

BGC Partners, Inc.
Form 424B3
June 07, 2012
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Registration No. 333-180391

Prospectus

BGC PARTNERS, INC.

1,050,000 Shares of Class A Common Stock

This prospectus relates to 1,050,000 shares of Class A common stock, par value \$0.01 per share, which we refer to as our Class A common stock, of BGC Partners, Inc., which we refer to as BGC Partners, we, us, or the Company, 750,000 shares of which we donated to The Cantor Fitzgerald Relief Fund, which we refer to as the Relief Fund, on February 3, 2012, and 300,000 shares of which we donated to the Relief Fund on March 9, 2012. These 1,050,000 shares may be offered and sold under the registration statement of which this prospectus forms a part by the Relief Fund or by its pledgees, donees, transferees or other successors in interest, which we refer to collectively as the Selling Stockholders.

The Selling Stockholders may offer the shares of our Class A common stock included in this prospectus from time to time and sell shares in amounts, at prices and on terms to be determined at the time of the offering. The Selling Stockholders may sell the shares to or through one or more underwriters, dealers or agents or directly to purchasers on a delayed or continuous basis.

We will not receive any of the proceeds from the sale of the shares of our Class A common stock by the Selling Stockholders.

We have agreed to pay the expenses of the registration of the shares of our Class A common stock offered and sold under the registration statement by the Selling Stockholders. The Selling Stockholders will pay any underwriting discounts, commissions and transfer taxes applicable to the shares of Class A common stock sold by them.

Our Class A common stock is traded on the Nasdaq Global Select Market under the symbol BGCP. On June 7, 2012, the last reported sales price of our Class A common stock was \$6.23 per share.

An investment in shares of our Class A common stock involves risks. See the Risk Factors section of our latest Annual Report on Form 10-K 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 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.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 7, 2012.

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You should rely only on the information provided in this prospectus and the information incorporated by reference into this prospectus. We have not authorized anyone to provide you with different information. No offer of shares of our Class A common stock is being made in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any documents incorporated by reference into this prospectus is accurate as of any date other than the date of the applicable document. Since the respective dates of this prospectus and the documents incorporated by reference into this prospectus, our businesses, financial condition, results of operations, cash flows and prospects might have changed.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under the shelf registration process, the Selling Stockholders may offer and sell shares of our Class A common stock as described in this prospectus in one or more offerings. Any prospectus supplement may add, update, substitute or change the information contained in this prospectus, including the identities of any of the Selling Stockholders and the number of shares registered on their behalf. You should carefully read this prospectus, together with the additional information described below.

This prospectus and the documents incorporated by reference into this prospectus include important information about us, our Class A common stock, this offering, and other information you should know before investing. You should read this prospectus together with the additional information described under the headings *Where You Can Find More Information* and *Documents Incorporated by Reference* before investing in shares of Class A common stock.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as 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*, *predicts*, *potential*, *continue*, *strategy*, *believes*, *anticipates*, *plans*, *expects*, *intends* and similar expressions are intended to identify forward-looking 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, regulatory and clearing capital requirements and the impact of credit market events;

market conditions, including trading volume and volatility, potential deterioration of the equity and debt capital markets, and our ability to access the capital markets;

our relationships with Cantor Fitzgerald, L.P., which we refer to as *Cantor*, and its affiliates, including Cantor Fitzgerald & Co., which we refer to as *CF&Co*, 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 8.75% convertible notes, CF&Co's acting as our sales agent under our controlled equity or other offerings, and CF&Co's acting as our financial advisor in connection with one or more business combinations or other transactions;

economic or geopolitical conditions or uncertainties;

extensive regulation of our businesses, changes in regulations relating to the financial services and other industries, and risks relating to compliance matters, including regulatory examinations, inspections, investigations and enforcement actions, and any resulting costs, fines, penalties, sanctions, enhanced oversight, increased financial and capital requirements, and changes to or restrictions or limitations on specific activities, operations, compensatory arrangements, and growth opportunities, including acquisitions, hiring,

and new business, products, or services;

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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, as well as employment and other litigation and their related costs, including judgments or settlements paid or received;

certain financial risks, including the possibility of future losses and negative cash flows from operations, an increased need for short-term borrowings, potential liquidity and other risks relating to our 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 outlooks given by the rating agencies to those credit ratings, increased borrowing costs, 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 business combination or other transactions in the financial services, real estate and other industries, including acquisitions, dispositions, reorganizations, partnering opportunities and joint ventures and to meet our financial reporting obligations with respect thereto, and the integration of any completed transactions;

our ability to hire and retain 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, while ensuring compliance with all applicable regulatory requirements;

our ability to identify and remediate any material weaknesses in our internal controls that could affect our ability to prepare financial statements and reports in a timely manner, control our policies, procedures, operations and assets, assess and manage our operational, regulatory and financial risks, and integrate our acquired businesses;

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

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

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 limited partnership interests of BGC Holdings, L.P., which we refer to as BGC Holdings, or other equity interests of 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;

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the effect on the market for and trading price of our Class A common stock of various offerings and other transactions, including our controlled equity and other offerings of Class A common stock and convertible or exchangeable debt securities, our repurchases of shares of Class A common stock and purchases of BGC Holdings limited partnership interests or other equity interests of our subsidiaries, our payment of dividends on Class A common stock and distributions on BGC Holdings limited partnership interests, convertible arbitrage, hedging, and other transactions engaged in by holders of our 4.50% convertible notes and counterparties to our capped call transactions, and resales of shares of Class A common stock acquired from us or Cantor, including pursuant to our employee benefit plans, conversion of our convertible notes, conversion or exchange of our convertible or exchangeable debt securities, and distributions from Cantor pursuant to Cantor's distribution rights obligations and other distributions to Cantor partners, including deferred distribution rights shares; and

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the risk factors described in our latest Annual Report on Form 10-K filed with the SEC and any updates to those risk factors or new risk factors contained in our subsequent 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 and uncertainties referred to under the heading "Risk Factors" and those incorporated by reference into this prospectus, may cause actual results to differ materially from the forward-looking statements. The information included or incorporated by reference into this prospectus is given as of the respective dates of this prospectus or the documents incorporated by reference into this prospectus, and future events or circumstances could differ significantly from such information. 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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CERTAIN DEFINED TERMS

Unless we otherwise indicate or unless the context requires otherwise, any reference in this prospectus to:

4.50% convertible notes refers to the BGC Partners 4.50% convertible senior notes due 2016, which are convertible into shares of Class A common stock;

8.75% convertible notes refers to the BGC Partners 8.75% convertible senior notes due 2015, which are convertible into shares of Class A common stock;

April 2008 distribution rights shares refers to shares of Class A common stock distributed, or to be distributed on a deferred basis, by Cantor to certain current and former partners of Cantor pursuant to distribution rights provided to such partners on April 1, 2008;

BGC Global refers to BGC Global Holdings, L.P., which holds the non-U.S. businesses of BGC Partners;

BGC Holdings refers to BGC Holdings, L.P.;

BGC Partners refers to BGC Partners, Inc. and its consolidated subsidiaries;

BGC Partners OldCo refers to BGC Partners, LLC (formerly known as BGC Partners, Inc.) before the merger;

BGC U.S. refers to BGC Partners, L.P., which holds the U.S. businesses of BGC Partners;

Cantor or the Cantor group refers to Cantor Fitzgerald, L.P. and its subsidiaries other than BGC Partners;

Cantor units refers to exchangeable limited partnership interests of BGC Holdings held by Cantor entities;

CF&Co refers to Cantor Fitzgerald & Co.;

CFGM refers to CF Group Management, Inc., the managing general partner of Cantor;

Class A common stock refers to BGC Partners Class A common stock, par value \$0.01 per share;

Class B common stock refers to BGC Partners Class B common stock, par value \$0.01 per share;

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common stock refers to Class A common stock and Class B common stock, collectively;

convertible notes refers to the 4.50% convertible notes and the 8.75% convertible notes, collectively;

debt securities refers to any debt securities of BGC Partners that may be sold under its Registration Statement on Form S-3 (Registration No. 333-180331).

deferred distribution rights shares refers to distribution rights shares to be distributed by Cantor on a deferred basis;

distribution rights refers to the obligation of Cantor to distribute to certain current and former partners of Cantor shares of Class A common stock;

distribution rights shares refers to the April 2008 distribution rights shares and the February 2012 distribution rights shares, collectively;

eSpeed refers to eSpeed, Inc.;

February 2012 distribution rights shares refers to shares of Class A common stock to be distributed on a deferred basis to certain partners of Cantor in payment of previous quarterly partnership distributions pursuant to distribution rights provided to such partners on February 14, 2012;

February 2012 sales agreement refers to the controlled equity offering sales agreement, dated February 15, 2012, between BGC Partners and CF&Co;

founding partners refers to the individuals who became limited partners of BGC Holdings in the mandatory redemption of interests in Cantor in connection with the separation and merger and who

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provide services to BGC Partners (provided that members of the Cantor group and Howard W. Lutnick (including any entity directly or indirectly controlled by Mr. Lutnick or any trust with respect to which he is a grantor, trustee or beneficiary) are not founding partners);

founding/working partners refers to founding partners and/or working partners of BGC Holdings;

founding/working partner units refers to partnership units of BGC Holdings held by founding/working partners;

GAAP refers to accounting principles generally accepted in the United States of America;

limited partners refers to holders of limited partnership units;

limited partnership interests refers to founding/working partner units, limited partnership units and Cantor units, collectively;

limited partnership units refers to REUs, RPU, PSUs and PSIs, collectively;

merger refers to the merger of BGC Partners OldCo with and into eSpeed on April 1, 2008 pursuant to the Agreement and Plan of Merger, dated as of May 29, 2007, as amended as of November 5, 2007 and February 1, 2008, by and among eSpeed, BGC Partners OldCo, Cantor, BGC U.S., BGC Global and BGC Holdings;

OpCos refers to BGC U.S. and BGC Global, collectively;

PSIs refers to certain working partner units of BGC Holdings held by certain employees of BGC Partners and other persons who provide services to BGC Partners;

PSUs refers to certain working partner units of BGC Holdings held by certain employees of BGC Partners and other persons who provide services to BGC Partners;

REUs refers to certain limited partnership units of BGC Holdings held by certain employees of BGC Partners and other persons;

RPU refers to certain limited partnership units of BGC Holdings held by certain employees of BGC Partners and other persons;

RSUs refers to BGC Partners unvested restricted stock units held by certain employees of BGC Partners and other persons who provide services to BGC Partners;

separation refers to the transfer by Cantor of certain assets and liabilities to BGC Partners OldCo and/or its subsidiaries pursuant to the Separation Agreement, dated as of March 31, 2008, by and among Cantor, BGC Partners OldCo, BGC U.S., BGC Global and BGC Holdings;

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September 2011 sales agreement refers to the controlled equity offering sales agreement, dated September 9, 2011, between BGC Partners and CF&Co;

short-term borrowings refers to borrowings under our revolving credit agreement, dated June 23, 2011, which provides for up to \$130.0 million of unsecured revolving credit through June 23, 2013;

working partners refers holders of working partner units; and

working partner units refers to partnership units of BGC Holdings held by working partners.

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SUMMARY

*This summary highlights selected information from this 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. 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 and the documents referred to in *Where You Can Find More Information* and *Documents Incorporated by Reference*. See the *Certain Defined Terms* section beginning on page v of this prospectus for the definition of certain terms used in this prospectus.*

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

The Company

We are a leading global brokerage company primarily servicing the wholesale financial and property markets, specializing in the brokering of a broad range of products, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commercial real estate, commodities, futures, and structured products. 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. 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, in many markets, fully electronic brokerage services in connection with transactions executed either over-the-counter or through an exchange. Through our eSpeed, BGC Trader, and BGC Market Data brands, we offer financial technology solutions, market data, and analytics related to select financial instruments and markets.

In the second quarter of 2012, we completed the acquisition of substantially all of the assets of Grubb & Ellis Company and its direct and indirect subsidiaries (Grubb & Ellis) and have been integrating the Grubb & Ellis assets with our Newmark Knight Frank brand. The resulting brand, Newmark Grubb Knight Frank, is a full-service commercial real estate platform. Through this Newmark Grubb Knight Frank brand, we offer a wide range of services, including leasing and corporate advisory, investment sales and financial services, consulting, project and development management, and property and facilities management.

Our customers include many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, property owners, real estate developers and investment firms. We have offices in dozens of major markets, including New York and London, as well as in Atlanta, Beijing, Boston, Chicago, Copenhagen, Dubai, Hong Kong, Houston, Istanbul, Johannesburg, Los Angeles, Mexico City, Miami, Moscow, Nyon, Paris, Rio de Janeiro, São Paulo, Seoul, Singapore, Sydney, Tokyo, Toronto, Washington, D.C. and Zurich. We expect to have additional offices as we integrate the Grubb & Ellis business. As of March 31, 2012, we had 2,170 brokers and salespeople across more than 220 desks.

Our Organizational Structure

We are a holding company, and our businesses are 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. 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 the founding/working partners, holders of limited partnership units and Cantor. We hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitle us to remove and appoint the general partner of BGC

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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 May 31, 2012. The following diagram does not reflect the various subsidiaries of us, BGC U.S., BGC Global, BGC Holdings or Cantor, or the noncontrolling interests in our consolidated subsidiaries, other than Cantor's units in BGC Holdings.

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* Shares of 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. Accordingly, if Cantor converted all of its Class B common stock into Class A common stock, Cantor would hold 28.2% of the voting power, and the public stockholders would hold 71.8% of the voting power (and the indirect economic interests in BGC U.S. and BGC Global would remain unchanged). The diagram reflects (i) the aggregate of 1,050,000 shares of Class A common stock that we donated to the Relief Fund on February 3, 2012 and March 9, 2012, all of which shares are included in this prospectus; (ii) 1,010,655 shares of Class A common stock that Cantor distributed to its partners on February 14, 2012 and 282,023 shares of Class A common stock that Cantor distributed to its partners on March 21, 2012 (but not the 1,928,103 February 2012 distribution rights shares that remain to be distributed by Cantor); (iii) an aggregate of 721,679 April 2008 distribution rights shares that Cantor has distributed since September 2011, including the 498,960 shares of Class A common stock that Cantor distributed on February 14, 2012 (but not the 15,545,606 April 2008 distribution rights shares that remain to be distributed by Cantor); (iv) 75,000 shares of Class A common stock that Cantor donated to the Relief Fund on March 9, 2012 and that may be included in the prospectus under our separate resale Registration Statement on Form S-3 (Registration No. 333-175034); (v) an aggregate of 5,150,000 shares of Class A common stock that we have sold under the September 2011 sales agreement since January 1, 2012, (but not the 140,090 shares that remain to be sold under that sales agreement), pursuant to our shelf Registration Statement on Form S-3 (Registration No. 333-176523); (vi) an aggregate of 886,569 Cantor units that Cantor purchased from BGC Holdings on March 13, 2012 in connection with the redemption and/or grant of exchangeability of founding/working partner units; (vii) an aggregate of 34,160 Cantor units that Cantor purchased from BGC Holdings on May 4, 2012 in connection with the redemption of non-exchangeable founding/working partner units; (viii) an aggregate of 44,013 shares of Class A common stock that we repurchased, including an aggregate of 41,523 shares from Mr. Merkel and certain family trusts, on March 13, 2012; and (ix) 895,141 exchangeable founding/working partner units that we repurchased from a founding/working partner on April 5, 2012. The diagram does not reflect Cantor's economic interest in the 8.75% convertible notes or the 22,959,124 shares of Class A common stock acquirable by Cantor upon conversion thereof. If Cantor converted all of the 8.75% convertible notes into shares of Class A common stock, Cantor would hold 78.9% of the voting power, and the public stockholders would hold 21.1% of the voting power (and Cantor's indirect economic interests in each of BGC U.S. and BGC Global would be 38.8%). Further, the diagram does not reflect (i) 10,000,000 shares of Class A common stock that may be sold under the February 2012 sales agreement, pursuant to our shelf Registration Statement on Form S-3 (Registration No. 333-176523); (ii) 9,961,596 shares of Class A common stock that remain available to be sold pursuant to the BGC Partners, Inc. Dividend Reinvestment and Stock Purchase Plan under our shelf Registration Statement on Form S-3 (Registration No. 333-173109); (iii) 19,208,090 shares of Class A common stock that may be sold under our acquisition shelf Registration Statement on Form S-4 (Registration No. 333-169232); (iv) 16,260,160 shares of Class A common stock that may be issued upon conversion of the 4.50% convertible notes; or (v) any shares of Class A common stock that may become issuable upon the conversion or exchange of any convertible or exchangeable debt securities that may in the future be sold under our shelf Registration Statement on Form S-3 (Registration No. 333-180331). For purposes of the diagram and this paragraph, Cantor's percentage ownership also includes CFGM's percentage ownership.

Executive Offices

Our executive offices are located at 499 Park Avenue, New York, New York 10022, while our international headquarters are located at 1 Churchill Place, Canary Wharf, London E14 5RD, United Kingdom. Our telephone number is (212) 610-2200. Our website is located at www.bgcpartners.com, and our e-mail address is info@bgcpartners.com. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this prospectus.

The Offering

Shares of our Class A common stock offered by the Selling Stockholders: 1,050,000 shares

Use of Proceeds: We will not receive any of the proceeds from the sale of shares of our Class A common stock by the Selling Stockholders.

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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 section of our latest Annual Report on Form 10-K filed with the SEC, and any updates to those risk factors or new risk factors contained in our subsequent 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 before making an investment decision. Any of the risk factors could significantly and negatively affect our businesses, financial condition, results of operations, cash flows, and prospects and the trading price of Class A common stock. You could lose all or part of your investment in our Class A common stock.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our Class A common stock by the Selling Stockholders.

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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 as cash dividends to our 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 limited partnership interests or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners and others. Please see below for a detailed definition of post-tax distributable earnings per fully diluted share.

Our board of directors and our audit committee have authorized repurchases of shares of our Class A common stock and redemptions of BGC Holdings limited partnership interests or other equity interests in our subsidiaries, including those held by Cantor, our executive officers, other employees, partners and others. As of May 31, 2012, we had approximately \$50.8 million remaining under this authorization and may continue to actively make repurchases or redemptions, or cease to make such repurchases or redemptions, 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 our common 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 financing or other agreements. In addition, under Delaware law, dividends may be payable only out of surplus, which is our net assets minus 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, regulatory or other charges against net income may adversely affect our ability to declare 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.

Certain Definitions

Revenues for distributable earnings, pre-tax distributable earnings and post-tax distributable earnings are supplemental measures of operating performance that 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 us on a consolidated basis and are the earnings which management considers available for distribution to BGC Partners and its common stockholders, as well as to holders of BGC Holdings limited partnership interests, during any period.

As compared with income (loss) from 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 primarily 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. In addition, distributable earnings calculations exclude certain gains and charges that management believes do not best reflect our ordinary operating results.

Revenues for distributable earnings are defined as GAAP revenues excluding the impact of our 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. Revenues for distributable earnings also include the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting.

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Pre-tax distributable earnings are defined as GAAP income (loss) from operations before income taxes excluding items that are primarily non-cash, non-dilutive, and non-economic, such as:

Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners OldCo 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, RPU, PSUs and PSIs; and

Non-cash asset impairment charges, if any.

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

Compensation and employee benefits expense for distributable earnings will also include broker commission payouts relating to the aforementioned collection of receivables.

Beginning with the first quarter of 2011, our definition of distributable earnings was revised to exclude certain gains and charges with respect to acquisitions, dispositions and resolutions of litigation. This change in the definition of distributable earnings is not reflected in, nor does it affect, our presentation of prior periods. Our management believes that excluding these gains and charges best reflects our operating performance.

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.

Our distributable earnings per fully diluted share calculations assume either that:

The fully diluted share count includes the shares related to the dilutive instruments, such as the convertible notes, but excludes the associated interest expense, net of tax, when the impact would be dilutive, or

The fully diluted share count excludes the shares related to these instruments, but includes the associated interest expense, net of tax. Each quarter, the dividend to common stockholders is expected to be determined by our board of directors with reference to post-tax distributable earnings per fully diluted share. 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 limited partnership units, including REUs, RPU, PSUs and PSIs, and to Cantor for its noncontrolling interest. The amount of all of these payments is expected to be determined using the above definition of pre-tax distributable earnings per fully diluted share.

Certain employees who are holders of RSUs are granted pro rata payments equivalent to the amount of dividends paid to common stockholders. Under GAAP, a portion of the dividend equivalents on RSUs is 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.

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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 flows from operations or GAAP net income (loss). 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 believes that they 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.

Table of Contents**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 on the Nasdaq Global Select Market.

We paid quarterly dividends on our common stock of \$0.14 for each of the four quarters of 2010 and \$0.17 for each of the four quarters of 2011 and for the first quarter of 2012.

	High	Low
2012		
First Quarter	\$ 8.04	\$ 5.88
Second Quarter (through June 7, 2012)	\$ 7.56	\$ 5.73
2011		
First Quarter	\$ 10.07	\$ 7.72
Second Quarter	\$ 9.75	\$ 7.27
Third Quarter	\$ 8.58	\$ 5.88
Fourth Quarter	\$ 7.47	\$ 5.40
2010		
First Quarter	\$ 6.47	\$ 3.72
Second Quarter	\$ 6.97	\$ 5.05
Third Quarter	\$ 6.03	\$ 4.69
Fourth Quarter	\$ 8.76	\$ 5.95

On June 7, 2012, the closing sales price of our Class A common stock on the Nasdaq Global Select Market was \$6.23. As of June 7, 2012, there were 341 holders of record of our Class A common stock and two holders of record of our Class B common stock.

Table of Contents**SELLING STOCKHOLDERS**

This prospectus relates to 1,050,000 shares of our Class A common stock that may be offered and sold by the Selling Stockholders, 750,000 shares of which we donated to the Relief Fund on February 3, 2012, and 300,000 shares of which we donated to the Relief Fund on March 9, 2012.

The table below provides information, which has been supplied by the Relief Fund, concerning its beneficial ownership of Class A common stock as May 31, 2012. Selling Stockholder information for any additional Selling Stockholders will be set forth in one or more prospectus supplements to the extent required prior to the time of any offer or sale of such Selling Stockholders' shares under the registration statement of which this prospectus forms a part. Any prospectus supplement may add, update, substitute or change the information contained in this prospectus, including the identities of any Selling Stockholders, and the number of shares being offered and sold by such Selling Stockholders. The Selling Stockholders may sell all, some or none of such shares. See Plan of Distribution.

For purposes of the table below, we have assumed that, following the completion of the sale of shares of our Class A common stock included in this prospectus, there will continue to be 105,528,944 shares of Class A common stock outstanding.

The Relief Fund has sole voting and investment power with respect to all shares of our Class A common stock shown as beneficially owned by it. The principal address of the Relief Fund is 499 Park Avenue, New York, New York 10022. The beneficial ownership of the shares of our Class A common stock held by the Relief Fund as of May 31, 2012 and immediately after the sale of shares included in this prospectus is as follows:

	Shares of Class A Common Stock Beneficially Owned		Shares of Class A Common Stock Being Sold		Shares of Class A Common Stock Beneficially Owned Immediately Following Such Sales	
	Shares	%	Shares	Shares	Shares	%
The Cantor Fitzgerald Relief Fund	1,125,000 ⁽¹⁾	1.1%	1,050,000	75,000 ⁽¹⁾		*

* Less than 1%.

(1) Includes 75,000 shares of our Class A common stock that Cantor donated to the Relief Fund on March 9, 2012 and that may be included in the prospectus under our separate resale Registration Statement on Form S-3 (Registration No. 333-175034).

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DESCRIPTION OF CAPITAL STOCK

The following summary is a description of the material terms of our capital stock. Copies of our certificate of incorporation and bylaws and other documents referred to herein are incorporated by reference as exhibits to the registration statement of which this prospectus forms a part.

Our Capital Stock

The following descriptions of our Class A common stock, Class B common stock, and preferred stock and of the relevant provisions of our certificate of incorporation and bylaws and other documents are summaries thereof and are qualified in their entirety by reference to our certificate of incorporation and bylaws and such other documents, copies of which are incorporated by reference as exhibits to the registration statement of which this prospectus forms a part, and applicable law. Our certificate of incorporation and bylaws are each an amendment and restatement of the eSpeed certificate of incorporation and bylaws.

Our authorized capital stock consists of 600 million shares of common stock, consisting of 500 million shares of our Class A common stock, par value \$0.01 per share, and 100 million shares of our Class B common stock, par value \$0.01 per share, and 50 million shares of preferred stock, par value \$0.01 per share.

Common Stock

As of May 31, 2012, there were 105,528,944 shares of our Class A common stock outstanding and 34,848,107 shares of our Class B common stock outstanding. The holders of Class A common stock are generally entitled to one vote per share on all matters to be voted upon by the stockholders as a group, entitling holders of Class A common stock to approximately 23.2% of our voting power as of such date, and do not have cumulative voting rights. The holders of Class B common stock are generally entitled to ten votes per share on all matters to be voted upon by the stockholders as a group, entitling holders of Class B common stock to 76.8% of our voting power as of such date, and do not have cumulative voting rights. Cantor and CFGM, the managing general partner of Cantor and an entity controlled by our Chairman and Chief Executive Officer, Howard W. Lutnick, are the only holders of Class B common stock. Class B common stock generally votes together with Class A common stock on all matters submitted to the vote of Class A common stockholders.

Each share of our Class A common stock is equivalent to a share of our Class B common stock for purposes of economic rights. Subject to preferences that may be applicable to any outstanding prefer