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE") OR EARLIER TERMINATED.**

Method of delivery of the certificate(s) is at the option and risk of the owner thereof. See Instruction 2.

Mail or deliver this Letter of Transmittal, together with the certificate(s) representing your shares, to:



If delivering by mail:

If delivering by hand, express mail, courier, or other expedited service:

American Stock Transfer & Trust Co., LLC  
 Operations Center  
 Attn: Reorganization Department  
 P.O. Box 2042  
 New York, New York 10272-2042

American Stock Transfer & Trust Company, LLC  
 Operations Center  
 Attn: Reorganization Department  
 6201 15<sup>th</sup> Avenue  
 Brooklyn, New York 11219

Pursuant to the offer to purchase shares representing limited liability company interests in JMP Group LLC, the undersigned encloses herewith and surrenders the following certificate(s) representing shares of JMP:

DESCRIPTION OF SHARES SURRENDERED					
Name(s) and Address(es) of Registered Owner(s) (If blank, please fill in exactly as name(s) appear(s) on share certificate(s))	Shares Surrendered (attached additional list if necessary)				
	Certificated Shares**				
	Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)*	Number of Shares Surrendered**	Book Entry Shares Surrendered	Order of Priority if Proration
	Total Shares				
			* Need not be completed by book-entry shareholders. ** Unless otherwise indicated, it will be assumed that all shares represented by certificates described above are being surrendered hereby.		



Odd Lots

As described in Section 1 of the Offer to Purchase, under certain conditions, shareholders holding fewer than 100 shares may have their shares accepted for payment before any proration of other tendered shares. This preference is not available to partial tenders, or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts representing fewer than 100 shares. Accordingly, this section is to be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of fewer than 100 shares in the aggregate, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

**PLEASE READ THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.**

**IF YOU WOULD LIKE ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL OR ANY OF THE OTHER OFFERING DOCUMENTS, YOU SHOULD CONTACT THE INFORMATION AGENT, D.F. KING AT THE CONTACT INFORMATION SET FORTH BELOW:**

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005  
Banks and Brokers call: (212) 269-5550  
All others call: (800) 622-1569 (toll-free)  
Email: [jmp@dfking.com](mailto:jmp@dfking.com)

You have received this Letter of Transmittal in connection with the offer (the "Offer") of JMP Group LLC ("JMP"), a Delaware limited liability company, to purchase up to 3,000,000 shares, representing limited liability company interests in JMP, at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes, as described in the Offer to Purchase, dated May 16, 2019 (as it may be amended or supplemented from time to time, the "Offer to Purchase" and, together with this Letter of Transmittal, as it may be amended or supplemented from time to time, the "Offer").

You should use this Letter of Transmittal to deliver to American Stock Transfer & Trust Company (the "Depository") shares represented by share certificates, or held in book-entry form on the books of JMP, for tender. If you are delivering your shares by book-entry transfer to an account maintained by the Depository at The Depository Trust Company ("DTC"), you must use an Agent's Message (as defined in Instruction 2 below). In this Letter of Transmittal, shareholders who deliver certificates representing their shares are referred to as "Certificate Shareholders," and shareholders who deliver their shares through book-entry transfer are referred to as "Book-Entry Shareholders."

If certificates for your shares are not immediately available or you cannot deliver your certificates and all other required documents to the Depository prior to the Expiration Date or you cannot complete the book-entry transfer procedures prior to the Expiration Date, you may nevertheless tender your shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 below. **Delivery of documents to DTC will not constitute delivery to the Depository.**

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):**

Name of  
Tendering  
Institution: \_\_\_\_\_

DTC Participant  
Number: \_\_\_\_\_

Transaction Code  
Number: \_\_\_\_\_

**CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY):**

Name(s) of Registered Owner(s): \_\_\_\_\_

Window Ticket Number (if any) or DTC Participant Number: \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Institution which Guaranteed Delivery: \_\_\_\_\_

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.**

**PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**

Ladies and Gentlemen:

The undersigned hereby tenders to JMP the above-described shares, at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes, on the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and this Letter of Transmittal (as it may be amended or supplemented from time to time, this "Letter of Transmittal" and, together with the Offer to Purchase, as it may be amended or supplemented from time to time, the "Offer"). The undersigned understands that JMP reserves the right to transfer or assign, from time to time, in whole or in part, to one or more of its affiliates, the right to purchase the shares tendered herewith.

On the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment and payment for the shares validly tendered herewith, and not properly withdrawn, prior to the Expiration Date in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, JMP, all right, title and interest in and to all of the shares being tendered hereby and any and all cash dividends, distributions, rights, other shares or other securities issued or issuable in respect of such shares on or after the Expiration Date (collectively, "Shares"). In addition, the undersigned hereby irrevocably appoints American Stock Transfer & Trust Company, LLC (the "Depository") the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such Shares with full power of substitution (such proxies and power of attorney being deemed to be an irrevocable power coupled with an interest in the tendered shares) to the full extent of such shareholder's rights with respect to such Shares (a) to deliver certificates representing Shares (the "Share Certificates"), or transfer of ownership of such Shares on the account books maintained by DTC, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of JMP, (b) to present such Shares for transfer on the books of JMP, and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and, when the same are accepted for payment by JMP, JMP will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim. The undersigned hereby represents and warrants that the undersigned is the registered owner of the Shares, or the Share Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the Shares. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or JMP to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

**IT IS UNDERSTOOD THAT THE UNDERSIGNED WILL NOT RECEIVE PAYMENT FOR THE SHARES UNLESS AND UNTIL THE SHARES ARE ACCEPTED FOR PAYMENT AND UNTIL THE SHARE CERTIFICATE(S) OWNED BY THE UNDERSIGNED ARE RECEIVED BY THE DEPOSITARY AT THE ADDRESS SET FORTH ABOVE, TOGETHER WITH SUCH ADDITIONAL DOCUMENTS AS THE DEPOSITARY MAY REQUIRE, OR, IN THE CASE OF SHARES HELD IN BOOK-ENTRY FORM, OWNERSHIP OF SHARES IS VALIDLY TRANSFERRED ON THE ACCOUNT BOOKS MAINTAINED BY DTC, AND UNTIL THE SAME ARE PROCESSED FOR PAYMENT BY THE DEPOSITARY.**

It is understood that the method of delivery of the Shares, the Share Certificate(s) and all other required documents (including delivery through DTC) is at the option and risk of the undersigned and that the risk of loss of such Shares, Share Certificate(s) and other documents shall pass only after the Depository has actually received the Shares or Share Certificate(s) (including, in the case of a book-entry transfer, by Book-Entry Confirmation (as defined below)). If delivery is by mail, it is recommended that all such documents be sent by properly insured registered mail with return receipt requested. In all cases, sufficient time should be allowed to ensure timely delivery.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the acceptance for payment by JMP of Shares tendered pursuant to one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and JMP upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price in the name(s) of, and/or return any Share Certificates representing Shares not tendered or accepted for payment to, the registered owner(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Share Certificates representing Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under "Description of Shares Tendered." In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or issue any Share Certificates representing Shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless otherwise indicated herein in the box titled "Special Payment Instructions," please credit any Shares tendered hereby or by an Agent's Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that JMP has no obligation pursuant to the Special Payment Instructions to transfer any Shares from the name of the registered owner thereof if JMP does not accept for payment any of the Shares so tendered.

**SPECIAL PAYMENT INSTRUCTIONS**  
**(See Instructions 1, 4, 5 and 7)**

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price in consideration of Shares accepted for payment are to be issued in the name of someone other than the undersigned or if Shares tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at DTC other than that designated above.

Issue:  Check and/or  Share Certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security Number)

**Credit shares tendered by book-entry transfer that are not accepted for payment to the DTC account set forth below.**

\_\_\_\_\_  
(DTC Account Number)

**SPECIAL DELIVERY INSTRUCTIONS**  
**(See Instructions 1, 4, 5 and 7)**

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled "Description of Shares Tendered" above.

Deliver:  Check and/or  Share Certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

**IMPORTANT—SIGN HERE**  
**(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)**  
**(Non-U.S. Holders Please Obtain and Complete IRS Form W-8BEN or Other Applicable IRS Form W-8)**

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**(Signature(s) of Shareholder(s))**

Dated: \_\_\_\_\_, 2019

(Must be signed by registered owner(s) exactly as name(s) appear(s) on Share Certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name: \_\_\_\_\_

**(Please Print)**

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_

**(Include Zip Code)**

Area Code and Telephone Number: \_\_\_\_\_

Tax Identification or Social Security No.: \_\_\_\_\_

**GUARANTEE OF SIGNATURE(S)**  
**(For use by Eligible Institutions only;**  
**see Instructions 1 and 5)**

Name of Firm: \_\_\_\_\_

**(Include Zip Code)**

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**(Please Print)**

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2019

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**Place medallion guarantee in space below:**

**INSTRUCTIONS**  
**Forming Part of the Terms and Conditions of the Offer**

1. **Guarantee of Signatures.** Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered herewith and such registered owner has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. **Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations.** This Letter of Transmittal is to be completed by shareholders if Share Certificates are to be forwarded herewith. If tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase, an Agent’s Message must be utilized. A manually executed facsimile of this document may be used in lieu of the original. Share Certificates representing all physically tendered Shares, or confirmation of any book-entry transfer into the Depository’s account at DTC of Shares tendered by book-entry transfer (“Book Entry Confirmation”), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, or an Agent’s Message in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein prior to the Expiration Date. Please do not send your Share Certificates directly to JMP.

Shareholders whose Share Certificates are not immediately available or who cannot deliver all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedures for book-entry transfer prior to the Expiration Date may nevertheless tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by JMP must be received by the Depository prior to the Expiration Date, and (c) Share Certificates representing all tendered Shares, in proper form for transfer (or a Book Entry Confirmation with respect to such Shares), this Letter of Transmittal (or facsimile thereof), properly completed and duly executed with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message), and all other documents required by this Letter of Transmittal, if any, must be received by the Depository within two New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery.

A properly completed and duly executed Letter of Transmittal (or facsimile thereof) must accompany each such delivery of Share Certificates to the Depository.

The term “Agent’s Message” means a message, transmitted through electronic means by DTC to, and received by, the Depository and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that JMP may enforce such agreement against the participant. The term “Agent’s Message” also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depository’s office.

**THE METHOD OF DELIVERY OF THE SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE AND RISK OF LOSS OF THE SHARE CERTIFICATES SHALL PASS ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

No alternative, conditional or contingent tenders will be accepted, and no fractional Shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal (or facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

All questions as to validity, form and eligibility (including time of receipt) of the surrender of any Share Certificate hereunder, including questions as to the proper completion or execution of any Letter of Transmittal, Notice of Guaranteed Delivery or other required documents and as to the proper form for transfer of any certificate of Shares, will be determined by JMP in its sole and absolute discretion (which may delegate power in whole or in part to the Depository) which determination will be final and binding. JMP reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may be unlawful. JMP also reserves the absolute right to waive any defect or irregularity in the surrender of any Shares or Share Certificate(s) whether or not similar defects or irregularities are waived in the case of any other shareholder. A surrender will not be deemed to have been validly made until all defects and irregularities have been cured or waived. JMP and the Depository shall make reasonable efforts to notify any person of any defect in any Letter of Transmittal submitted to the Depository.

3. **Inadequate Space.** If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. **Partial Tenders (Applicable to Certificate Shareholders Only).** If fewer than all the Shares evidenced by any Share Certificate delivered to the Depository are to be tendered, fill in the number of Shares which are to be tendered in the column titled "Number of Shares Tendered" in the box titled "Description of Shares Tendered." In such cases, new certificate(s) for the remainder of the Shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by Share Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. **Signatures on Letter of Transmittal; Share Powers and Endorsements.** If this Letter of Transmittal is signed by the registered owner(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

If any Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of such Shares.

If this Letter of Transmittal or any certificates or share powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to JMP of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of Share Certificates or separate share powers are required unless payment is to be made to, or Share Certificates representing Shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s), in which case the Share Certificates representing the Shares tendered by this Letter of Transmittal must be endorsed or accompanied by appropriate share powers, in either case, signed exactly as the name(s) of the registered owner(s) or holder(s) appear(s) on the Share Certificates. Signatures on such Share Certificates or share powers must be guaranteed by an Eligible Institution.



If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate share powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or share powers must be guaranteed by an Eligible Institution.

6. **Transfer Taxes.** JMP will pay any transfer taxes with respect to the transfer and sale of Shares to it or to its order pursuant to the Offer (for the avoidance of doubt, transfer taxes do not include United States federal income or backup withholding taxes). If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

**Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates listed in this Letter of Transmittal.**

7. **Special Payment and Delivery Instructions.** If a check for the purchase price is to be issued, and/or Share Certificates representing Shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled "Description of Shares Tendered" above, the appropriate boxes on this Letter of Transmittal should be completed. Shareholders delivering Shares tendered hereby or by Agent's Message by book-entry transfer may request that Shares not purchased be credited to an account maintained at DTC as such shareholder may designate in the box titled "Special Payment Instructions" herein. If no such instructions are given, all such Shares not purchased will be returned by crediting the same account at DTC as the account from which such Shares were delivered.

8. **Requests for Assistance or Additional Copies.** Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below or to your broker, dealer, commercial bank or trust company. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from either the Information Agent or the Dealer Manager as set forth below and will be furnished at JMP's expense.

9. **Backup Withholding.** Under U.S. federal income tax laws, the Depository will be required to withhold a portion of the amount of any payments made to certain shareholders pursuant to the Offer. In order to avoid such backup withholding, each tendering shareholder or payee that is a United States person (for U.S. federal income tax purposes), must provide the Depository with such shareholder's or payee's correct taxpayer identification number ("TIN") and certify that such shareholder or payee is not subject to such backup withholding by completing the attached Form W-9. Certain shareholders or payees (including, among others, corporations, non-resident foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. A tendering shareholder who is a foreign individual or a foreign entity should complete, sign, and submit to the Depository the appropriate Form W-8. A Form W-8BEN may be obtained from the Depository or downloaded from the Internal Revenue Service's website at the following address: <http://www.irs.gov>. Failure to complete the Form W-9 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depository to withhold a portion of the amount of any payments made pursuant to the Offer.

**NOTE: FAILURE TO COMPLETE AND RETURN THE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE "IMPORTANT TAX INFORMATION" SECTION BELOW.**

10. **Lost, Destroyed, Mutilated or Stolen Share Certificates.** If any Share Certificate has been lost, destroyed, mutilated or stolen, the shareholder should promptly notify JMP's share transfer agent, American Stock Transfer & Trust Company, LLC at 877-248-6417 (toll-free). The shareholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed.

11. **Waiver of Conditions.** Subject to the terms and conditions of the Offer and the applicable rules and regulations of the Securities and Exchange Commission, the conditions of the Offer may be waived by JMP in whole or in part at any time and from time to time in its sole discretion.

**IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY EXECUTED FACSIMILE COPY THEREOF) OR AN AGENT'S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.**

#### **IMPORTANT TAX INFORMATION**

Under United States federal income tax law, a shareholder that is a non-exempt United States person (for U.S. federal income tax purposes) whose tendered Shares are accepted for payment is required by law to provide the Depositary (as payer) with such shareholder's correct TIN on Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depositary is not provided with the correct TIN, the shareholder may be subject to penalties imposed by the Internal Revenue Service ("IRS") and payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding.

If backup withholding applies, the Depositary is required to withhold 24% of any payments of the purchase price made to the shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained from the IRS provided that the required information is furnished to the IRS.

#### **Form W-9**

To prevent backup withholding on payments that are made to a United States shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of such shareholder's correct TIN by completing Form W-9 certifying, under penalties of perjury, (i) that the TIN provided on Form W-9 is correct (or that such shareholder is awaiting a TIN), (ii) that such shareholder is not subject to backup withholding because (a) such shareholder has not been notified by the IRS that such shareholder is subject to backup withholding as a result of a failure to report all interest or dividends, (b) the IRS has notified such shareholder that such shareholder is no longer subject to backup withholding or (c) such shareholder is exempt from backup withholding, and (iii) that such shareholder is a U.S. person.

#### **What Number to Give the Depositary**

Each United States shareholder is generally required to give the Depositary its social security number or employer identification number. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder should write "Applied For" in Part I, sign and date the Form W-9. Notwithstanding that "Applied For" is written in Part I, the Depositary will withhold 24% of all payments of the purchase price to such shareholder until a TIN is provided to the Depositary.

**Please consult your accountant or tax advisor for further guidance regarding the completion of IRS Form W-9, IRS Form W-8BEN, or another version of IRS Form W-8 to claim exemption from backup withholding, or contact the Depositary.**

<p><b>SUBSTITUTE FORM W-9</b></p>	<p><b>Part 1 — PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</b></p>	<p>_____</p> <p>Social Security Number</p> <p>OR</p> <p>_____</p> <p>Employer Identification Number</p>
<p><b>Department of the Treasury Internal Revenue Service</b></p>	<p><b>Part 2 — Check appropriate box for federal tax classification; check only one:</b></p> <p><input type="checkbox"/> Individual/Sole Proprietor      <input type="checkbox"/> C Corporation      <input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> Partnership      <input type="checkbox"/> Trust/estate      <input type="checkbox"/> Limited Liability Company: _____</p> <p><input type="checkbox"/> Other (please specify) _____</p>	<p>For Limited Liability Companies, please enter the appropriate tax classification on the line provided next to the phrase "Limited Liability Company":</p> <p>C = C Corporation S = S Corporation P = Partnership</p>
<p><b>Payer's Request for Taxpayer Identification Number (TIN) and Certification</b></p>	<p><b>Part 3 — FOR PAYEES EXEMPT FROM BACKUP WITHHOLDING</b> (See Page 2 of enclosed Guidelines)</p>	<p>_____</p>
<p><b>Payer's Request for Taxpayer Identification Number (TIN) and Certification</b></p>	<p><b>Part 4 — Certification Under Penalties of Perjury, I certify that:</b></p> <p>(1) The number shown on this form is my current taxpayer identification number (or I am waiting for a number to be issued to me).</p> <p>(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.</p> <p>(3) I am a U.S. person (including a U.S. resident alien).</p> <p>(4) The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.</p>	<p><b>Part 5 —</b> Awaiting TIN <input type="checkbox"/></p>
<p>Certification instructions — You must cross out item (2) in Part 4 above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you are subject to backup withholding you receive another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).</p> <p>SIGNATURE _____ DATE _____</p> <p>NAME _____</p> <p>ADDRESS _____</p> <p>CITY _____ STATE _____ ZIP CODE _____</p>		

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU  
CHECK THE BOX IN PART 5 OF SUBSTITUTE FORM W-9**

**PAYER'S NAME: American Stock Transfer & Trust Company, LLC**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify, under penalties of perjury, that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number before payment is made, a portion of such reportable payment will be withheld.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENT MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

## IMPORTANT TAX INFORMATION

Under current U.S. federal income tax law, a Shareholder who tenders JMP share certificates that are accepted for purchase may be subject to backup withholding. In order to avoid such backup withholding, the Shareholder must provide the Depository with such Shareholder's correct taxpayer identification number and certify that such Shareholder is not subject to such backup withholding by completing the Substitute Form W-9 provided herewith. In general, if a Shareholder is an individual, the taxpayer identification number is the Social Security number of such individual. If the Depository is not provided with the correct taxpayer identification number, the Shareholder may be subject to a penalty imposed by the Internal Revenue Service. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if the JMP share certificates are held in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Certain Shareholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depository that a foreign individual qualifies as an exempt recipient, such Shareholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status, on a properly completed Form W-8BEN, or successor form. Such statements can be obtained from the Depository.

Failure to complete the Substitute Form W-9 will not, by itself, cause the JMP share certificates to be deemed invalidly tendered, but may require the Depository to withhold a portion of the amount of any payments made pursuant to the Offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service.

**NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

**Guidelines for Determining the Proper Identification Number to Give the Payer** — Social Security Numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer Identification Numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

<b>For this type of account:</b>	<b>Give the SOCIAL SECURITY number of —</b>	<b>For this type of account:</b>	<b>Give the EMPLOYER IDENTIFICATION number of —</b>
1. An individual's account	The individual	8. Sole proprietorship account	The owner(4)
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)	9. A valid trust, estate or pension trust	The legal entity(5)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, the first individual on the account (1)	10. Corporate account	The corporation
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	11. Religious, charitable, or educational organization account	The organization
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)	12. Partnership account held in the name of the business	The partnership
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)	13. Association, club, or other tax-exempt organization	The organization
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)	14. A broker or registered nominee	The broker or nominee
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)	15. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
- (4) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one).
- (5) List first and circle the name of the legal trust, estate, or pension trust. Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.

**Note:** *If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.*

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

**Page 2**

**Obtaining a Number**

If you do not have a taxpayer identification number or if you do not know your number, obtain Form SS-5, Application for Social Security Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service (the "IRS") and apply for a number. Section references in these guidelines refer to sections under the Internal Revenue Code of 1986, as amended.

Payees specifically exempt from backup withholding include:

- An organization exempt from tax under Section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(7), if the account satisfies the requirements of Section 401(f)(2).
- The United States or a state thereof, the District of Columbia, a possession of the United States, or a political subdivision or wholly-owned agency or instrumentality of any one or more of the foregoing.
- An international organization or any agency or instrumentality thereof.
- A foreign government or any political subdivision, agency or instrumentality thereof.

Payees that may be exempt from backup withholding include:

- A corporation.
- A financial institution.
- A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a).
- An entity registered at all times during the tax year under the Investment Company Act of 1940, as amended.
- A middleman known in the investment community as a nominee or custodian.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A foreign central bank of issue.
- A trust exempt from tax under Section 664 or described in Section 4947.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under Section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident alien partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) payments made by an ESOP.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under Section 852).
- Payments described in Section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under Section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART 2 OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.**

*Certain payments other than interest, dividends, and patronage dividends, which are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Sections 6041, 6041A, 6045, 6050A and 6050N.*

**Privacy Act Notice.** — Section 6109 requires most recipients of dividend, interest, or certain other income to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states and the District of Columbia to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold a portion of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

**Penalties**

**(1) Penalty for Failure to Furnish Taxpayer Identification Number.** — If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

**Page 3**

**(2) Civil Penalty for False Information With Respect to Withholding.** — If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

**(3) Criminal Penalty for Falsifying Information.** — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**(4) Misuse of Taxpayer Identification Numbers.** — If the requester discloses or uses taxpayer identification numbers in violation of federal law, the requester may be subject to civil and criminal penalties.

**FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.**



*The Depositary for the Offer to Purchase is:*



If delivering by mail:

American Stock Transfer & Trust Co., LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

If delivering by hand, express mail, courier, or other expedited service:

American Stock Transfer & Trust Co., LLC  
Operations Center  
Attn: Reorganization Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York 11219

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.**

Any questions or requests for assistance may be directed to the information agent using the contact information set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the notice of guaranteed delivery may be directed to the information agent using the contact information set forth below. You may also contact your broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer. To confirm delivery of shares, shareholders are directed to contact the depositary.

***The Information Agent for the Offer is:***

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005  
Banks and Brokers call: (212) 269-5550  
All others call: (800) 622-1569 (toll-free)  
Email: [jmp@dfking.com](mailto:jmp@dfking.com)

***The Dealer Manager for the Offer is:***

JMP Securities LLC  
600 Montgomery Street, Suite 1100  
San Francisco, CA 94111  
(415) 835-8900

**JMP GROUP LLC  
NOTICE OF GUARANTEED DELIVERY  
FOR  
TENDER OF SHARES**

This notice of guaranteed delivery, or one substantially in the form hereof, must be used to accept the Offer by JMP Group LLC if:

- certificates evidencing shares of JMP Group LLC representing limited liability company interests that are not immediately available or cannot be delivered to the depository before the expiration date (as defined in the Offer to Purchase);
- the procedure for book-entry transfer described in the Offer to Purchase, dated May 16, 2019, and the related Letter of Transmittal cannot be completed on a timely basis; or
- time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), an agent’s message in the case of a book-entry transfer (as defined in the Offer to Purchase) and any other required documents, to reach the depository prior to the expiration date.

This notice of guaranteed delivery, properly completed and duly executed, may be delivered by hand, mail, overnight courier or facsimile transmission to the depository. *See Section 3 of the Offer to Purchase.*

**The Depository for the Offer is:**  
American Stock Transfer & Trust Co., LLC  
Tel. (877) 248-6417 (toll-free); Fax # (718) 234-5001

**If delivering by mail:**  
American Stock Transfer & Trust Co., LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

**If delivering by hand, express mail, courier, or other expedited service:**  
American Stock Transfer & Trust Co., LLC  
Operations Center  
Attn: Reorganization Department  
6201 15th Avenue  
Brooklyn, New York 11219

For this notice to be properly delivered, it must be received by the depository at the above address before the Offer expires. Delivery of this notice to another address will NOT constitute proper delivery. Deliveries to JMP Group LLC, the dealer manager, the information agent or the book-entry transfer facility will not be forwarded to the depository and will NOT constitute proper delivery.

This notice of guaranteed delivery is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed by an eligible guarantor institution (as defined in the Offer to Purchase) under the instructions to the Letter of Transmittal, the signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

**NOTICE OF GUARANTEED DELIVERY**

By signing this notice of guaranteed delivery, you tender to JMP Group LLC at a purchase price per share of \$3.95, upon the terms and subject to the conditions described in the Offer to Purchase and the related Letter of Transmittal, receipt of which you hereby acknowledge, the number of shares specified below pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

Number of shares to be tendered: \_\_\_\_\_ shares.

Signature(s): \_\_\_\_\_

Name(s) of Record Holder(s): \_\_\_\_\_

Certificate No.: \_\_\_\_\_

Address: \_\_\_\_\_  
**(INCLUDE ZIP CODE)**

Certificate No.: \_\_\_\_\_

Address: \_\_\_\_\_  
**(INCLUDE ZIP CODE)**

Daytime Area Code and Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

If shares will be delivered by book-entry transfer, provide the following information:

Account Number: \_\_\_\_\_

**GUARANTEE OF DELIVERY**

**(Not to be Used for a Signature Guarantee)**

The undersigned, a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity that is also an “eligible guarantor institution,” as that term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934 (each of the foregoing constituting an “eligible institution”), guarantees the delivery to the depository of the shares tendered, in proper form for transfer, or a confirmation that the shares tendered have been delivered pursuant to the procedure for book-entry transfer described in the Offer to Purchase into the depository’s account at the book-entry transfer facility, in each case together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), or an agent’s message in the case of a book-entry transfer, and any other required documents, all within two (2) New York Stock Exchange trading days after the date of receipt by the depository of this notice of guaranteed delivery.

The eligible institution that completes this form must communicate the guarantee to the depository and must deliver the Letter of Transmittal and certificates representing shares to the depository within the time period set forth in the Offer to Purchase. Failure to do so could result in a financial loss to the eligible institution.

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_  
**Include Zip Code**

Area Code and Telephone Number: \_\_\_\_\_

Authorized Signature

Name: \_\_\_\_\_  
**Please Type or Print**

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2019

**Note: Do not send share certificates with this form. Certificates for shares should be sent with the Letter of Transmittal unless delivery of the shares is made by Book-Entry transfer.**

## JMP GROUP LLC

**OFFER TO PURCHASE FOR CASH  
UP TO A MAXIMUM OF 3,000,000 SHARES  
REPRESENTING LIMITED LIABILITY COMPANY INTERESTS  
AT A PURCHASE PRICE OF \$3.95 PER SHARE,  
HAVING AN AGGREGATE PURCHASE PRICE OF \$11,850,000**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M.,  
NEW YORK TIME ON JUNE 13, 2019, UNLESS THE OFFER IS EXTENDED.  
JMP GROUP LLC MAY EXTEND THE OFFER PERIOD AT ANY TIME.**

May 16, 2019

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

JMP Group LLC, a Delaware limited liability company ("**JMP**"), is offering to purchase up to a maximum of 3,000,000 shares representing limited liability company interests at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes (the "**Offer**"), as specified by shareholders tendering their shares, or such lesser amount of shares as are properly tendered.

JMP will not purchase fractional shares in the Offer. The total number of shares purchased by JMP will be rounded down to the largest number of whole shares.

JMP's Offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase, dated May 16, 2019, and in the related Letter of Transmittal which, together with the Offer to Purchase, as they may be amended and supplemented from time to time, constitute the Offer.

Only shares properly tendered and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all the shares may not be purchased if shares in excess of 3,000,000 shares are properly tendered. All shares tendered and not purchased and shares not purchased because of proration will be returned at JMP's expense as soon as practicable following the expiration date.

JMP reserves the right, in its sole discretion, to purchase more than 3,000,000 shares pursuant to the Offer, subject to applicable law.

The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions described in the Offer to Purchase.

If the number of shares tendered is in excess of 3,000,000 shares, JMP will purchase shares on a pro rata basis (subject to the "odd lot" priority as described in *Section 1* of the Offer to Purchase) from all shareholders who properly tendered shares, with appropriate adjustments to avoid purchases of fractional shares.

For your information and for forwarding to your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

- Offer to Purchase, dated May 16, 2019;
- Letter that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining those clients' instructions with regard to the Offer;
- Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9);
- Notice of guaranteed delivery to be used to accept the Offer if the share certificates and all other required documents cannot be delivered to the depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date; and
- Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. The Offer and withdrawal rights will expire at 11:59 p.m., New York time, on June 13, 2019, unless the Offer is extended. Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless JMP has already accepted the shares for payment after the Offer expires, may also be withdrawn any time after 11:59 p.m., New York time, on July 15, 2019.

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No fees or commissions will be payable to brokers, dealers, commercial banks, trust companies or any person for soliciting tenders of shares under the Offer (other than fees paid to the dealer manager and the information agent as described in the Offer to Purchase). JMP will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. JMP will pay or cause to be paid any share transfer taxes applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase and Letter of Transmittal.

In order to properly tender shares under the Offer, a shareholder must do EITHER (1) OR (2) below:

- (1) Provide that the depositary receives the following before the Offer expires:
  - either (a) certificates for the shares or (b) a confirmation of receipt for the shares pursuant to the procedure for book-entry transfer described in Section 3 of the Offer to Purchase;
  - either (a) a properly completed and executed Letter of Transmittal or a manually executed facsimile of it, including any required signature guarantees or (b) an “agent’s message” of the type described in Section 3 of the Offer to Purchase in the case of a book-entry transfer; and
  - any other documents required by the Letter of Transmittal.
- (2) Comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Any inquiries you may have with respect to the Offer should be addressed to the information agent, D.F. King & Co., Inc., at its address and telephone number set forth on the back page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from D.F. King & Co., Inc., by calling (212) 269-5550 or emailing [jmp@dfking.com](mailto:jmp@dfking.com).

Very truly yours,  
JMP Securities LLC

Enclosures

**Nothing contained herein or in the enclosed documents shall constitute you or any other person the agent of JMP Group LLC, the dealer manager, the information agent or the depositary or any affiliate of the foregoing, or authorize you or any other person to use any document or make any statement on behalf of any of them in connection with the Offer other than the documents enclosed herewith and the statements contained therein.**

## JMP GROUP LLC

**OFFER TO PURCHASE FOR CASH  
UP TO A MAXIMUM OF 3,000,000 SHARES  
REPRESENTING LIMITED LIABILITY COMPANY INTERESTS  
AT A PURCHASE PRICE OF \$3.95 PER SHARE  
FOR AN AGGREGATE PURCHASE PRICE OF \$11,850,000**

**THE OFFER AND YOUR RIGHT TO WITHDRAW YOUR SHARES WILL EXPIRE AT 11:59 P.M.,  
NEW YORK TIME ON JUNE 13, 2019, UNLESS THE OFFER IS EXTENDED.  
JMP GROUP LLC MAY EXTEND THE OFFER PERIOD AT ANY TIME.**

May 16, 2019

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated May 16, 2019, and the related Letter of Transmittal in connection with the offer by JMP Group LLC, a Delaware limited liability company ("**JMP**"), to purchase for cash, up to a maximum of 3,000,000 shares representing limited liability company interests in JMP at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes (the "**Offer**"), as specified by shareholders tendering their shares, or such lesser amount of shares as are properly tendered.

JMP will not purchase fractional shares in the Offer. The total number of shares purchased by JMP will be rounded down to the largest number of whole shares.

JMP's Offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase, dated May 16, 2019, and in the related Letter of Transmittal which, together with the Offer to Purchase, as they may be amended and supplemented from time to time, constitute the Offer.

Only shares properly tendered and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all of the shares tendered may not be purchased if shares in excess of 3,000,000 shares are properly tendered. All shares tendered and not purchased because of proration provisions, will be returned at JMP's expense as soon as practicable following the expiration date.

JMP reserves the right, in its sole discretion, to purchase more than 3,000,000 shares pursuant to the Offer, subject to applicable law.

The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions described in the Offer to Purchase.

If the number of shares tendered is in excess of 3,000,000 shares, JMP will purchase shares at the selected price on a pro rata basis (subject to the "odd lot" priority as described in Section 1 of the Offer to Purchase) from all shareholders who properly tendered shares, with appropriate adjustments to avoid purchases of fractional shares.

**A tender of your shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender your shares held by us for your account.**

Accordingly, please use the attached "Instruction Form" to instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the Offer.

**WE CALL YOUR ATTENTION TO THE FOLLOWING:**

1. You may tender shares at a purchase price of \$3.95 per share as indicated in the attached Instruction Form, net to you in cash, without interest and less any applicable withholding taxes.
  2. You should consult with your broker regarding the possibility of designating the priority in which your shares will be purchased in the event of proration.
  3. The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to various other conditions described in the Offer to Purchase.
  4. The Offer and withdrawal rights will expire at 11:59 p.m., New York time, on June 13, 2019, unless JMP extends the Offer. Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless JMP has already accepted the shares for payment after the Offer expires, may also be withdrawn any time after 11:59 p.m., New York time, on July 15, 2019.
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5. The Offer is for shares having an aggregate purchase price of up to \$11,850,000, unless the Offer is undersubscribed. If the Offer is fully subscribed, and JMP purchases a maximum of 3,000,000 shares, or approximately 14.1% of its outstanding shares as of March 31, 2019, JMP will have 18,210,107 shares outstanding following the purchase of shares tendered in the Offer based on its outstanding shares as of March 31, 2019.

6. Tendering shareholders who are registered shareholders or who tender their shares directly to American Stock Transfer & Trust Company, LLC, as the depository, will not be obligated to pay any brokerage commissions or fees, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, share transfer taxes on JMP's purchase of shares under the Offer.

7. The board of directors of JMP has approved the Offer. However, none of JMP, its board of directors, executive officers, the dealer manager, the depository or the information agent makes any recommendation to shareholders as to whether they should tender or refrain from tendering their shares. Shareholders must make their own decision as to whether to tender their shares and, if so, how many shares to tender. Each of JMP's directors and executive officers has advised it that they do not intend to tender any shares owned by them in the Offer.

8. If you wish to have us tender any or all your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

Please forward your Instruction Form to us as soon as possible to allow us ample time to tender your shares on your behalf prior to the expiration of the Offer.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of that jurisdiction.

**INSTRUCTION FORM  
INSTRUCTIONS FOR TENDER OF SHARES OF JMP GROUP INC.**

By signing this Instruction Form you acknowledge receipt of our letter and the enclosed Offer to Purchase, dated May 16, 2019, and the related Letter of Transmittal in connection with the Offer by JMP Group LLC, a Delaware limited liability company ("**JMP**"), to purchase shares representing limited liability company interests. JMP is offering to purchase up to 3,000,000 shares representing limited liability company interests at a purchase price of \$3.95 per share, to the seller in cash, without interest and less any applicable withholding taxes (the "**Offer**"), as specified by shareholders tendering their shares, or such lesser amount of shares as are properly tendered. JMP's Offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal, which, as they may be amended or supplemented from time to time, together constitute the Offer.

This will instruct us to tender to JMP, on your behalf, the number of shares indicated below (or if no number is indicated below, all shares) which are beneficially owned by you but registered in our name, upon the terms and subject to the conditions of the Offer.

Number of shares to be tendered: \_\_\_\_\_ shares. (Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.)

**The method of delivery of this document is at the option and risk of the tendering shareholder. If you decide to make delivery by mail, we recommend you use registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to assure delivery.**

**SIGN HERE:**

Signature(s): \_\_\_\_\_

Print Name(s) \_\_\_\_\_

Address(es): \_\_\_\_\_

Area Code and Telephone  
Number: \_\_\_\_\_

Taxpayer Identification or Social Security  
Number: \_\_\_\_\_

Date: \_\_\_\_\_

My Account Number With You: \_\_\_\_\_



This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of JMP Group LLC. The Offer (as defined below) is made solely by the Offer to Purchase dated May 16, 2019 and the related Letter of Transmittal, as they may be amended or supplemented from time to time. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of JMP Group LLC in any jurisdiction in which the making or acceptance of offers to sell shares would not be in compliance with the laws of that jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of JMP Group LLC by JMP Securities LLC, the Dealer Manager for the Offer, or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

**NOTICE OF OFFER TO PURCHASE FOR CASH**  
by

**JMP GROUP LLC**

of  
**UP TO A MAXIMUM OF 3,000,000 SHARES**  
**REPRESENTING LIMITED LIABILITY COMPANY INTERESTS**  
**AT A PER SHARE PURCHASE PRICE OF \$3.95 PER SHARE**

JMP Group LLC, a Delaware limited liability company ("JMP"), is offering to purchase up to a maximum of 3,000,000 shares representing limited liability company interests at a purchase price of \$3.95 per share, net to the seller in cash, without interest and less any applicable withholding taxes (the "Offer"), or such lesser amount of shares as are properly tendered and not properly withdrawn, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 16, 2019 (the "Offer to Purchase"), and in the related Letter of Transmittal, as they may be amended or supplemented from time to time.

**The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to certain other important conditions set forth in the Offer to Purchase.**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK TIME, ON JUNE 13, 2019, UNLESS JMP EXTENDS THE OFFER.**

The board of directors of JMP has approved the Offer. However, neither JMP, nor any of its board of directors, executive officers, the information agent, depository or the dealer manager is making any recommendation to you as to whether you should tender or refrain from tendering your shares. JMP is not making a recommendation as to whether you should tender shares into the Offer because it believes that you should make your own decision based on your views as to the value of JMP's shares, its prospects and anticipated capitalization following the Offer, as well as your liquidity needs, investment objectives and other individual considerations. Each of JMP's directors and executive officers has advised it that they do not intend to tender any shares owned by them in the Offer. Accordingly, assuming JMP purchases 3,000,000 shares in the Offer, which represents the maximum amount of shares that we would purchase in the Offer, the beneficial ownership of JMP's directors and executive officers will increase to approximately 63%, based on shares outstanding as of March 31, 2019. You must decide whether to tender your shares. You should discuss whether to tender your shares with your broker or other financial or tax advisor.

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As of March 31, 2019, there were 21,210,107 shares representing limited liability company interests of JMP issued and outstanding. If the Offer is fully subscribed, and JMP purchases a maximum of 3,000,000 shares, or approximately 14.1% of its outstanding shares as of March 31, 2019, JMP will have 18,210,107 shares outstanding following the purchase of shares properly tendered in the Offer, based on its outstanding shares as of March 31, 2019. The actual number of shares outstanding following completion of the Offer will depend, among other things, on the number of shares properly tendered and purchased in the Offer.

If the terms and conditions of the Offer have been satisfied or waived and shareholders have properly tendered and not properly withdrawn shares in excess of 3,000,000 shares, JMP will purchase shares in the following order of priority:

- *first*, all such shares owned beneficially or of record by a holder of fewer than 100 shares who properly tenders all of such shares (partial tenders will not qualify for this preference); and
- *second*, after purchase of all of the foregoing shares, all other shares (on a pro rata basis, if necessary, with appropriate rounding adjustments to avoid purchases of fractional shares).

All shares tendered and not purchased because of the odd lot priority and proration provisions of the Offer will be returned to shareholders at JMP's expense promptly following the expiration date.

JMP expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 of the Offer to Purchase occur or are deemed by JMP to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depository and making a public announcement of such extension.

Shares tendered in the Offer may be withdrawn at any time before the expiration date and, unless JMP has already accepted the shares for payment after the Offer expires, may also be withdrawn any time after 11:59 p.m., New York time, on July 15, 2019. Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of shares pursuant to the Offer are irrevocable. For a withdrawal to be effective, the depository must receive (at its address set forth on the back cover of the Offer to Purchase) a notice of withdrawal in written or facsimile transmission form on a timely basis. The notice of withdrawal must specify the name of the person who tendered the shares to be withdrawn, the number of shares tendered, the number of shares to be withdrawn and the name of the registered holder. If the certificates have been delivered or otherwise identified to the depository, then, prior to the release of those certificates, the tendering shareholder must also submit the serial numbers shown on the particular certificates evidencing the shares and the signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (except in the case of shares tendered by an eligible guarantor institution). If shares have been tendered pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase the notice of withdrawal must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the procedures of the facility.

For purposes of the Offer, JMP will be deemed to have accepted for payment, and therefore purchased, shares that are properly tendered and not properly withdrawn, subject to the odd lot priority and proration provisions of the Offer, only when JMP gives oral or written notice to the depository of JMP's acceptance of shares for payment under the Offer.

Shareholders desiring to tender their shares must follow the procedures set forth in Section 3 of the Offer to Purchase and in the Letter of Transmittal.

JMP will pay for the shares purchased in the Offer by depositing the aggregate purchase price for the shares with the depository, which will act as agent for tendering shareholders for the purpose of receiving payment from JMP and transmitting payment to the tendering shareholders. In the event of proration, JMP will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date.

JMP will determine, in its sole discretion, all questions as to the number of shares to be accepted, and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares. JMP's determination will be final and binding on all parties. JMP reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of or payment for which it determines may be unlawful. JMP also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular shares or any particular shareholder. No tender of shares will be deemed to be properly made until all defects or irregularities have been cured by the tendering shareholder or waived by JMP.

Generally, the receipt of cash for tendered shares will be treated for United States federal income tax purposes either as (a) proceeds of a sale or exchange eligible for capital gains treatment or (b) a dividend to the extent of JMP's available current year or accumulated earnings and profits, and thereafter first as a non-taxable return of capital (to the extent of the tax basis in such JMP shares) and then as capital gain. In the case of foreign shareholders, because it is unclear which characterization applies, JMP intends to withhold 30% of the gross proceeds paid. You are strongly encouraged to read the Offer to Purchase, in particular, Sections 3 and 13, for additional information regarding the United States federal income tax consequences of participating in the Offer, and you should consult your tax advisor.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

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**The Offer to Purchase and the Letter of Transmittal contain important information that should be read before any decision is made with respect to the Offer.**

Copies of the Offer to Purchase and the Letter of Transmittal are being mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee shareholders and similar persons whose names, or the names of whose nominees, appear on the shareholder list of JMP or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares. Additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the information agent at the expense of JMP using the contact information set forth below. Any questions or requests for assistance may be directed to the information agent using the contact information set forth below. Shareholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

***The Information Agent for the Offer is:***

D.F. King & Co., Inc.  
48 Wall St, New York, NY 10005  
Banks and Brokers call: (212) 269-5550  
All others call: (800) 622-1569 (toll-free),  
Email: jmp@dfking.com

***The Dealer Manager for the Offer is:***

JMP Securities LLC  
600 Montgomery Street, Suite 1100  
San Francisco, CA 94111  
(415) 835-8900

**May 16, 2019**