BGC Partners, Inc.
Form 424B5
September 03, 2010
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Prospectus Supplement **Filed Pursuant to 424(b)(5)**

(To Prospectus dated May 21, 2010) **Registration No. 333-166564**

BGC PARTNERS, INC.

5,500,000 Shares of Class A Common Stock

We have entered into a controlled equity offering[SM] sales agreement, dated September 3, 2010, with Cantor Fitzgerald & Co., which we refer to as the sales agreement, relating to the shares of our Class A common stock, par value $0.01 per share, which we refer to as the Class A common stock, offered by this prospectus supplement. Pursuant to the terms of the sales agreement, we may offer and sell up to 5,500,000 shares of our Class A common stock, subject to the maximum aggregate gross sales price remaining (currently estimated to be approximately $71,000,000) under our Registration Statement on Form S-3 (File No. 333-166564), which we refer to as the Registration Statement, from time to time through Cantor Fitzgerald & Co., which we refer to as CF&Co., as our sales agent under the sales agreement. The sales agreement is in addition to our controlled equity offering[SM] sales agreement, dated June 2, 2010, with CF&Co., which we refer to as the June 2010 sales agreement, pursuant to which 294,090 shares of our Class A common stock remain available to be sold as of September 2, 2010.

Sales of shares of our Class A common stock, if any, under this prospectus supplement may be made in privately negotiated transactions or by any method permitted by law deemed to be an at-the-market equity offering as defined in Rule 415 under the Securities Act of 1933, as amended, which we refer to as the Securities Act, including, without limitation, sales made directly on or through the Nasdaq Global Select Market, the existing trading market for our Class A common stock, sales on any other existing trading market for our Class A common stock, or sales made to or through a market maker other than on an exchange, at market prices prevailing at the time of sale or at prices related to such prevailing market prices.

CF&Co. will be entitled to compensation equal to 2.0% of the gross proceeds of any of the shares of our Class A common stock referenced herein that are sold by it as our sales agent pursuant to the sales agreement. In connection with the sale of shares of our Class A common stock on our behalf, CF&Co. may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation of CF&Co. may be deemed to be underwriting commissions.

Our Class A common stock is traded on the Nasdaq Global Select Market under the symbol BGCP. On September 2, 2010, the last reported sale price of our Class A common stock was $5.53 per share.

An investment in shares of our Class A common stock involves risks. See the Risk Factors sections beginning on page 33 of our Annual Report on Form 10-K for the year ended December 31, 2009, page 56 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and page 52 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, each as filed with the Securities and Exchange Commission, which we refer to as the SEC, and any updates to those risk factors or new risk factors contained in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein, as well as the other information included in this prospectus supplement and the accompanying base prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Cantor Fitzgerald & Co.

The date of this prospectus supplement is September 3, 2010.

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Prospectus Supplement

Prospectus

You should rely only on the information provided in this prospectus supplement and the accompanying base prospectus and the information incorporated by reference into this prospectus supplement and the accompanying base prospectus. We have not, and the sales agent has not, authorized anyone to provide you with different information. We are not making an offer of shares of our Class A common stock pursuant to this prospectus supplement in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement, the accompanying base prospectus or any documents incorporated by reference into this prospectus supplement and the accompanying base prospectus is accurate as of any date other than the date of the applicable document. Since the respective dates of this prospectus supplement, the accompanying base prospectus, and the information incorporated by reference into this prospectus supplement and the accompanying base prospectus, our business, financial condition, liquidity, results of operations, cash flow and prospects might have changed.

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ABOUT THIS PROSPECTUS

This document consists of two parts: The first part is this prospectus supplement, which describes the specific terms of this offering and the shares of our Class A common stock offered hereby, and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus. The second part, the accompanying base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying base prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus include important information about us, this offering, and other information you should know before investing. You should read this prospectus supplement and the accompanying base prospectus together with the additional information described under the heading Where You Can Find More Information before investing in shares of our Class A common stock.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein or in documents incorporated by reference that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as may, will, should, estimates, predi potential, continue, strategy, believes, anticipates, plans, expects, intends and similar expressions are intended to identify forward-l statements.

Our actual results and the outcome and timing of certain events may differ significantly from the expectations discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to:

- pricing and commissions and market position with respect to any of our products and services and those of our competitors;
- the effect of industry concentration and reorganization, reduction of customers and consolidation;
- liquidity, clearing capital requirements and the impact of recent credit market events;
- market conditions, including trading volume and volatility, and further deterioration of the equity and debt capital markets;
- our relationship with Cantor Fitzgerald, L.P., which we refer to as Cantor, and its affiliates, including CF&Co., and any related conflicts of interest, competition for and retention of brokers and other managers and key employees, support for liquidity and capital and other relationships, including Cantor s holding of our convertible notes, CF&Co. s acting as our sales agent under our controlled equity or other offerings and CF&Co. s acting as financial advisor in connection with one or more business combination or other transactions;
- economic or geopolitical conditions or uncertainties;
- extensive regulation of our businesses, changes in regulations relating to the financial services industry, and risks relating to compliance matters, including regulatory examinations, investigations and enforcement actions;
- factors related to specific transactions or series of transactions, including credit, performance and unmatched principal risk, counterparty failure, and the impact of fraud and unauthorized trading;
- costs and expenses of developing, maintaining and protecting our intellectual property, including judgments or settlements paid or received in connection with intellectual property, as well as employment and other litigation and their related costs;
- certain financial risks, including the possibility of future losses and negative cash flow from operations, potential liquidity and other risks relating to the ability to obtain financing or refinancing of existing debt on terms acceptable to us, if at all, and risks of the resulting leverage, including potentially causing a reduction in our credit ratings and/or the associated outlook given by the rating agencies to those credit ratings, as well as interest and currency rate fluctuations;

our ability to enter new markets or develop new products, trading desks, marketplaces or services and to induce customers to use these products, trading desks, marketplaces or services and to secure and maintain market share;

our ability to enter into marketing and strategic alliances and other transactions, including acquisitions, dispositions, reorganizations, partnering opportunities and joint ventures, and the integration of any completed transactions;

our ability to hire new personnel;

our ability to expand the use of technology for hybrid and fully electronic trading;

our ability to effectively manage any growth that may be achieved;

our ability to identify any material weaknesses in our internal controls that could affect our ability to prepare financial statements and reports in a timely manner;

the effectiveness of our risk management policies and procedures, and the impact of unexpected market moves and similar events;

the prices at which shares of our Class A common stock are sold in one or more of our controlled equity or other offerings, including in business combination or other transactions, which prices may vary significantly, with purchasers of such shares, as well as our existing stockholders, suffering significant dilution if the price that they paid for their shares is higher than the price paid by other purchasers of our shares in such offerings;

our ability to meet expectations with respect to payments of dividends and distributions and repurchases of shares of our Class A common stock and purchases of BGC Holdings, L.P., which we refer to as BGC Holdings, limited partnership units or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners, and others, and the net proceeds to be realized by us from offerings of our shares of Class A common stock; and

the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2009, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, each as filed with the SEC, and any updates to those risk factors or new risk factors contained in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein.

The foregoing risks and uncertainties, as well as those risks referred to under the heading Risk Factors and those incorporated by reference herein, may cause actual results to differ materially from the forward-looking statements. The information included herein is given as of the date of this prospectus supplement, and future events or circumstances could differ significantly from these forward-looking statements. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information from this prospectus supplement and the accompanying base prospectus, but may not contain all information that may be important to you. The following summary is qualified in its entirety by the more detailed information included in or incorporated by reference into this prospectus supplement and the accompanying base prospectus. For a more complete understanding of the terms of our Class A common stock, and before making your investment decision, you should carefully read this entire prospectus supplement and the accompanying base prospectus and the documents referred to in Where You Can Find More Information and Incorporation of Certain Information by Reference.

When we use the words BGC Partners, the Company, we, us, ours, and our, we are referring to BGC Partners, Inc. and its consolidated subsidiaries.

Our Company

We are a leading global financial intermediary to the financial markets specializing in the brokering of a broad range of financial products globally, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commodities, futures, structured products and other instruments. We also provide a full range of services, including trade execution, broker-dealer services, clearing, processing, information, and other back office services, to a broad range of financial and non-financial institutions. Through our eSpeed and BGCantor Market Data brands, we also offer financial technology solutions, market data, and analytics related to select financial instruments and markets. Our customers include many of the world s largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments and investment firms. Our integrated platform is designed to provide flexibility to customers with regard to price discovery, execution and processing of transactions, and enables them to use voice, hybrid, or, where available, fully electronic brokerage services in connection with transactions executed either OTC or through an exchange.

We have offices in New York and London, as well as in Beijing (representative office), Chicago, Copenhagen, Hong Kong, Istanbul, Johannesburg, Mexico City, Moscow, Nyon, Paris, Rio de Janeiro, Sao Paulo, Sarasota, Seoul, Singapore, Sydney, Tokyo and Toronto.

As of June 30, 2010, we had 1,612 brokers and salespeople across approximately 180 desks and products (approximately triple the number we had in October 2004). In 2009, we processed approximately 15.7 million transactions, totaling almost $125 trillion notional on our hybrid and fully electronic platforms. During the first six months of 2010, we processed approximately 10.6 million transactions, totaling almost $90.8 trillion notional on our hybrid and fully electronic platforms.

Our Organizational Structure

On April 1, 2008, BGC Partners, LLC, which we refer to as BGC OldCo, and eSpeed, Inc. merged to form BGC Partners. Immediately prior to the merger, pursuant to a separation agreement, Cantor transferred certain assets and liabilities to BGC Partners OldCo and/or its subsidiaries.

We are a holding company and our business is operated through two operating partnerships, which we refer to as the OpCos : BGC U.S., which holds our U.S. businesses, and BGC Global, which holds our non-U.S. businesses. In connection with the separation, BGC Financial Group, Inc. (formerly known as Maxcor Financial Group Inc.) was contributed to BGC Partners OldCo in exchange for BGC Partners OldCo units that became shares of our common stock in the merger, and the remainder of the BGC businesses were contributed to the OpCos in exchange for limited partnership interests in the OpCos. In connection with the merger, eSpeed contributed the eSpeed businesses to the OpCos in exchange for limited partnership interests in the OpCos.

The limited partnership interests of the OpCos are held by us and BGC Holdings, and the limited partnership interests of BGC Holdings are currently held by Cantor, the founding/working partners, and, other partners, including the REU, RPU, PSU and PSI partners. We hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitle us to

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remove and appoint the general partner of BGC Holdings, and serve as the general partner of BGC Holdings, which entitles us to control BGC Holdings. BGC Holdings, in turn, holds the BGC U.S. general partnership interest and the BGC U.S. special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC U.S., and the BGC Global general partnership interest and the BGC Global special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC Global, and serves as the general partner of BGC U.S. and BGC Global, all of which entitle BGC Holdings (and thereby us) to control each of BGC U.S. and BGC Global. BGC Holdings holds its BGC Global general partnership interest through a company incorporated in the Cayman Islands, BGC Global Holdings GP Limited.

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The following diagram illustrates our ownership structure as of August 31, 2010. The following diagram does not reflect the various subsidiaries of ours, BGC U.S., BGC Global, BGC Holdings or Cantor, or, to the extent applicable, outstanding RSUs.

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* Shares of our Class B common stock, $0.01 par value per share, which we refer to as our Class B common stock, are convertible into shares of our Class A common stock at any time in the discretion of the holder on a one-for-one basis (subject to adjustment). Accordingly, if Cantor converted all of its Class B common stock into Class A common stock, Cantor would hold 32.3% of the voting power and the public stockholders would hold 67.7% of the voting power (and its indirect economic interests in each of BGC U.S. and BGC Global would remain unchanged). This diagram does not reflect Cantor s economic interest in the convertible notes or the 21,689,924 shares of our Class A common stock acquirable by Cantor upon conversion thereof. If Cantor converted all of the convertible notes into shares of our Class A common stock, Cantor would hold 82.1% of the voting power and the public stockholders would hold 17.9% of the voting power (and its indirect economic interests in each of BGC U.S. and BGC Global would be 47.8%). This diagram also does not reflect the 294,090 shares of our Class A common stock remaining to be sold pursuant to the June 2010 sales agreement. In addition, this diagram does not give effect to the request by the holders of approximately 830,000 limited partnership interests to exchange their units for an equal number of shares of our Class A common stock in connection with our partnership redemption and compensation restructuring program.

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The Offering

Issuer	BGC Partners, Inc.
Shares of our Class A common stock offered by us	Up to 5,500,000 shares of our Class A common stock from time to time through CF&Co.
Use of proceeds	We intend to use the net proceeds from the sale of the shares of our Class A common stock that we offer by this prospectus supplement for general corporate purposes, including, but not limited to, financing our existing business and operations, expanding our business and operations through additional broker hires, strategic alliances and acquisitions, and repurchasing shares of our Class A common stock or purchasing limited partnership interests in BGC Holdings or other equity interests in our subsidiaries. We may use the net proceeds of this offering directly for such purposes, or contribute a portion of the net proceeds to BGC U.S. and/or BGC Global in exchange for BGC U.S. limited partnership interests and/or BGC Global limited partnership interests, which may in turn use the proceeds for such purposes.
Nasdaq Global Select Market symbol	BGCP

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RISK FACTORS

An investment in shares of our Class A common stock involves risks. You should consider carefully the Risk Factors beginning on page 33 of our Annual Report on Form 10-K for the year ended December 31, 2009, on page 56 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and on page 52 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, each as filed with the SEC, and any updates to those risk factors or new risk factors contained in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein, as well as the other information included in this prospectus supplement and the accompanying base prospectus, before making an investment decision. Any of the risk factors could significantly and negatively affect our business, financial condition or operating results and the trading price of our Class A common stock. You could lose all or part of your investment.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the shares of our Class A common stock that we offer by this prospectus supplement for general corporate purposes, including, but not limited to, financing our existing business and operations, expanding our business and operations through additional broker hires, strategic alliances and acquisitions, and repurchasing shares of our Class A common stock or purchasing limited partnership interests in BGC Holdings or other equity interests in our subsidiaries. We may use the net proceeds of this offering directly for such purposes, or contribute a portion of the net proceeds to BGC U.S. and/or BGC Global in exchange for BGC U.S. limited partnership interests and/or BGC Global limited partnership interests, which may in turn use the proceeds for such purposes.

We may raise additional funds from time to time through equity or debt financing, including borrowings under credit facilities, for such purposes.

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DIVIDEND POLICY

Our board of directors has authorized a dividend policy which provides that we expect to pay not less than 75% of our post-tax distributable earnings per fully diluted share (defined below) as cash dividends to all common stockholders, with the balance of such distributable earnings to be available to repurchase shares of our Class A common stock or purchase BGC Holdings units or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners and others. We calculate our post-tax distributable earnings generally as our GAAP income (loss) from continuing operations before minority interest and income taxes and excluding certain non-cash compensation and other non-cash expenses, as well as non-cash undistributed income or non-cash losses from our equity investments, adjusted to assume that such earnings were taxed at the same effective tax rate as BGC Partners, Inc. (please see below for a more detailed definition of post-tax distributable earnings).

Our board of directors and our audit committee have authorized repurchases of our Class A common stock and purchases of BGC Holdings units or other equity interests in our subsidiaries as part of this policy, including those held by Cantor, our executive officers, other employees, partners and others, at the volume weighted-average price over various time periods, or at other negotiated prices, of such securities on the date on which such repurchase or purchase is made. As of August 31, 2010, we had approximately $97.6 million remaining under this authorization and may continue to actively make repurchases or purchases, or cease to make such repurchases or purchases, from time to time. We expect to pay such dividends, if and when declared by our board of directors, on a quarterly basis. The dividend to stockholders is expected to be calculated based on post-tax distributable earnings allocated to BGC Partners, Inc. and generated over the fiscal quarter ending prior to the record date for the dividend. No assurance can be made, however, that a dividend will be paid each quarter.

The declaration, payment, timing and amount of any future dividends payable by us will be at the sole discretion of our board of directors. We are a holding company, with no direct operations, and therefore we are able to pay dividends only from our available cash on hand and funds received from distributions from BGC U.S. and BGC Global. Our ability to pay dividends may also be limited by regulatory considerations as well as by covenants contained in future financing or other agreements. In addition, under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our liabilities and our capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Accordingly, any unanticipated accounting, tax or other charges against net income may adversely affect our ability to pay dividends. While we intend to declare and pay dividends quarterly, there can be no assurance that our board of directors will declare dividends at all or on a regular basis or that the amount of our dividends will not change.

Any distributable earnings and other cash of BGC Partners, Inc. not used for dividends will generally be available for repurchases of Class A common stock, purchases of BGC Holdings units or purchases of other equity interests in our subsidiaries. If such repurchases or purchases are made, they will have the effect of reducing the total number of fully diluted shares outstanding, which results in each share of common stock of BGC Partners, Inc. and each partnership unit of BGC Holdings that remains outstanding being eligible to receive an increased share of the distributable earnings of BGC Partners, Inc. and may cause BGC Partners, Inc. to bear certain interest expenses.

Certain Definitions

Revenues for distributable earnings, pre-tax distributable earnings and post-tax distributable earnings are supplemental measures of operating performance which are used by our management to evaluate the financial performance of us and our subsidiaries. We believe that distributable earnings best reflects the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers available for distribution to BGC Partners, Inc. and its common stockholders as well as to holders of BGC Holdings partnership units during any period. As compared with income (loss) from continuing operations before income taxes, net income (loss) for fully diluted shares, and fully diluted earnings (loss) per share, all prepared in accordance with GAAP, distributable earnings calculations exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by us, which do not dilute existing stockholders, and which do not have economic consequences, as described below.

Revenues for distributable earnings are defined as GAAP revenues excluding the impact of BGC Partners, Inc. s non-cash earnings or losses related to our equity investments, such as in Aqua Securities, L.P. and ELX Futures, L.P., and its holding company general partner, ELX Futures Holdings LLC.

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Pre-tax distributable earnings are defined as GAAP income (loss) from continuing operations before income taxes excluding non-cash, non-dilutive, and non-economic items, including, for example:

- Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners, Inc. with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion;

- Allocations of net income to founding/working partner and other units, including REUs, RPUs, PSUs and PSIs;

- Non-cash asset impairment charges, if any.

Distributable earnings calculations also exclude charges related to purchases, cancellations or redemptions of partnership interests and certain one-time or non-recurring items, if any.

Since distributable earnings are calculated on a pre-tax basis, management intends to also report post-tax distributable earnings and post-tax distributable earnings per fully diluted share :

- Post-tax distributable earnings are defined as pre-tax distributable earnings adjusted to assume that all pre-tax distributable earnings were taxed at the same effective rate.

- Post-tax distributable earnings per fully diluted share are defined as post-tax distributable earnings divided by the weighted-average number of fully diluted shares for the period.

- In the event that there is a GAAP loss but positive distributable earnings, the distributable earnings per share calculation will include all fully diluted shares that would be excluded under GAAP to avoid anti-dilution, but will exclude quarterly interest expense, net of tax, associated with the convertible notes.

In addition to the quarterly dividend to our common stockholders, we expect to pay a pro rata distribution of net income to BGC Holdings founding/working partner and other units, including REUs, RPUs, PSUs and PSIs, and to Cantor for its noncontrolling interest. The amount of all of these payments is expected to be determined using the same definition of distributable earnings. The dividend to stockholders is expected to be calculated based on post-tax distributable earnings allocated to us and generated over the fiscal quarter ending prior to the record date for the dividend. No assurance can be made, however, that a dividend will be paid each quarter.

Employees who are holders of unvested restricted stock units, which we refer to as RSUs, are granted pro-rata payments equivalent to the amount of dividend paid to common stockholders. Under GAAP, dividend equivalents on unvested RSUs are required to be taken as a compensation charge in the period paid. However, to the extent that they represent cash payments made from the prior period s distributable earnings, they do not dilute existing stockholders and are therefore excluded from the calculation of distributable earnings.

Distributable earnings is not meant to be an exact measure of cash generated by operations and available for distribution, nor should it be considered in isolation or as an alternative to cash flow from operations or income (loss) for fully diluted shares. We view distributable earnings as a metric that is not necessarily indicative of liquidity or the cash available to fund our operations.

Pre- and post-tax distributable earnings are not intended to replace the presentation of our GAAP financial results. However, management does believe that they will help provide investors with a clearer understanding of our financial performance and offer useful information to both management and investors regarding certain financial and business trends related to our financial condition and results of operations. Management believes that distributable earnings and the GAAP measures of our financial performance should be considered together.

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PRICE RANGE OF CLASS A COMMON STOCK

Our Class A common stock is traded on the Nasdaq Global Select Market under the symbol BGCP. There is no public trading market for our Class B common stock, which is held by Cantor and CFGM. The following table sets forth, for the fiscal quarters indicated, the high and low sales prices per share of our Class A common stock, as reported in the consolidated transaction reporting system.

We declared quarterly dividends of $0.09, $0.09, $0.08, $0.06, $0.14 and $0.14 for the first, second, third and fourth quarters of 2009 and the first and second quarters of 2010, respectively.

	High	Low
2010		
First Quarter	$ 6.47	$ 3.72
Second Quarter	$ 6.97	$ 5.05
Third Quarter (through September 2, 2010)	$ 5.72	$ 4.69
2009		
First Quarter	$ 3.24	$ 1.40
Second Quarter	$ 4.05	$ 2.18
Third Quarter	$ 4.74	$ 3.78
Fourth Quarter	$ 5.66	$ 4.13
2008		
First Quarter	$ 12.97	$ 10.62
Second Quarter	$ 12.11	$ 6.90
Third Quarter	$ 7.73	$ 3.35
Fourth Quarter	$ 4.59	$ 2.15

On September 2, 2010, the closing price of our Class A common stock on the Nasdaq Global Select Market was $5.53. As of September 2, 2010, there were 320 holders of record of our Class A common stock and two holders of record of our Class B common stock.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2010:

- on an actual basis;

- on an as adjusted basis to give effect to certain events occurring subsequent to June 30, 2010 through August 31, 2010 as described in the footnotes below, excluding the results of operations subsequent to June 30, 2010, the 294,090 shares of our Class A common stock remaining to be sold pursuant to the June 2010 sales agreement and the request by the holders of approximately 830,000 limited partnership interests to exchange their units for an equal number of shares of our Class A common stock in connection with our partnership redemption and compensation restructuring program, as described further below in footnote (7); and

- on an as further adjusted basis to give further effect to the issuance and sale by us of 5,500,000 shares of our Class A common stock pursuant to this prospectus supplement, at an assumed offering price of $5.15 per share, the last reported closing price of our Class A common stock on the Nasdaq Global Select Market on August 31, 2010, resulting in net proceeds of $27,658,500 after deducting estimated issuance costs of $666,500, which includes the maximum assumed compensation payable to CF&Co. in connection with the sale of all 5,500,000 shares of our Class A common stock sold pursuant to this prospectus supplement.

This table should be read in conjunction with our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, both of which are incorporated by reference into this prospectus.

	Actual as of June 30, 2010	As Adjusted[7] (in thousands)	As Further Adjusted
Long-term indebtedness:			
8.75% Convertible Senior Notes due 2015[1]	$ 150,000	$ 150,000	$ 150,000
8.09% Secured Loan Arrangement	14,672	14,672	14,672
Redeemable partnership interest[2]	96,490	92,370	92,370
Noncontrolling interest[2][3]	113,336	87,055	87,055
Stockholders Equity:			
Class A common stock, par value $0.01 per share; 500,000 shares authorized; 81,354 shares issued and 63,889 shares outstanding on an actual basis; 500,000 shares authorized; 83,860 shares issued and 65,941 outstanding on an as adjusted basis; and 500,000 shares authorized; 88,915 shares issued and 65,996 shares outstanding on an as further adjusted basis[2][4][6]	814	846	901
Class B common stock, par value $0.01 per share; 100,000 shares authorized and 25,848 shares issued and outstanding on an actual basis, as adjusted basis and as further adjusted basis	258	258	258
Additional paid-in-capital[2][4][5]	328,147	330,845	358,449
Treasury stock, at cost; 17,465 shares of Class A common stock on an actual basis; and 17,919 shares on an as adjusted basis and as further adjusted basis[6]	(107,127)	(109,528)	(109,528)
Retained deficit	(15,610)	(15,610)	(15,610)
Accumulated other comprehensive loss	(4,912)	(4,912)	(4,912)
Total stockholders equity	201,570	201,899	229,558

Total capitalization	$ 576,068	$ 545,996	$ 573,655

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(1) The 8.75% Convertible Senior Notes due 2015 are convertible by Cantor into 21,689,924 shares of our Class A common stock.

(2) The change in Redeemable partnership interest in the As Adjusted column was attributable to the following:

On July 16, 2010, 164,086 founding partner units were exchanged for 164,086 shares of our Class A common stock;
On August 12, 2010, 400,000 founding partner units were exchanged for 400,000 shares of our Class A common stock;
On August 27, 2010 and August 31, 2010, BGC Holdings redeemed an aggregate of 214,176 and 325,400 founding partner units, respectively, held by three former founding partners, and Cantor exercised its right to purchase from BGC Holdings an equivalent number of Cantor units; and
Redemption of 284,800 founding partner units for cash in connection with our partnership redemption and compensation restructuring program since June 30, 2010.

(3) The change in Noncontrolling interest in the As Adjusted column was attributable to the events described in footnote (2) and the following:

Distributions paid by us to holders of limited partnership interests;
On August 16, 2010, 200,000 Cantor units were exchanged for 200,000 shares of our Class A common stock;
Redemption of 1,176,786 limited partnership interests for cash, at a weighted-average purchase price of $5.21 per limited partnership interest, in connection with our partnership redemption and compensation restructuring program since June 30, 2010; and
An increase related to the noncontrolling interest in Tower Bridge.

(4) The change in Class A common stock in the As Adjusted column was attributable to the events described in footnotes (2) and (6) and the following:

Pursuant to the June 2010 sales agreement with CF&Co., we may sell up to 5,500,000 shares of our Class A common stock. Through June 30, 2010, we sold 3,230,000 shares of our Class A common stock pursuant to the June 2010 sales agreement. Since June 30, 2010, we have sold 1,975,910 additional shares of our Class A common stock pursuant to the June 2010 sales agreement, at a weighted-average net selling price of $5.13 per share for aggregate net proceeds of $10.1 million, resulting in 294,090 shares remaining to be sold of the 5,500,000 shares;
On August 16, 2010, we issued 200,000 shares of our Class A common stock upon the exchange of 200,000 Cantor units; and
We issued 119,277 net shares of our Class A common stock upon the vesting of RSUs since June 30, 2010.

(5) The change in the Additional paid-in-capital in the As Adjusted column was attributable to the events described in footnotes (2) and (4) and the following:

On August 2, 2010, our board of directors declared a quarterly cash dividend of $0.14 per share payable on August 30, 2010 to our common stockholders of record as of August 16, 2010; and
On August 12, 2010, 400,000 shares of our Class A common stock were donated to the Cantor Fitzgerald Relief Fund by a founding partner in connection with our 2009 Charity Day.

(6) The change in the Treasury stock in the As Adjusted column was attributable to the following:

On August 12, 2010, we repurchased 400,000 shares of our Class A common stock that were donated to the Cantor Fitzgerald Relief Fund by a founding partner in connection with our 2009 Charity Day; and

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On August 12, 2010, we repurchased 53,945 shares of our Class A common stock from one of our executive officers.

(7) The As Adjusted column of this table does not include income statement activity for our third fiscal quarter ending September 30, 2010. This table does not include the 294,090 shares of our Class A common stock remaining to be sold pursuant to the June 2010 sales agreement. This table also does not give effect to the request by the holders of approximately 830,000 limited partnership interests to exchange their units for an equal number of shares of our Class A common stock in connection with our partnership redemption and compensation restructuring program.

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DESCRIPTION OF CAPITAL STOCK

Please refer to the section entitled Description of Capital Stock on page 9 of the accompanying base prospectus for a summary description of our Class A common stock being offered by this prospectus supplement.

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CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

FOR NON-U.S. HOLDERS OF CLASS A COMMON STOCK

The following is a general discussion of certain U.S. federal income tax considerations with respect to the acquisition, ownership and disposition of shares of our Class A common stock applicable to non-U.S. holders who acquire such shares in this offering and hold such shares as a capital asset (generally, property held for investment). For purposes of this discussion, a non-U.S. holder means a beneficial owner of our Class A common stock (other than an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes, any of the following: