

BGC Partners, Inc.
Form 10-Q
August 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2013

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Numbers: 0-28191, 1-35591

BGC Partners, Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	13-4063515 (I.R.S. Employer Identification No.)
499 Park Avenue, New York, NY (Address of principal executive offices)	10022 (Zip Code)
(212) 610-2200 (Registrant's telephone number, including area code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On July 31, 2013, the registrant had 137,023,123 shares of Class A common stock, \$0.01 par value, and 34,848,107 shares of Class B common stock, \$0.01 par value, outstanding.

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BGC PARTNERS, INC.

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SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This Form 10-Q contains 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 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 the factors set forth below and may impact either or both of our operating segments:

market conditions, including trading volume and volatility, potential deterioration of the equity and debt capital markets and the condition of the markets for commercial and other real estate, and our ability to access the capital markets;

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;

our relationships with Cantor Fitzgerald, L.P. (Cantor) and its affiliates, including Cantor Fitzgerald & Co. (CF&Co), any related conflicts of interest, any impact of Cantor's results on our credit ratings and/or the associated outlooks, 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, and our participation in various investments or cash management vehicles placed by or recommended by CF&Co.

economic or geopolitical conditions or uncertainties, the actions of governments or central banks or the impact of weather-related or similar events;

extensive regulation of our businesses, changes in regulations relating to the financial services, real estate 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 businesses, products, or services;

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;

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certain financial risks, including the possibility of future losses and negative cash flows from operations, a possible need for long-term borrowings or other sources of cash, related to acquisitions or other matters, 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, impairments of any loan balances and increased borrowing costs, as well as interest and currency rate fluctuations;

risks associated with the temporary or longer-term investment of our available cash, including defaults or impairments on our investments, or other cash management vehicles;

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, the anticipated benefits of any such transactions or the future impact of any such transactions on our financial results for current or future periods, the integration of any completed acquisitions and the use of proceeds of any completed dispositions and any hedging entered into in connection with cash or stock consideration received or to be received in connection with such dispositions;

our estimates or determinations of potential value with respect to various assets or portions of our business, including with respect to the accuracy of the assumptions or the valuation models or multiples used (as to which no representation is made);

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our ability to hire and retain personnel, including brokers, managers and other key employees;

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

our ability to effectively manage any growth that may be achieved, while ensuring compliance with all applicable regulatory requirements;

our ability to maintain or develop relationships with independently owned partner offices in our real estate services businesses;

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 or redemptions of limited partnership interests of BGC Holdings, L.P., 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;

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 our Class A common stock and convertible or exchangeable debt securities, our repurchases of shares of our Class A common stock and purchases of BGC Holdings limited partnership interests or other equity interests of our subsidiaries, any exchanges or redemptions of limited partnership units and issuances of shares of Class A common stock in connection therewith, including in partnership restructurings, our payment of dividends on our 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 our Class A common stock acquired from us or Cantor, including pursuant to our employee benefit plans, unit exchanges and redemptions and partnership restructurings, 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

the risk factors described in 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 herein and in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

The foregoing risks and uncertainties, as well as those risks discussed under the headings Part II, Item 1A Risk Factors, Part I, Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations and Part I, Item 3 Quantitative and Qualitative Disclosures about Market Risk, and elsewhere in this Form 10-Q may cause actual results to differ materially from the forward-looking statements. From time to time, we may also estimate the potential value of certain assets or portions of our business. In such event, no representation is made as to the accuracy of the assumptions or the valuation models or multiples used. Any such valuations are based on

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assumptions about profit margins and business conditions and actual or pro forma results of BGC. In any event, no representation is made that any such values or multiples could actually be achieved upon disposal of businesses or assets or that any such valuation models or multiples would be adopted by others. The information included herein is given as of the filing date of this Form 10-Q with the SEC, and future events or circumstances could differ significantly from these forward-looking statements. The Company does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room located at One Station Place, 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. These filings are also available to the public from the SEC's website at www.sec.gov.

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Our website address is *www.bgcpartners.com*. Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D filed on behalf of Cantor, CF Group Management, Inc. ("CFGM"), Cantor's managing general partner, our directors and our executive officers; and amendments to those documents. Our website also contains additional information with respect to our industry and business. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this Quarterly Report on Form 10-Q.

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION****(in thousands, except per share data)****(unaudited)**

	June 30, 2013	December 31, 2012
Assets		
Cash and cash equivalents	\$ 1,070,342	\$ 388,409
Cash segregated under regulatory requirements	6,570	3,392
Reverse repurchase agreements	49,063	
Securities owned	32,016	32,003
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	1,431,962	297,688
Accrued commissions receivable, net	263,897	222,299
Loans, forgivable loans and other receivables from employees and partners, net	124,798	220,098
Fixed assets, net	132,203	141,109
Investments	21,727	25,556
Goodwill	163,684	164,874
Other intangible assets, net	20,644	20,320
Receivables from related parties	12,408	21,655
Other assets	118,954	101,536
Total assets	\$ 3,448,268	\$ 1,638,939
Liabilities, Redeemable Partnership Interest, and Equity		
Accrued compensation	\$ 273,870	\$ 125,793
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	1,424,751	254,289
Payables to related parties	41,228	40,700
Accounts payable, accrued and other liabilities	446,619	260,462
Notes payable and collateralized borrowings	273,805	301,444
Notes payable to related parties	150,000	150,000
Total liabilities	2,610,273	1,132,688
Commitments and contingencies (Note 17)		
Redeemable partnership interest	79,374	78,839
Equity		
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 500,000 shares authorized; 154,403 and 141,955 shares issued at June 30, 2013 and December 31, 2012, respectively; and 136,328 and 123,914 shares outstanding at June 30, 2013 and December 31, 2012, respectively	1,544	1,419
Class B common stock, par value \$0.01 per share; 100,000 shares authorized; 34,848 shares issued and outstanding at June 30, 2013 and December 31, 2012, convertible into Class A common stock	348	348
Additional paid-in capital	717,066	575,381
Contingent Class A common stock	15,791	18,868
Treasury stock, at cost: 18,075 and 18,041 shares of Class A common stock at June 30, 2013 and December 31, 2012, respectively	(110,219)	(110,090)
Retained deficit	(145,835)	(147,452)

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Accumulated other comprehensive loss	(6,845)	(4,182)
Total stockholders' equity	471,850	334,292
Noncontrolling interest in subsidiaries	286,771	93,120
Total equity	758,621	427,412
Total liabilities, redeemable partnership interest, and equity	\$ 3,448,268	\$ 1,638,939

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

Table of Contents**BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Commissions	\$ 324,832	\$ 308,438	\$ 623,536	\$ 579,785
Principal transactions	85,349	83,686	173,346	183,431
Real estate management services	39,823	37,930	79,161	41,891
Fees from related parties	12,242	13,494	25,390	26,041
Market data	3,643	3,990	7,768	8,954
Software solutions	2,530	2,487	5,096	4,936
Interest income	1,651	1,543	3,199	3,738
Other revenues	1,174	622	2,005	831
Gain on divestiture	723,147		723,147	
Losses on equity investments	(1,224)	(2,652)	(4,512)	(5,108)
Total revenues	1,193,167	449,538	1,638,136	844,499
Expenses:				
Compensation and employee benefits	765,679	308,029	1,055,071	554,898
Allocations of net income to limited partnership units and founding/working partner units	46,084	1,909	53,522	7,889
Total compensation and employee benefits	811,763	309,938	1,108,593	562,787
Occupancy and equipment	37,340	39,092	76,567	75,321
Fees to related parties	2,286	3,169	5,129	6,688
Professional and consulting fees	11,367	19,515	26,308	38,834
Communications	22,755	21,402	47,096	43,360
Selling and promotion	23,239	23,513	43,554	42,959
Commissions and floor brokerage	6,397	5,833	12,168	11,513
Interest expense	9,989	7,578	19,689	15,136
Other expenses	59,780	15,048	77,084	24,539
Total expenses	984,916	445,088	1,416,188	821,137
Income from operations before income taxes	208,251	4,450	221,948	23,362
Provision for income taxes	78,711	70	81,806	7,272
Consolidated net income	\$ 129,540	\$ 4,380	\$ 140,142	\$ 16,090
Less: Net income attributable to noncontrolling interest in subsidiaries	95,074	2,422	98,678	5,943
Net income available to common stockholders	\$ 34,466	\$ 1,958	\$ 41,464	\$ 10,147
Per share data:				
<i>Basic earnings per share</i>				
Net income available to common stockholders	\$ 34,466	\$ 1,958	\$ 41,464	\$ 10,147

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Basic earnings per share	\$ 0.20	\$ 0.01	\$ 0.25	\$ 0.07
Basic weighted-average shares of common stock outstanding	171,758	140,368	167,515	138,257
<i>Fully diluted earnings per share</i>				
Net income for fully diluted shares	\$ 69,944	\$ 3,878	\$ 89,485	\$ 19,668
Fully diluted earnings per share	\$ 0.18	\$ 0.01	\$ 0.24	\$ 0.07
Fully diluted weighted-average shares of common stock outstanding	378,092	274,756	367,582	269,482
Dividends declared per share of common stock	\$ 0.12	\$ 0.17	\$ 0.24	\$ 0.34
Dividends declared and paid per share of common stock	\$ 0.12	\$ 0.17	\$ 0.24	\$ 0.34

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

Table of Contents**BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(in thousands)****(unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Consolidated net income	\$ 129,540	\$ 4,380	\$ 140,142	\$ 16,090
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	(2,257)	(3,630)	(3,123)	(1,910)
Unrealized loss on securities available for sale		(41)		
Total other comprehensive loss, net of tax	(2,257)	(3,671)	(3,123)	(1,910)
Comprehensive income	127,283	709	137,019	14,180
Less: Comprehensive income attributable to noncontrolling interest in subsidiaries, net of tax	94,745	1,762	98,218	5,614
Comprehensive income (loss) attributable to common stockholders	\$ 32,538	\$ (1,053)	\$ 38,801	\$ 8,566

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

Table of Contents**BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(in thousands)****(unaudited)**

	Six Months Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	\$ 140,142	\$ 16,090
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Gain on divestiture	(723,147)	
Fixed asset depreciation and intangible asset amortization	24,853	24,752
Employee loan amortization	19,682	14,371
Equity-based compensation	334,641	61,943
Allocations of net income to limited partnership units and founding/working partner units	53,522	7,889
Losses on equity investments	4,512	5,108
Accretion of discount on convertible notes	2,718	2,172
Reserve on loans to employees and partners	160,501	
Impairment of fixed assets	764	991
Impairment loss on marketable securities		291
Deferred tax benefit	(69,044)	(4,115)
Other	(316)	(1,826)
Decrease (increase) in operating assets:		
Reverse repurchase agreements	(49,063)	
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	(1,134,073)	(354,646)
Loans, forgivable loans and other receivables from employees and partners, net	(22,901)	(41,779)
Accrued commissions receivable, net	(48,049)	18,062
Securities owned	(171)	(22,038)
Receivables from related parties	(2,357)	(59)
Cash segregated under regulatory requirements	(3,178)	(3,115)
Other assets	(19,804)	(7,050)
Increase (decrease) in operating liabilities:		
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	1,170,173	348,162
Payables to related parties	858	24,315
Accounts payable, accrued and other liabilities	194,035	1,985
Accrued compensation	25,726	(7,927)
Net cash provided by operating activities	\$ 60,024	\$ 83,576
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	\$ (8,796)	\$ (19,532)
Capitalization of software development costs	(7,728)	(6,701)
Investment in equity method investments	(797)	(16,828)
Payments for acquisitions, net of cash acquired	(214)	(25,679)
Proceeds from divestiture	747,675	
Sale of marketable securities		906
Purchase of notes receivable		(22,000)
Capitalization of trademarks, patent defense and registration costs	(779)	(234)
Net cash provided by (used in) investing activities	\$ 729,361	\$ (90,068)

Table of Contents**BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)****(in thousands)****(unaudited)**

	Six Months Ended June 30,	
	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from collateralized borrowings	\$	\$ 21,516
Repayments of collateral borrowings	(30,358)	(12,104)
Issuance of senior notes, net of deferred issuance costs		108,716
Earnings distributions to noncontrolling interests	(32,138)	(47,821)
Redemption of limited partnership interests	(3,496)	(13,255)
Dividends to stockholders	(39,847)	(47,385)
Proceeds from offering of Class A common stock, net	1,446	11,939
Repurchase of Class A common stock	(188)	(337)
Proceeds from short-term borrowings		90,000
Repayments of short-term borrowings		(103,600)
Cancellation of restricted stock units in satisfaction of withholding tax requirements	(940)	(1,974)
Net cash (used in) provided by financing activities	(105,521)	5,695
Effect of exchange rate changes on cash and cash equivalents	(1,931)	(1,159)
Net increase (decrease) in cash and cash equivalents	681,933	(1,956)
Cash and cash equivalents at beginning of period	388,409	369,713
Cash and cash equivalents at end of period	\$ 1,070,342	\$ 367,757
Supplemental cash information:		
Cash paid during the period for taxes	\$ 9,215	\$ 3,219
Cash paid during the period for interest	\$ 9,959	\$ 12,580
Supplemental non-cash information:		
Issuance of Class A common stock upon exchange of limited partnership interests	\$ 41,774	\$ 37,155
Donations with respect to Charity Day	5,720	7,446
Issuance of Class A common stock upon purchase of notes receivable		3,055
Use of notes receivable in business acquisition		25,492
Issuance of Class A and contingent Class A common stock for acquisitions	1,040	725

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral

part of these financial statements.

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BGC PARTNERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2012

(in thousands, except share amounts)

(unaudited)

	BGC Partners, Inc. Stockholders					Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Subsidiaries	Total
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock				
Balance, January 1, 2012	\$ 1,152	\$ 348	\$ 489,369	\$ 20,133	\$ (109,870)	\$ (80,726)	\$ (3,752)	\$ 98,044	\$ 414,698
Comprehensive income:									
Consolidated net income						23,864		11,649	35,513
Other comprehensive loss, net of tax									
Change in cumulative translation adjustment							(430)	(103)	(533)
Comprehensive income						23,864	(430)	11,546	34,980
Equity-based compensation, 1,343,894 shares	13		2,798					2,595	5,406
Dividends to common stockholders						(90,590)			(90,590)
Earnings distributions to limited partnership interests and other noncontrolling interests								(89,963)	(89,963)
Grant of exchangeability and redemption of limited partnership interests, issuance of 18,024,094 shares	180		65,593					65,836	131,609
Issuance of Class A common stock (net of costs), 4,797,177 shares	48		17,123					8,897	26,068
Issuance of Class A common stock upon purchase of notes receivable, 453,172 shares	5		1,991					1,059	3,055
Redemption of founding/working partner units, 1,928,069 units			(6,903)					(3,705)	(10,608)
Repurchase of Class A common stock, 44,013 shares					(220)			(117)	(337)
Cantor purchase of Cantor units from BGC Holdings upon redemption of founding/working partner units, 920,729 units								2,732	2,732
Re-allocation of equity due to additional investment by founding/working partners								(1,378)	(1,378)
Issuance of contingent and Class A common stock for	21		7,477	(1,651)				3,179	9,026

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acquisitions, 2,119,393 shares									
Newmark noncontrolling interest		(2,112)	386				(5,517)	(7,243)	
Other		45					(88)	(43)	
Balance, December 31, 2012	\$ 1,419	\$ 348	\$ 575,381	\$ 18,868	\$ (110,090)	\$ (147,452)	\$ (4,182)	\$ 93,120	\$ 427,412

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

Table of Contents**BGC PARTNERS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)**

For the Six Months Ended June 30, 2013

(in thousands, except share amounts)

(unaudited)

	BGC Partners, Inc. Stockholders								Total
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Subsidiaries	
Balance, January 1, 2013	\$ 1,419	\$ 348	\$ 575,381	\$ 18,868	\$ (110,090)	\$ (147,452)	\$ (4,182)	\$ 93,120	\$ 427,412
Comprehensive income:									
Consolidated net income						41,464		98,678	140,142
Other comprehensive loss, net of tax									
Change in cumulative translation adjustment							(2,663)	(460)	(3,123)
Comprehensive income						41,464	(2,663)	98,218	137,019
Equity-based compensation, 623,393 shares	6		1,184					1,111	2,301
Dividends to common stockholders						(39,847)			(39,847)
Earnings distributions to limited partnership interests and other noncontrolling interests								(30,957)	(30,957)
Grant of exchangeability and redemption of limited partnership interests, issuance of 8,837,725 shares	88		134,250					129,227	263,565
Issuance of Class A common stock (net of costs), 1,899,687 shares	19		5,280					2,421	7,720
Redemption of founding/working partner units, 888,085 units								(913)	(913)
Repurchase of Class A common stock, 33,478 shares					(129)			(59)	(188)
Re-allocation of equity due to additional investment by founding/working partners								(938)	(938)
Issuance of contingent and Class A common stock for acquisitions, 1,086,975 shares	11		3,782	(3,077)				324	1,040
Newmark noncontrolling interest			(2,684)					(5,990)	(8,674)
Other	1		(127)						