

ESPEED INC
Form PRER14A
February 04, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

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Check the appropriate box:

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eSpeed, Inc.

(Name of Registrant as Specified in its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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PRELIMINARY PROXY STATEMENT

SUBJECT TO COMPLETION

DATED FEBRUARY 1, 2008

[•], 2008

Dear stockholder:

I am pleased to inform you that eSpeed, Inc. (eSpeed or the Company) and BGC Partners, Inc. (BGC Partners), Cantor Fitzgerald, L.P. (Cantor BGC Partners, L.P. (BGC U.S.), BGC Global Holdings, L.P. (BGC Global) and BGC Holdings, L.P. (BGC Holdings) have entered into a definitive Agreement and Plan of Merger, dated as of May 29, 2007, as amended as of November 5, 2007 and February 1, 2008 (the merger agreement), pursuant to which BGC Partners will be merged (the merger) with and into the Company. The surviving corporation in the merger will be renamed BGC Partners, Inc. (the Combined Company). In terms of revenues, BGC Partners is one of the largest and fastest growing inter-dealer brokers of financial instruments for wholesale market participants worldwide. The Company s electronic marketplaces, licensing activities and other operations will continue to operate under the eSpeed brand within the Combined Company.

To acquire BGC Partners, the Company has agreed to issue in the merger an aggregate of 133,860,000 shares of Combined Company common stock and rights to acquire shares of Combined Company common stock. Of these shares and rights to acquire shares, it is expected that 56,000,000 will be in the form of Combined Company Class B common stock or rights to acquire Combined Company Class B common stock, and the remaining 77,860,000 shares and rights to acquire shares will be in the form of Combined Company Class A common stock or rights to acquire Combined Company Class A common stock. Current stockholders of the Company will hold the same number and class of shares of Combined Company common stock that they held in the Company prior to the merger. As of January 24, 2008, eSpeed stockholders (excluding Cantor) held approximately 30.0 million shares and options to purchase shares of eSpeed common stock which represented 58.6% of the economics of eSpeed and 12.9% of the voting rights of eSpeed as of such date, and is expected to represent 41.2% of the economics of the Combined Company and 11.8% of the voting rights of the Combined Company immediately after the merger. Following the completion of the merger, it is expected that the Combined Company Class A common stock will trade on the NASDAQ Global Market under the symbol BGCP.

After the merger, the combined businesses of the Company and BGC Partners will be held in two operating subsidiaries: (1) BGC U.S., which will hold the U.S. businesses, and (2) BGC Global, which will hold the non-U.S. businesses. The stockholders of the Company as of immediately prior to the merger will hold their interests in BGC U.S. and BGC Global after the merger through Combined Company common stock. Cantor, which is currently the sole stockholder of BGC Partners, will hold its interests in BGC U.S. and BGC Global through a combination of Combined Company common stock and interests in BGC Holdings. In addition, prior to the merger, Cantor will provide a portion of its interest in BGC Holdings to partners of Cantor who provide services primarily or exclusively to BGC U.S., BGC Global and their respective subsidiaries (the founding partners). As a result of the merger:

the stockholders of the Company as of immediately prior to the merger (including Cantor) will own equity interests representing approximately 28.0% of the economics of BGC U.S. and BGC Global after the merger as a result of their ownership of eSpeed common stock prior to the merger; and

the equity owners of BGC Partners and its subsidiaries as of immediately prior to the merger (including Cantor and its founding partners) will own equity interests representing approximately 72.0% of the economics of BGC U.S. and BGC Global after the merger as a result of their ownership of BGC Partners and its subsidiaries prior to the merger.

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In addition, concurrently with the merger, and, in the future, as part of its compensation process, BGC Holdings intends to issue certain restricted equity units and BGC Partners intends to issue certain restricted stock units to certain employees of BGC Partners and other persons who provide services to BGC Partners. In addition, BGC Holdings is authorized to issue additional restricted equity interests or BGC restricted stock units in connection with acquisitions and the hiring of new employees prior to the merger. These issuances would be in addition to the 133,860,000 shares of Combined Company common stock and rights to acquire Combined Company common stock to be issued in the merger and be dilutive to both holders of BGC Holdings partnership interests and holders of Combined Company capital stock. After the merger, the equity interests in BGC U.S. and BGC Global will be held by the Combined Company and by BGC Holdings. Immediately after the merger, the Combined Company will hold approximately 39.8% of the equity in BGC U.S. and BGC Global, and BGC Holdings will hold approximately 60.2% of the equity in BGC U.S. and BGC Global.

The merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, have been approved unanimously by the eSpeed board of directors, upon a unanimous recommendation by a special committee of the eSpeed board of directors consisting exclusively of eSpeed's independent directors (the Special Committee).

Completion of the merger requires adoption of the merger agreement by eSpeed's stockholders. To obtain this required adoption, the Company will hold a special meeting of its stockholders on [●], 2008, at which the Company will ask its stockholders to adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger (and consider the matters described below and other matters properly brought before the meeting). Holders of shares of eSpeed Class A common stock on the record date are each entitled to one vote per share of eSpeed Class A common stock, and holders of shares of eSpeed Class B common stock on the record date are each entitled to 10 votes per share of eSpeed Class B common stock on the matters to be considered at the special meeting. Adoption of the merger agreement requires the affirmative vote of a majority of the total combined voting power of eSpeed Class A common stock and eSpeed Class B common stock entitled to vote at the meeting, voting as a single class, in accordance with the eSpeed certificate of incorporation and Delaware law. Under the terms of the merger agreement, Cantor, which as of January 24, 2008 held 87.1% of the total combined voting power of the shares of eSpeed Class A common stock and shares of eSpeed Class B common stock, has agreed to vote its shares in favor of the merger so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the merger. Accordingly, a sufficient number of the votes required to adopt the merger agreement and the transactions contemplated thereby is assured so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the merger. Information about the meeting, the merger and the other business to be considered by eSpeed's stockholders is contained in the accompanying proxy statement and the documents incorporated by reference in the accompanying proxy statement, which we urge you to read. **In particular, see Risk Factors beginning on page 36.**

You are cordially invited to attend our special meeting of stockholders, which will be held at [●], [●], New York, New York, on [●], 2008 commencing at [●] local time. We look forward to greeting as many of our stockholders as are able to be with us.

At the special meeting, in addition to the adoption of the merger agreement, pursuant to which BGC Partners will be merged with and into eSpeed, and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, you will be asked to consider and vote upon:

- (1) the approval of the amendment to the eSpeed certificate of incorporation, to be in effect as of the closing of the merger as part of the Combined Company certificate of incorporation, to authorize additional shares of Combined Company Class A common stock;
- (2) the approval of the amendment to the eSpeed certificate of incorporation, to be in effect as of the closing of the merger as part of the Combined Company certificate of incorporation, effecting changes regarding corporate opportunities;

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(3) the approval of the amended and restated BGC Partners, Inc. Long Term Incentive Plan; and

(4) such other business as may properly come before the special meeting or any adjournment or postponement thereof.

We hope you will find it convenient to attend the special meeting in person. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING, TO ENSURE YOUR REPRESENTATION AT THE MEETING AND THE PRESENCE OF A QUORUM, PLEASE COMPLETE, DATE, SIGN AND MAIL PROMPTLY THE ENCLOSED PROXY CARD, for which a return envelope is provided. No postage need be affixed to the return envelope if it is mailed in the United States.

Whether or not you are able to attend the special meeting in person, it is important that your shares be represented. You can vote your shares by completing and returning the enclosed proxy card by mail. Please vote as soon as possible.

The eSpeed board of directors unanimously recommends that eSpeed's stockholders vote **FOR** the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and the other proposals to be considered at the special meeting as described above. I join our board of directors in its recommendations.

Sincerely,

Howard W. Lutnick
*Chairman of the Board of Directors,
Chief Executive Officer and President*

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger agreement or the transactions contemplated thereby, including the merger, or passed upon the adequacy or accuracy of the disclosure in the accompanying proxy statement. Any representation to the contrary is a criminal offense.

THE PROXY STATEMENT IS DATED [•], 2008 AND IS FIRST BEING GIVEN OR SENT TO STOCKHOLDERS ON OR ABOUT [•], 2008.

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eSpeed, Inc.

110 East 59th Street

New York, New York 10022

Notice of Special Meeting of Stockholders

NOTICE IS HEREBY GIVEN that our special meeting of stockholders will be held at [•], [•], New York, New York, on [•], 2008 commencing at [•] local time, for the following purposes:

- (1) To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of May 29, 2007, as amended as of November 5, 2007 and February 1, 2008, which we refer to as the merger agreement, by and among BGC Partners, Inc., which we refer to as BGC Partners, Cantor Fitzgerald, L.P., which we refer to as Cantor, eSpeed, Inc., which we refer to as eSpeed, Company, we, our and us, BGC Partners, L.P., which we refer to as BGC U.S., BGC Global Holdings, L.P., which we refer to as BGC Global and BGC Holdings, L.P., which we refer to as BGC Holdings, pursuant to which, among other things, BGC Partners will be merged with and into eSpeed, with eSpeed surviving the merger and renamed as BGC Partners, Inc., which we refer to as the Combined Company, and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger;
- (2) To approve the amendment to the eSpeed certificate of incorporation, to be in effect as of the closing of the merger as part of the Combined Company certificate of incorporation, to authorize additional shares of Class A common stock;
- (3) To approve the amendment to the eSpeed certificate of incorporation, to be in effect as of the closing of the merger as part of the Combined Company certificate of incorporation, effecting changes regarding corporate opportunities;
- (4) To approve the amendment and restatement of the BGC Partners, Inc. Long Term Incentive Plan, as described in the accompanying proxy statement; and

(5) To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof. The eSpeed board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, upon the recommendation by a special committee of the eSpeed board of directors consisting exclusively of eSpeed's independent directors, which we refer to as the Special Committee, and is submitting it to the stockholders for their adoption. Pursuant to the merger agreement, BGC Partners will be merged with and into eSpeed. The merger is described in the accompanying proxy statement, which you are urged to read carefully. In particular, the section of the accompanying proxy statement entitled Risk Factors contains a description of risks that you should consider in evaluating the proposed merger. A copy of:

the merger agreement is attached to the accompanying proxy statement as Annex A and is referred to in the accompanying proxy statement as the merger agreement;

the form of separation agreement by and among Cantor, BGC Partners, BGC U.S., BGC Global and BGC Holdings is attached to the accompanying proxy statement as Annex B and is referred to in the accompanying proxy statement as the separation agreement;

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the form of amended and restated limited partnership agreement of BGC Holdings is attached to the accompanying proxy statement as Annex C and is referred to in the accompanying proxy statement as the BGC Holdings limited partnership agreement;

the form of amended and restated limited partnership agreement of BGC U.S. is attached to the accompanying proxy statement as Annex D and is referred to in the accompanying proxy statement as the BGC U.S. limited partnership agreement;

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the form of amended and restated limited partnership agreement of BGC Global is attached to the accompanying proxy statement as Annex E and is referred to in the accompanying proxy statement as the BGC Global limited partnership agreement;

the form of registration rights agreement by and between Cantor and BGC Partners is attached to the accompanying proxy statement as Annex F and is referred to in the accompanying proxy statement as the separation registration rights agreement;

the form of administrative services agreement between Cantor and BGC Partners is attached to the accompanying proxy statement as Annex G and is referred to in the accompanying proxy statement as the administrative services agreement;

the form of administrative services agreement among Tower Bridge International Services L.P., BGC International (formerly known as Cantor Fitzgerald International) and Cantor is attached to the accompanying proxy statement as Annex H and is referred to in the accompanying proxy statement as the Tower Bridge administrative services agreement, and together with the administrative services agreement, as the administrative services agreements;

the form of BGC Holdings, L.P. Participation Plan is attached to the accompanying proxy statement as Annex I and is referred to in the accompanying proxy statement as the Participation Plan;

the fairness opinion of Sandler O'Neill + Partners, L.P. is attached to the accompanying proxy statement as Annex J;

the form of amended and restated certificate of incorporation of the Combined Company is attached to the accompanying proxy statement as Annex K and is referred to in the accompanying proxy statement as the Combined Company certificate of incorporation;

the form of amended and restated by-laws of the Combined Company is attached to the accompanying proxy statement as Annex L and is referred to in the accompanying proxy statement as the Combined Company by-laws; and

the form of amended and restated BGC Partners, Inc. Long Term Incentive Plan is attached to the accompanying proxy statement as Annex M.

Only holders of record of the Company Class A common stock or Class B common stock at the close of business on [●], 2008, the record date, are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement thereof. Holders of shares of Company Class A common stock on the record date are each entitled to one vote per share of Company Class A common stock, and holders of shares of Company Class B common stock on the record date are each entitled to 10 votes per share of Company Class B common stock, on the matters to be considered at the special meeting. A list of stockholders entitled to vote at the special meeting will be open for examination by any stockholder for any purpose germane to the meeting during ordinary business hours for a period of 10 days prior to the special meeting at the offices of eSpeed, 110 East 59th Street, New York, New York 10022. A copy of the list of stockholders entitled to vote at the special meeting will also be available at the special meeting.

Adoption of the merger agreement and the transactions contemplated thereby requires the affirmative vote of a majority of the total combined voting power of Company Class A common stock and Class B common stock entitled to vote at the meeting, voting as a single class, in accordance with the eSpeed certificate of incorporation and Delaware law. Under the terms of the merger agreement, Cantor, which as of January 24, 2008 held 87.1% of the total combined voting power of the shares of Company Class A common stock and shares of Company Class B common stock, has agreed to vote its shares in favor of the adoption of the merger agreement and the transactions contemplated thereby so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. Accordingly, a sufficient number of the votes required to adopt the merger agreement and the transactions contemplated thereby is assured so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. Information about the meeting, the merger and the other

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business to be considered by eSpeed stockholders is contained in the accompanying proxy statement and the documents incorporated by reference into the accompanying proxy statement, which we urge you to read. **In particular, see Risk Factors beginning on page 36.**

The eSpeed board of directors is not aware of any matters that may be brought before the special meeting other than those set forth in this Notice of Special Meeting of Stockholders. If other matters properly come before the special meeting, the proxies named in the accompanying proxy card will vote the shares represented by all properly executed proxy cards on such matters in accordance with any recommendation of the eSpeed board of directors or, in the absence of such recommendation, in their discretion.

Whether or not you plan to attend the special meeting in person, please complete, sign, date and return the enclosed proxy card to ensure that your shares will be represented at the special meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for that purpose. If you do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain from your nominee a proxy issued in your name.

The Special Committee recommended that the eSpeed board of directors approve the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and recommends that eSpeed's stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated thereby.

The eSpeed board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and recommends that eSpeed's stockholders vote:

- (1) **FOR** the proposal to adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger;
- (2) **FOR** the approval of the amendment to the eSpeed certificate of incorporation to authorize additional shares of Class A common stock;
- (3) **FOR** the approval of the amendment to the eSpeed certificate of incorporation effecting changes regarding corporate opportunities; and
- (4) **FOR** the approval of the amended and restated BGC Partners, Inc. Long Term Incentive Plan.

By Order of the Board of Directors,

Stephen M. Merkel
*Executive Vice President,
General Counsel and Secretary*

[•], 2008

YOUR VOTE IS IMPORTANT.

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**PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED
PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE.**

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ANNEXES*

ANNEX A	Agreement and Plan of Merger, dated as of May 29, 2007, by and among BGC Partners, Inc., Cantor Fitzgerald, L.P., eSpeed, Inc., BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P. (including Amendment No. 1 thereto, dated as of November 5, 2007 and Amendment No. 2 thereto, dated as of February 1, 2008)
ANNEX B	Form of the Separation Agreement by and among Cantor Fitzgerald, L.P., BGC Partners, LLC, BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P.
ANNEX C	Form of Amended and Restated Limited Partnership Agreement of BGC Holdings, L.P.
ANNEX D	Form of Amended and Restated Limited Partnership Agreement of BGC Partners, L.P.
ANNEX E	Form of Amended and Restated Limited Partnership Agreement of BGC Global Holdings, L.P.
ANNEX F	Form of Registration Rights Agreement by and between Cantor Fitzgerald, L.P. and BGC Partners, LLC
ANNEX G	Form of the Administrative Services Agreement between Cantor Fitzgerald, L.P. and BGC Partners, Inc.
ANNEX H	Form of the Administrative Services Agreement among Tower Bridge International Services L.P., BGC International and Cantor Fitzgerald, L.P.
ANNEX I	Form of the BGC Holdings, L.P. Participation Plan
ANNEX J	Opinion of Sandler O'Neill + Partners, L.P.
ANNEX K	Form of Amended and Restated Certificate of Incorporation of BGC Partners, Inc.
ANNEX L	Form of Amended and Restated By-laws of BGC Partners, Inc.
ANNEX M	Form of Amended and Restated BGC Partners, Inc. Long Term Incentive Plan

* eSpeed, Inc. hereby agrees to supplementally furnish the staff of the U.S. Securities and Exchange Commission, on a confidential basis, with a copy of any omitted schedule or exhibit upon the staff's request.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MATTERS TO BE CONSIDERED

The following questions and answers address briefly some questions you may have regarding the special meeting of stockholders and the matters to be considered at such meeting. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents incorporated by reference in this proxy statement. Please refer to [Summary](#) [Glossary](#) for a glossary of certain defined terms.

All information contained in this proxy statement concerning BGC Partners, BGC U.S., BGC Global and BGC Holdings, and their affiliates and designees, has been supplied by BGC Partners and has not been independently verified by us. All information contained in this proxy statement concerning Cantor (our majority stockholder) has been supplied by Cantor and has not been independently verified by us.

Our principal executive offices are located at 110 East 59th Street, New York, New York 10022, and our telephone number is (212) 610-2200.

Q: Why am I receiving this proxy statement?

A: eSpeed and BGC Partners have agreed to combine their businesses under the terms of the merger agreement that is described in this proxy statement. A copy of the merger agreement is attached to this proxy statement as Annex A. In order to complete the merger, eSpeed stockholders must adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger. Pursuant to the NASDAQ rules, stockholder approval is required when the issuance may equal or exceed 20% of the outstanding shares of eSpeed common stock, or rights to acquire eSpeed common stock, prior to the merger. eSpeed stockholders are also being asked to vote on the other proposals described below, most of which are typically considered at our annual meeting.

Q: On what matters am I being asked to vote on at the special meeting?

A: As an eSpeed stockholder, you are being asked to vote on:

- (1) the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger;
- (2) the approval of the amendment to the eSpeed certificate of incorporation to authorize additional shares of Class A common stock;
- (3) the approval of the amendment to the eSpeed certificate of incorporation effecting changes regarding corporate opportunities;
- (4) the approval of the amended and restated BGC Partners, Inc. Long Term Incentive Plan; and
- (5) such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Q: How does the eSpeed board of directors recommend that I vote on the matters to be considered at the special meeting?

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- A: A special committee of the eSpeed board of directors, consisting exclusively of eSpeed's independent directors, which we refer to as the Special Committee, recommended that the eSpeed board of directors approve the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and recommends that eSpeed's stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated thereby.

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The eSpeed board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and recommends that eSpeed's stockholders vote:

- (1) **FOR** the proposal to adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger;
- (2) **FOR** the approval of the amendment to the eSpeed certificate of incorporation to authorize additional shares of Class A common stock;
- (3) **FOR** the approval of the amendment to the eSpeed certificate of incorporation effecting changes regarding corporate opportunities; and
- (4) **FOR** the approval of the amended and restated BGC Partners, Inc. Long Term Incentive Plan.

Q: What will happen in the merger?

A: In the merger, BGC Partners will merge with and into eSpeed, and eSpeed will be the surviving corporation, which will be renamed BGC Partners, Inc. eSpeed stockholders will continue to hold the same number and class of shares of Combined Company common stock as they did in eSpeed immediately prior to the merger. As of January 24, 2008, eSpeed stockholders (excluding Cantor) held approximately 30.0 million shares and options to purchase shares of eSpeed common stock which represented 58.6% of the economics of eSpeed and 12.9% of the voting rights of eSpeed as of such date, and is expected to represent 41.2% of the economics of the Combined Company and 11.8% of the voting rights of the Combined Company immediately after the merger. The former stockholders of BGC Partners (including Cantor, the founding partners and the restricted equity partners, which we refer to as restricted equity partners), will own approximately 72.0% of the economics of the Combined Company. eSpeed stockholders, other than Cantor and its affiliates, will have a reduced economic and voting interest in the Combined Company after the merger, which will be further reduced upon exchange of BGC Holdings limited partnership interests exchangeable for Combined Company Class A common stock or Combined Company Class B common stock. References to economics of an entity in this proxy statement refer to an interest in the income stream of such entity. Following the completion of the merger, it is expected that the Combined Company Class A common stock will trade on the NASDAQ Global Market under the symbol BGC.P. Following the closing of the merger, we currently expect to conduct a primary and secondary offering of the Combined Company Class A common stock. The timing, the size and the price of such offering have not yet been determined.

Q: What vote of stockholders is required to adopt the merger agreement and the transactions contemplated thereby?

A: Stockholders holding a majority of the collective voting power represented by the shares of our Class A common stock and Class B common stock issued and outstanding on the record date, voting as a single class, which we refer to as the Total Voting Power, must vote **FOR** the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, for the merger agreement and the transactions contemplated thereby to be adopted.

Under the terms of the merger agreement, Cantor, which as of January 24, 2008 held 87.1% of the Total Voting Power, has agreed to vote its shares in favor of the adoption of the merger agreement and the transactions contemplated thereby so long as the eSpeed board of directors and the Special Committee recommend that eSpeed's stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. Accordingly, a sufficient number of the votes required to adopt the merger agreement and the transactions contemplated thereby is assured so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby.

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Q: What vote of stockholders is required to approve the other matters to be considered at the special meeting?

A: The affirmative vote of the holders of a majority of the Total Voting Power present in person or represented by proxy at the special meeting and entitled to vote is required to approve the other matters to be considered at the special meeting.

Q: When and where is the special meeting?

A: The special meeting will be held at [•], [•], New York, New York on [•], 2008, at [•] local time.

Q: Who is entitled to vote?

A: Stockholders of record as of the close of business on [•], 2008, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. On the record date, approximately [•] shares of our Class A common stock, held by approximately [•] stockholders of record, and [•] shares of our Class B common stock, held by one stockholder of record, were outstanding and entitled to vote at the special meeting. You may vote all shares you owned as of the close of business on the record date. All shares of Class A common stock are entitled to one vote per share. All shares of Class B common stock are entitled to 10 votes per share.

Q: If my shares are held in street name by my broker, bank or other nominee, will it vote my shares for me?

A: Yes, but only if you provide instructions to your broker, bank or other nominee on how to vote. You should follow the proxy submission instructions provided by your nominee regarding how to instruct it to vote your shares. Without those instructions, your shares will not be voted.

Q: How do I cause my shares to be voted without attending the special meeting?

A: If you hold shares in your name as the stockholder of record, then you received this proxy statement and a proxy card from us. To submit a proxy by mail, complete, sign and date the proxy card and return it in the postage-paid envelope provided. If you hold shares in street name through a broker, bank or other nominee, then you received this proxy statement from your nominee, along with the nominee's form of proxy submission instructions. In either case, you may submit a proxy for your shares by mail without attending the special meeting.

Q: What does it mean if I get more than one proxy card or form of proxy submission instructions?

A: If you have shares of our Class A common stock or Class B common stock that are registered differently or are in more than one account, you will receive more than one proxy card or form of proxy submission instructions. Please follow the directions for submitting a proxy on each of the proxy cards or form of proxy submission instructions you receive to ensure that all of your shares are voted.

Q: How do I vote in person at the special meeting?

A: If you hold shares in your name as the stockholder of record, you may vote those shares in person at the special meeting by giving us a signed proxy card or ballot before voting is closed. If you want to do that, please bring proof of identification with you to the special

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meeting. Even if you plan to attend the special meeting, we recommend that you submit a proxy card for your shares in advance as described above, so your vote will be counted even if you later decide not to attend.

If you hold shares in street name through a broker, bank or other nominee, you may vote those shares in person at the special meeting only if you obtain and bring with you a signed proxy from your nominee giving you the right to vote the shares. To do this, you should contact your nominee.

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Q: Can I change my vote?

A: After you submit a proxy card for your shares, you may change your vote at any time before voting is closed at the special meeting. If you hold shares in your name as the stockholder of record, you should write to our Secretary at our principal executive offices, eSpeed, Inc., Attention: Secretary, 110 East 59th Street, New York, New York 10022, stating that you want to revoke your proxy and that you need another proxy card. Attendance at the special meeting will not by itself constitute revocation of a proxy. If you hold your shares in street name through a broker, bank or other nominee, you should follow your nominee's proxy submission instructions. If you attend the special meeting, you may vote by ballot as described above, which will cancel your previous vote. Your last proxy submission or vote, as the case may be, before voting is closed at the special meeting is the vote that will be counted.

Q: What is a quorum for the special meeting?

A: A quorum of the holders of the outstanding shares of our Class A common stock and Class B common stock, treated as one class, must be present for the special meeting to be held. A quorum is present if a majority of the Total Voting Power is present, in person or represented by proxy, at the special meeting.

Q: How are votes counted?

A: You may vote **FOR**, **AGAINST** or **ABSTAIN** on the vote with respect to the matters to be considered at the special meeting. An abstention will not count as a vote cast **FOR** a proposal, but will count for the purpose of determining whether a quorum is present. A broker non-vote generally occurs when a broker, bank or other nominee holding shares on your behalf does not vote on a proposal because the nominee has not received your voting instructions and lacks discretionary power to vote the shares. Like abstentions, broker non-votes will not count as votes cast **FOR** a proposal, but will count for the purpose of determining whether a quorum is present.

The affirmative vote of a majority of the Total Voting Power is required to adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger. As a result, abstentions and broker non-votes on the proposal to adopt the merger agreement and the transactions contemplated thereby will have the same effect as a vote **AGAINST** the adoption of the merger agreement and the transactions contemplated thereby. Under the terms of the merger agreement, Cantor, which as of January 24, 2008 held 87.1% of the Total Voting Power, has agreed to vote its shares in favor of the adoption of the merger agreement and the transactions contemplated thereby so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. Accordingly, a sufficient number of the votes required to adopt the merger agreement and the transactions contemplated thereby is assured so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby.

The affirmative vote of the holders of a majority of the Total Voting Power present in person or represented by proxy at the special meeting and entitled to vote is required to approve the matters to be considered at the special meeting.

If you sign your proxy card without indicating your vote, your shares will be voted **FOR** the proposal to adopt the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, **FOR** the approval of the amendment to the eSpeed certificate of incorporation to authorize additional shares of Class A common stock, **FOR** the approval of the amendment to the eSpeed certificate of incorporation effecting changes regarding corporate opportunities, **FOR** the approval of the amended and restated BGC Partners, Inc. Long Term Incentive

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Plan and in accordance with any recommendation of the eSpeed board of directors or, in the absence of such recommendation, in the discretion of the proxies named in the enclosed proxy card on any other matter properly brought before the special meeting for a vote.

Q: Who will bear the cost of this solicitation?

A: We will pay the cost, if any, of soliciting stockholder proxies. We will, upon request, reimburse stockholders who are brokers, banks or other nominees for their reasonable expenses in sending proxy materials to the beneficial owners of the shares they hold of record. We will solicit proxies by mail and may also solicit them in person or by telephone, e-mail, facsimile or other electronic means of communication.

Q: What should I do now?

A: You should carefully read and consider the information contained in this proxy statement. You should then complete and sign your proxy card and return it in the enclosed envelope so that your shares will be represented at the special meeting. You may also vote in person at the special meeting or through the other means described in this proxy statement.

Q: When do you expect the merger to be completed?

A: The merger is expected to close in the first quarter of 2008.

Q: Where can I find additional information about eSpeed and the merger?

A: eSpeed files annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission, which we refer to as the SEC, under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. You may read and copy these reports and other information filed by eSpeed at the Public Reference Section of the SEC, Room 1580, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like eSpeed, who file electronically with the SEC through the Electronic Data Gathering, Analysis and Retrieval system. The Internet address of this site is <http://www.sec.gov>.

This proxy statement incorporates by reference important business and financial information about eSpeed that is not included in or delivered with this document. You may request this information from eSpeed, without charge, excluding all exhibits, unless we have specifically incorporated by reference an exhibit in this proxy statement.

Q: Who can help answer my other questions?

A: If you have more questions about the special meeting or the matters to be considered at the special meeting, you should contact eSpeed, Inc., Attention: Secretary, 110 East 59th Street, New York, New York 10022, telephone number (212) 610-2200.

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SUMMARY

The following summary highlights material information contained in this proxy statement but does not contain all of the information that may be important to you. You are urged to read the entire proxy statement carefully, including the annexes. In addition, we encourage you to read the information incorporated by reference in this proxy statement, which includes important business and financial information about eSpeed that has been filed with the SEC. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 300. The information contained in this summary is qualified in its entirety by reference to the more detailed information contained in this proxy statement and the annexes, and which are incorporated herein by reference.

The Companies

eSpeed, Inc. (see page 201)

eSpeed is a leader in developing and deploying electronic marketplaces and related trading technology that offers traders access to the most liquid, efficient and neutral financial markets in the world. eSpeed operates multiple buyer, multiple seller real-time electronic marketplaces for the global capital markets, including the world's largest government bond markets and other fixed income and foreign exchange marketplaces. eSpeed's suite of marketplace tools provides end-to-end transaction solutions for the purchase and sale of financial products over eSpeed's global private network or via the Internet. eSpeed's neutral platform, reliable network, straight-through processing and superior products make it a trusted source for electronic trading at the world's largest fixed income and foreign exchange trading firms and major exchanges. eSpeed's principal executive offices are located at 110 East 59th Street, New York, New York 10022 and its telephone number is (212) 610-2200. The Internet address for eSpeed is <http://www.espeed.com>.

Pre-Merger BGC Partners (see page 201)

BGC Partners is a leading full-service inter-dealer broker, providing integrated voice and electronic execution brokerage services to many of the world's largest and most creditworthy banks that regularly trade in capital markets, brokerage houses and investment banks for a broad range of global financial products, including fixed income securities, foreign exchange, equity derivatives, credit derivatives, futures, structured products and other instruments, as well as market data products for selected financial instruments. Named in honor of B. Gerald Cantor, Cantor's founder and a pioneer in screen brokerage services and fixed income market data products, BGC Partners has offices in London, New York, Toronto, Mexico City, Paris, Nyon, Copenhagen, Hong Kong, Tokyo, Beijing (representative office), Singapore, Sydney, Seoul and Istanbul. BGC Partners' principal executive offices are located at 199 Water Street, New York, New York 10038 and its telephone number is (646) 346-7000. The Internet address for BGC Partners is <http://www.bgcpartners.com>.

Post-Merger Combined Company (see page 250)

The Combined Company, which will be named BGC Partners, Inc., will be a leading inter-dealer broker, offering integrated voice, hybrid and fully electronic execution and other brokerage services to banks, brokerage houses and investment banks for a broad range of global financial products, including fixed income securities, foreign exchange, equity derivatives, credit derivatives, futures, structured products and other instruments, as well as market data, analytics and financial technology solutions related to selected financial instruments and markets. The Combined Company's principal executive offices will be located at 199 Water Street, New York, New York 10038 and its telephone number will be (646) 346-7000. The Internet address for the Combined Company will be <http://www.bgcpartners.com>.

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Value of the Transaction (see page 124)

The dollar value of the merger is based on the number of shares of Combined Company common stock and rights to acquire shares of Combined Company common stock being issued multiplied by the average price of eSpeed common stock at the closing date of the transaction. As the price of eSpeed common stock fluctuates, the total dollar value of the transaction fluctuates, and therefore, the dollar value of the merger will not be fixed until the merger closes. As of May 29, 2007 (the date of execution of the merger agreement) and as of January 24, 2008, the dollar value of the transaction was \$1,231,512,000 and \$1,560,807,600, respectively, based on the average price of eSpeed Class A common stock on such dates.

The Special Meeting (see page 69)

The special meeting will be held at [•], [•], New York, New York on [•], 2008, starting at [•] local time. You are entitled to notice of, and to vote at, the special meeting if you owned eSpeed Class A common stock or Class B common stock at the close of business on [•], 2008, the record date. As of the record date, there were [•] shares of eSpeed Class A common stock issued and outstanding and [•] shares of eSpeed Class B common stock issued and outstanding.

Each share of eSpeed Class A common stock is entitled to one vote on each proposal at the special meeting, and each share of eSpeed Class B common stock is entitled to 10 votes on each proposal at the special meeting. Stockholders holding a majority of the Total Voting Power must vote **FOR** the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, for the merger agreement and the transactions contemplated thereby to be adopted. The affirmative vote of the holders of a majority of the Total Voting Power present in person or represented by proxy at the special meeting and entitled to vote is required to approve the other matters to be considered at the special meeting. A quorum will be present if a majority of the Total Voting Power is present, in person or represented by proxy, at the special meeting.

Under the terms of the merger agreement, Cantor, which as of January 24, 2008 held 87.1% of the Total Voting Power, has agreed to vote its shares in favor of the adoption of the merger agreement and the transactions contemplated thereby so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. Accordingly, a sufficient number of the votes required to adopt the merger agreement and the transactions contemplated thereby is assured so long as the eSpeed board of directors and the Special Committee recommend that the stockholders of eSpeed vote in favor of the adoption of the merger agreement and the transactions contemplated thereby.

Reasons for the Merger; Risks of the Merger (see pages 89 and 36)

The Special Committee, by unanimous vote, at a meeting held on May 29, 2007, determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, advisable and in the best interests of the Company and the holders of eSpeed Class A common stock (other than Cantor and its affiliates). In addition, the Special Committee recommended that the eSpeed board of directors approve the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, and recommended that the Company's common stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. In reaching its conclusion, the Special Committee consulted with its financial and legal advisors, considered eSpeed's prospects, including the uncertainties and risks facing it, considered the prospects of BGC Partners and considered the interests of the holders of eSpeed Class A common stock (other than Cantor and its affiliates).

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In reaching such determination and recommendation, the Special Committee considered a variety of factors that it believed weighed favorably towards the merger, including the following material factors (which are not listed in any relative order of importance):

financial terms of the merger;

challenges facing eSpeed;

prospects of BGC Partners;

financial benefits;

continuation of interests of holders of eSpeed Class A common stock;

certain provisions of the merger agreement and the related agreements; and

alignment of management interests.

In addition to the above mentioned benefits, the Special Committee also considered the following factors in the course of its deliberations:

intentions of eSpeed's controlling stockholder;

expected impact of the announcement of the merger in the market and on business operations of eSpeed; and

results of due diligence investigation.

The Special Committee weighed these factors against a number of other material factors identified in its deliberations as potentially weighing negatively against the merger, including the following factors (which are not listed in any relative order of importance):

the risk of not realizing all the anticipated cost savings and revenue enhancements;

the challenges inherent in the operation of the businesses of eSpeed in conjunction with those of BGC Partners;

the transaction costs associated with the merger and costs relating to the operation of the businesses of eSpeed in conjunction with those of BGC Partners;

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the risk of liabilities associated with the BGC business, including certain regulatory and litigation matters and other contingent liabilities;

the continuing role of Cantor as controlling stockholder and the known and potential conflicts of interests of certain of the directors and executive officers of the Combined Company;

certain terms of the merger agreement and the related agreements;

that the merger is not subject to a vote by the holders of a majority of the shares of Company Class A common stock other than those held by Cantor and its affiliates;

the possibility that the merger might not be consummated despite the parties' efforts or that the closing of the merger may be unduly delayed; and

the fact that the eSpeed Class A common stock had traded in the past at prices in excess of \$9.75 per share.

As discussed in Proposal 1 The Merger Reasons for the Merger; Recommendation of the Merger by the Special Committee and the eSpeed Board of Directors, after consideration of these material factors, the Special Committee determined such risks could be mitigated or managed by eSpeed or BGC Partners or, following the

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merger, by the Combined Company, were reasonably acceptable under the circumstances, or, in light of the anticipated benefits, and that, overall, these risks were significantly outweighed by the potential benefits of the merger.

Despite the reasons for the merger, there are risks related to the merger, as discussed under the heading "Risk Factors - Risks Related to the Merger" immediately following this summary, and these risks may cause us not to realize the full benefits of the merger, and could adversely impact our revenues and as a result could adversely affect our business, financial condition and results of operations. See "Risk Factors - Risks Related to the Merger."

Interests of Directors, Executive Officers and Certain Beneficial Owners in the Merger (see page 103)

The current directors and executive officers of eSpeed, the future directors and executive officers of the Combined Company and certain beneficial owners of eSpeed common stock may have interests in the merger that are different from, or in addition to, yours and the interests of the current directors and executive officers of eSpeed, the future directors and officers of the Combined Company and certain beneficial owners of eSpeed common stock may conflict with the interests of the unaffiliated eSpeed stockholders, including the following:

The merger agreement provides that, prior to completion of the merger, upon the request of BGC Partners, eSpeed will provide each of Howard W. Lutnick, Lee M. Amaitis, Shaun D. Lynn, Stephen M. Merkel and Robert K. West with a letter agreement setting forth an annual base salary of \$1,000,000 per year (except for Mr. West whose letter shall provide for an annual base salary of \$550,000) and annual cash target bonuses of up to the percentages set forth below:

400% of annual base salary for Mr. Lutnick;

375% of annual base salary for Mr. Amaitis;

300% of annual base salary for Mr. Lynn;

100% of annual base salary for Mr. Merkel; and

100% of annual base salary for Mr. West.

In addition to the target cash bonuses set forth above, the executive officers will be eligible for incentive compensation to be paid in the form of equity, partnership units or otherwise.

The merger agreement provision described in the preceding bullet point with respect to Messrs. Amaitis and Lynn is expected to be implemented prior to the merger through employment agreements between BGC Partners and each of Messrs. Amaitis and Lynn, which agreements will be assumed at completion of the merger by the Combined Company, with base salary and bonus provisions consistent with the letter agreements described above.

BGC Partners and eSpeed have agreed that, prior to the completion of the merger, BGC Partners may enter into (which it is expected to do) change of control employment agreements with each of Messrs. Lutnick, Lynn, Merkel and Amaitis, which agreements will be assumed at completion of the merger by the Combined Company, and will relate to a change of control of BGC Partners, or, after the merger, the Combined Company, other than the merger contemplated by the merger agreement.

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Prior to the completion of the merger, Cantor will redeem all of the Cantor limited partnership interests held by founding partners in exchange for (1) a portion of the BGC Holdings limited partnership interests that Cantor will receive in the separation, and (2) rights to receive from Cantor, over time, shares of Combined Company Class A common stock, which we refer to as the distribution rights.

In connection with the separation, Cantor will receive BGC Holdings limited partnership interests. After the first anniversary of the completion of the merger, the BGC Holdings limited partnership interests held by Cantor will be exchangeable with the Combined Company for Combined Company

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Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of Combined Company Class B common stock, Combined Company Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments). Cantor will, however, be able to exchange up to 20 million of its BGC Holdings limited partnership interests prior to the first anniversary of the completion of the merger for shares of Combined Company Class A common stock in connection with a broad-based public offering including all the shares of Combined Company Class A common stock received upon such exchange, underwritten by a nationally recognized investment banking firm.

Cantor intends to provide all founding partners with the right to immediately exchange 20% of their BGC Holdings founding partner interests for restricted shares of Combined Company Class A common stock, on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by a founding partner upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. Cantor has also agreed to provide certain additional exchange rights to Messrs. Amaitis and Lynn. From time to time, Cantor may provide founding partners with the right to exchange their remaining BGC Holdings founding partner interests for Combined Company Class A common stock, on a one-for-one basis (subject to customary anti-dilution adjustments), on terms and conditions to be determined by Cantor, provided that the terms and conditions of such exchange cannot in any way diminish or adversely affect the rights of the Combined Company or its subsidiaries (it being understood that an obligation by the Combined Company to deliver shares of Combined Company Class A common stock upon exchange will not be deemed to diminish or adversely affect the rights of the Combined Company or its subsidiaries).

In connection with the separation and prior to the merger, Messrs. Amaitis, Lynn and Merkel as well as two other individuals who are employed by one or more of our affiliates, will use some of the proceeds that they receive in respect of the redemption of their Cantor limited partnership interests to repay certain loans made or guaranteed by Cantor. See Certain Relationships and Related Transactions Before and After the Merger Repayment of Existing Loans and Required Capital Contributions.

Concurrently with the merger, BGC Holdings expects to issue certain restricted equity interests (which we refer to as REUs) to certain employees of BGC Partners and other persons who provide services to BGC Partners. REUs may also be issued in connection with acquisitions or the hiring of new employees. In addition, BGC Partners will issue to certain employees and other persons who provide services to BGC Partners certain BGC Partners restricted stock units, which we refer to as BGC RSUs.

The eSpeed board of directors has determined that Cantor is a deputized director of eSpeed for purposes of Rule 16b-3 under the Exchange Act with respect to the transactions contemplated by the separation and the merger. The eSpeed board of directors' intent in determining that Cantor is a deputized director is that Cantor's acquisitions or dispositions of shares of eSpeed capital stock or interests in eSpeed capital stock from or to eSpeed or its majority-owned subsidiaries will be eligible for the Rule 16b-3 exemption from the short-swing profits liability provisions of Section 16(b) of the Exchange Act.

Upon the termination of employment or bankruptcy of a founding partner, or upon mutual agreement of Cantor and the general partner of BGC Holdings, BGC Holdings will redeem any BGC Holdings founding partner interests held by such founding partner. However, in such circumstances, Cantor has a right of first refusal to acquire such founding partner interests. Any BGC Holdings founding partner interests acquired by Cantor, while not exchangeable in the hands of the founding partner absent a determination by Cantor to the contrary (as Cantor is expected to do from time to time as described above), will be exchangeable by Cantor, generally commencing one year after the completion of the

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merger, for shares of Combined Company Class B common stock, or at Cantor's election, shares of Combined Company Class A common stock, in each case, on a one-for-one basis (subject to customary anti-dilution adjustments) on the same basis as the Cantor interests and will be designated as BGC Holdings exchangeable limited partnership interests when acquired by Cantor. In addition, Cantor will have a right of first refusal with respect to any BGC Holdings working partner interests and REU interests (that have not become exchangeable), that (A) are called for redemption upon termination of employment or bankruptcy of a working partner or termination of employment or bankruptcy of a restricted equity partner or (B) are called for redemption by BGC Holdings, in each case if BGC Holdings elects to transfer the right to purchase such interest to a BGC Holdings partner rather than redeem such interest itself.

Opinion of Financial Advisor to eSpeed's Special Committee (see page 94)

The financial advisor to eSpeed's Special Committee, Sandler O'Neill + Partners, L.P., which we refer to as Sandler O'Neill, delivered an opinion, as of May 29, 2007 and subject to the assumptions and qualifications stated in the opinion, regarding the fairness from a financial point of view of the Exchange Ratios (as defined below under Proposal 1 The Merger Opinion of Financial Advisor to the Special Committee) to holders of eSpeed Class A common stock other than Cantor and its affiliates.

The full text of this fairness opinion is attached as Annex J to this proxy statement. You are urged to read the opinion carefully and in its entirety for a description of the procedures followed, matters considered and limitations on the review undertaken.

Structure of the Merger (see page 75)

The merger agreement provides that BGC Partners will be merged with and into eSpeed, with eSpeed surviving the merger. The Combined Company will be renamed BGC Partners, Inc. Following the completion of the merger, it is expected that the Combined Company Class A common stock will trade on the NASDAQ Global Market under the symbol BGCP. The dollar value of the merger is based on the number of shares of Combined Company common stock and rights to acquire shares of Combined Company common stock being issued multiplied by the average price of eSpeed Class A common stock at the closing date of the transaction. As the price of eSpeed common stock fluctuates, the total dollar value of the transaction fluctuates, and therefore, the dollar value of the merger will not be fixed until the merger closes. As of May 29, 2007 (the date of the merger agreement) and as of January 24, 2008, the dollar value of the transaction was \$1,231,512,000 and \$1,560,807,600, respectively, based on the average price of eSpeed Class A common stock on such dates.

To acquire BGC Partners, eSpeed has agreed to issue in the merger an aggregate of 133,860,000 shares of Combined Company common stock and rights to acquire shares of Combined Company common stock. Of these shares and rights to acquire shares, 56,000,000 will be in the form of Combined Company Class B common stock or rights to acquire Combined Company Class B common stock, and the remaining 77,860,000 will be in the form of Combined Company Class A common stock or rights to acquire Combined Company Class A common stock. Specifically, in the merger:

each of the BGC Partners Class A units, 21,968,971 of which will be outstanding immediately prior to the merger, will be converted into Combined Company Class A common stock (and the issued and outstanding shares of eSpeed Class A common stock and options to purchase eSpeed Class A common stock will remain outstanding as Combined Company Class A common stock, 32,451,646 (including 1,150,783 of stock options) of which were issued and outstanding as of January 24, 2008);

all of the issued and outstanding shares of eSpeed Class B common stock will remain outstanding as Combined Company Class B common stock or, at Cantor's election prior to the closing of the merger, be converted into shares of Combined Company Class A common stock, 19,497,800 of which were issued and outstanding as of January 24, 2008;

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the one BGC Partners Class C unit which will be issued and outstanding immediately prior to the merger will be converted into 100 shares of Combined Company Class B common stock or, at Cantor's election prior to the closing of the merger, 100 shares of Combined Company Class A common stock; and

- (1) the 68,073,666 units of BGC Holdings exchangeable limited partnership interests which will be issued and outstanding immediately prior to the merger will be exchangeable with the Combined Company for Combined Company Class B common stock or Combined Company Class A common stock in accordance with the terms of the BGC Holdings limited partnership agreement and
- (2) the 43,817,263 units of BGC Holdings founding partner interests which will be issued and outstanding immediately prior to the merger will not be exchangeable with the Combined Company unless otherwise determined by Cantor in accordance with the terms of the BGC Holdings limited partnership agreement.

Cantor currently intends to elect to have the BGC Partners Class B units and the BGC Partners Class C unit converted in the merger into Combined Company Class A common stock.

Concurrently with or immediately after the merger, the Combined Company will contribute its assets and liabilities to BGC U.S. and BGC Global in exchange for limited partnership interests in these entities. As a result of this contribution, the Combined Company will receive limited partnership interests in each of these entities.

Current stockholders of the Company will hold the same number and class of shares of Combined Company common stock that they held in the Company prior to the merger. As of January 24, 2008, eSpeed stockholders (excluding Cantor) held approximately 30.0 million shares and options to purchase shares of eSpeed common stock which represented 58.6% of the economics of eSpeed and 12.9% of the voting rights of eSpeed as of such date, and is expected to represent 41.2% of the economics of the Combined Company and 11.8% of the voting rights of the Combined Company immediately after the merger. eSpeed stockholders, other than Cantor and its affiliates, will have a reduced economic and voting interest in the Combined Company after the merger, which will be further reduced upon exchange of BGC Holdings limited partnership interests that are exchangeable for Combined Company Class A common stock or Combined Company Class B common stock. Following the closing of the merger, we currently expect to conduct a primary and secondary offering of the Combined Company Class A common stock, but the timing, the size and the price of such offering have not yet been determined.

Immediately after the merger, it is expected there will be approximately 54,420,617 fully diluted shares of Combined Company Class A common stock outstanding, of which 23,989,120 shares will be held by Cantor. Each share of Class A common stock will generally be entitled to one vote on matters submitted to the Combined Company's stockholders. In addition, immediately after the merger, Cantor will hold 19,497,900 shares of Combined Company Class B common stock (which represents all of the outstanding Combined Company Class B common stock), representing, together with the Combined Company Class A common stock held by Cantor, approximately 88.2% of the Combined Company's voting power. Each share of Class B common stock will generally be entitled to the same rights as a share of Class A common stock, except that, on matters submitted to a vote of the Combined Company's stockholders, each share of Class B common stock will be entitled to 10 votes. The Class B common stock generally will vote together with the Class A common stock on all matters submitted to a vote of the Combined Company's stockholders.

Immediately after the merger, the Combined Company will hold, directly or indirectly, the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitles the holder thereof to remove and appoint the general partner of BGC Holdings, and will serve as the general partner of BGC Holdings, which will entitle the Combined Company to control BGC Holdings. BGC Holdings, in turn, will hold the BGC U.S. general partnership interest and the BGC U.S. special voting limited partnership interest, which

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entitles 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 entitles the holder thereof to remove and appoint the general partner of BGC Global, and will serve as the general partner of each of BGC U.S. and BGC Global, which will entitle BGC Holdings (and thereby the Combined Company) to control each of BGC U.S. and BGC Global. BGC Holdings will hold its BGC Global general partnership interest through a company incorporated in the Cayman Islands, BGC Global Holdings GP Limited. In addition, it is expected the Combined Company will indirectly through wholly-owned subsidiaries hold BGC U.S. limited partnership interests and BGC Global limited partnership interests consisting of approximately 73,918,517 units and 73,918,517 units, representing approximately 39.8% and 39.8% of the outstanding BGC U.S. limited partnership interests and BGC Global limited partnership interests, respectively. The Combined Company will be a holding company that will hold these interests, will serve as the general partner of BGC Holdings, and, through BGC Holdings, will act as the general partner of each of BGC U.S. and BGC Global. As a result of the Combined Company's ownership of the general partnership interest in BGC Holdings and BGC Holdings' general partnership interest in each of BGC U.S. and BGC Global, it is anticipated that the Combined Company will consolidate BGC U.S.'s and BGC Global's results for financial reporting purposes.

Founding partners and working partners, which we refer to collectively as founding/working partners and as BGC Holdings founding/working partners, and restricted equity partners will directly and Cantor will indirectly hold BGC Holdings limited partnership interests. BGC Holdings, in turn, will hold BGC U.S. limited partnership interests and BGC Global limited partnership interests and, as a result, founding/working partners, restricted equity partners and Cantor will indirectly have interests in BGC U.S. limited partnership interests and BGC Global limited partnership interests.

After the first anniversary of the completion of the merger, the BGC Holdings limited partnership interests held by Cantor will be exchangeable with the Combined Company for Combined Company Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of Combined Company Class B common stock, Combined Company Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments). Cantor will, however, be able to exchange up to an aggregate of 20 million of its BGC Holdings limited partnership interests prior to the first anniversary of the completion of the merger for shares of Combined Company Class A common stock in connection with a broad-based public offering including all shares of Combined Company Class A common stock received upon such exchange, underwritten by a nationally recognized investment banking firm.

The BGC Holdings limited partnership interests that Cantor transfers to founding partners in redemption of their current limited partnership interests in Cantor at the time of the separation will not be exchangeable with the Combined Company unless (1) Cantor reacquires such interests from the founding partners (which it has the right to do under certain circumstances), in which case such interests will be exchangeable with the Combined Company for Combined Company Class A common stock or Class B common stock, or (2) Cantor determines that such interests can be exchanged by such founding partners with the Combined Company for Combined Company Class A common stock, generally on a one-for-one basis (subject to customary anti-dilution adjustments), on terms and conditions to be determined by Cantor, provided that such terms and conditions do not have an adverse effect on the Combined Company (which exchange of certain interests Cantor expects to permit from time to time). Cantor intends to provide all founding partners with the right to immediately exchange 20% of their BGC Holdings founding partner interests for restricted shares of Combined Company Class A common stock on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by a founding partner upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. Cantor has also granted certain additional exchange rights to Messrs. Amaitis and Lynn. No working partner interests will be issued at the time of the separation and merger. Any working partner interests that are issued will not be exchangeable with the Combined Company unless otherwise determined by BGC Partners with the written consent of the affirmative vote of the majority of units underlying BGC Holdings

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exchangeable limited partnership interests outstanding as of the applicable record date, which we refer to as a BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

With each exchange, BGC Partners' indirect interest in BGC U.S. and BGC Global will proportionately increase because, immediately following an exchange, BGC Holdings will redeem the BGC Holdings unit so acquired for the BGC U.S. limited partnership interest and the BGC Global limited partnership interest underlying such BGC Holdings unit. The acquired BGC U.S. limited partnership interest and BGC Global limited partnership interest will be appropriately adjusted to reflect the impact of certain litigation matters and the intention of the parties to the BGC Holdings limited partnership agreement for BGC Holdings (and not BGC Partners) to realize the economic benefits and burdens of such litigation matters.

The profit and loss of BGC U.S., BGC Global and BGC Holdings, as the case may be, will generally be allocated based on the total number of BGC U.S. units, BGC Global units and BGC Holdings units, as the case may be, outstanding, other than in the case of certain litigation matters, as described in Related Agreements Amended and Restated Limited Partnership Agreements of BGC U.S. and BGC Global.

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The following diagram illustrates the expected ownership structure of the Combined Company after the merger. References to economics of an entity in this proxy statement refer to an interest in the income stream of such entity. References to Public Stockholders includes Combined Company stockholders other than Cantor. The following diagram does not reflect the various subsidiaries of the Combined Company, BGC U.S., BGC Global, BGC Holdings or Cantor, the issuance of BGC Holdings REUs or BGC RSUs or the results of any exchange of BGC Holdings exchangeable limited partnership interests, or, to the extent applicable, BGC Holdings founding partner interests or BGC Holdings REUs:

* Shares of Class B common stock are convertible into shares of 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 59.8% of the voting power and the public stockholders would hold 40.2% of the voting power (and the indirect economic interests in BGC U.S. and BGC Global would remain unchanged).

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Please see [Risk Factors](#) [Risks Related to the Merger](#) eSpeed stockholders, other than Cantor and its affiliates, will have a reduced ownership and voting interest after the merger and will be further diluted upon exchange of BGC Holdings limited partnership interest into Combined Company common stock and [Risk Factors](#) [Risks Related to the Combined Company's Business](#) The market price of eSpeed Class A common stock has fluctuated and the market price of Combined Company Class A common stock may fluctuate in the future. In addition, future sales of shares of Combined Company Class A common stock could adversely affect the market price of Combined Company Class A common stock. eSpeed has also repurchased its shares from time to time, and, after the merger, the Combined Company may cease doing so at any time, for a discussion of possible dilution and future sales of shares of Combined Company Class A common stock.

You should read [Risk Factors](#) [Risks Related to the Combined Company's Capital Structure](#), [Proposal 1 The Merger](#) [History, Formation, Separation and Pre-Merger Structure of BGC Partners](#), [Proposal 1 The Merger](#) [Structure of the Combined Company](#), [Related Agreements](#) and [Description of the Combined Company Capital Stock](#) for additional information about the Combined Company's capital structure and the risks posed by this structure.

Material U.S. Federal Income Tax Consequences (see page 110)

Because eSpeed common stock held by eSpeed stockholders immediately prior to the merger will not be exchanged in the merger, eSpeed stockholders will not recognize any gain or loss for U.S. federal income tax purposes as a result of the merger. In addition, we do not anticipate that eSpeed will currently recognize any material amount of income or gain for U.S. federal income tax purposes as a result of the merger.

Accounting Treatment (see page 110)

The merger will be accounted for by eSpeed as a combination of entities under common control in accordance with generally accepted accounting principles in the United States, which we refer to as U.S. GAAP.

Regulatory Approvals (see page 110)

The merger is subject to the receipt of approvals of certain regulatory agencies, including the Financial Industry Regulatory Authority, which we refer to as FINRA, and the U.K. Financial Services Authority, which we refer to as the FSA (in respect of the change of control for all FSA-regulated entities and the conversion of BGC Financial, Inc. into a limited liability company). Consents from the Sydney Futures Exchange and the Hong Kong Monetary Authority are also required to consummate the separation transactions in Australia and Hong Kong, respectively. Consummation of the merger is also subject to approvals of, or filings with, securities commissions of certain states and other jurisdictions in which subsidiaries of BGC Partners and eSpeed conduct business.

Conditions to the Merger (see page 120)

A number of conditions to each party's obligation to close must be satisfied or waived before the merger will be completed. These include among others:

the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger, by the eSpeed stockholders;

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the NASDAQ listing of the Combined Company Class A common stock to be issued in the merger;

the receipt of required governmental approvals, including the approval of FINRA, the FSA and other regulatory approvals;

the lack of any order, injunction, ruling, decree or judgment by a court or agency;

the absence of legal prohibitions restraining, enjoining or preventing the consummation of the merger or any of the transactions contemplated by the merger agreement being in effect;

the separation occurring according to the terms of the separation agreement;

the accuracy and correctness of the other party's or parties' representations and warranties, subject to certain qualifications described in the merger agreement, and the receipt of a certificate from the other party to that effect; and

the other party or parties' covenants and agreements having been performed on or before the closing date of the merger in accordance with the merger agreement, and the receipt of a certificate from the other party to that effect.

The obligations of eSpeed to complete the merger are also subject to the following conditions:

the estimated closing net equity and the estimated closing cash of BGC Partners being at least equal to the target closing net equity of \$146.5 million and the target closing cash of \$25.0 million of BGC Partners, respectively, and the receipt of a certificate from BGC Partners to that effect; and

the estimated closing indebtedness of BGC Partners being equal to or less than the \$150.0 million target closing indebtedness of BGC Partners.

The obligations of BGC Partners to complete the merger are also subject to the receipt of an opinion from BGC Partners' counsel, Wachtell, Lipton, Rosen & Katz, dated the closing date of the merger, confirming that the merger qualifies as an exchange for purposes of Section 351(a) of the Internal Revenue Code, as amended, which we refer to as the Code.

Each of the parties may waive the conditions to the performance of its obligations under the merger agreement.

Absence of Dissenters' Rights of Appraisal (see page 110)

Under the Delaware General Corporation Law, which we refer to as the DGCL, which governs the merger, eSpeed stockholders are not entitled to dissenters' rights of appraisal in connection with the merger.

Management Before and After the Merger (see page 155)

Following the merger, the Combined Company board of directors will consist of six directors, all of whom will be the directors of eSpeed immediately prior to the merger. The initial term of the directors will end with the first annual meeting of stockholders to be held by the Combined Company. Thereafter, if re-elected, the directors will serve one year terms.

Upon completion of the merger, Howard W. Lutnick, Chairman, Chief Executive Officer and President of the Company, will be appointed Chairman and Co-Chief Executive Officer of the Combined Company; Lee M. Amaitis, Chairman and Chief Executive Officer of BGC Partners and Vice Chairman of the Company, will be appointed Co-Chief Executive Officer of the Combined Company; Shaun D. Lynn, President of

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BGC Partners, will be appointed to the same position with the Combined Company; Stephen M. Merkel, Executive Vice President, General Counsel and Secretary of the Company, will be appointed to the same positions with the Combined Company; and Robert K. West, Chief Financial Officer of BGC Partners, will be appointed to the same position with the Combined Company.

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Termination of the Merger Agreement (see page 121)

BGC Partners and eSpeed (acting at the direction of the Special Committee) may mutually agree in writing by action of their respective boards of directors, at any time before the effective time of the merger, whether before or after eSpeed stockholder adoption, to terminate the merger agreement. Also, either BGC Partners or eSpeed (acting at the direction of the Special Committee) may terminate the merger agreement in several circumstances, including if:

the merger is not consummated on or before April 30, 2008, which we refer to as the Outside Date, unless either BGC Partners or eSpeed exercises its option to extend the Outside Date for an additional period not to exceed 120 days if all other conditions to consummation of the transactions contemplated by the merger agreement were satisfied or were capable of being satisfied, and the sole reason that such transactions has not been satisfied is because the closing condition related to required government approvals has not been satisfied, except that this right to terminate the merger agreement is not available to any party to the merger agreement whose failure to perform any material covenant or obligation under the merger agreement has been the primary cause of or resulted in the failure of the transactions contemplated by the merger agreement to occur on or before such date; or

any injunction permanently restrains, enjoins or prohibits the consummation of the transactions contemplated by the merger agreement.

BGC Partners may also terminate the merger agreement if eSpeed materially breaches any representation, warranty, covenant or agreement contained in the merger agreement, which breach by its nature is not curable within 45 days of written notice to eSpeed of such breach.

eSpeed may also terminate the merger agreement if BGC Partners, Cantor, BGC U.S. and BGC Global or BGC Holdings breaches any representation, warranty, covenant or agreement contained in the merger agreement, which breach by its nature is not curable within 45 days of written notice to the aforementioned parties of such breach.

Fees and Expenses (see page 122)

Each party will bear its own costs and expenses, including attorneys and other advisors fees, incurred in connection with the merger agreement.

Related Agreements (see page 125)

In the merger, the Combined Company will assume the related agreements described below:

Separation Agreement (see page 125)

The separation agreement will be entered into and the closing of the separation will occur on or prior to the closing of the merger, at which time Cantor will contribute, convey, transfer, assign and deliver to BGC Partners or its subsidiaries, including the Opcos, in a manner that is expected to be tax-free to BGC Partners or its subsidiaries, including the Opcos, and BGC Partners or its subsidiaries, including the Opcos, will acquire and accept from Cantor, all of the right, title and interest of Cantor to the following assets, which we refer to as the transferred assets:

specified equity interests related to the BGC businesses;

specified contracts related to the BGC businesses, including employment agreements with transferred employees;

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certain rights under eSpeed's amended and restated joint services agreement, dated as of October 1, 2005, which we refer to as the JSA, with Cantor including rights and obligations in respect of clearance, settlement and fulfillment services, to the extent related to the inter-dealer brokerage business;

all intellectual property primarily related to the BGC businesses being transferred;

all books and records (other than tax returns), files, papers, tapes, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials and all other printed and written materials, to the extent available and primarily related to the BGC businesses; and

all permits or licenses issued by any governmental authority to the extent primarily related to the BGC businesses and permitted by applicable law to be transferred.

In addition, BGC Partners, BGC U.S. and/or BGC Global will assume certain transferred liabilities, which will include the following, which we refer to as the transferred liabilities:

all liabilities primarily relating to, arising from or in connection with any transferred business or any transferred asset, regardless of when or where such liability arose and regardless of where or against whom such liability is asserted or determined;

certain liabilities under the JSA to the extent related to the inter-dealer brokerage business, including liabilities related to Cantor's rights and obligations in respect of clearance, settlement and fulfillment services primarily related to the inter-dealer brokerage business;

all liabilities primarily relating to, arising from or in connection with the transferred business employees and their employment, including all compensation, benefits, severance, workers' compensation and welfare benefit claims and other employment-related liabilities primarily arising from or relating to the conduct of any transferred business; and

certain indebtedness, the total amount of which will not exceed \$150 million. We expect that the indebtedness will include a portion of Cantor's senior notes maturing in April 2010, or new debt to Cantor on terms similar to the senior notes, and the interest rate will be fixed at 7.5% per annum.

Amended and Restated BGC Holdings Limited Partnership Agreement (see page 132)

On or prior to the closing of the merger, the limited partnership agreement of BGC Holdings will be amended and restated. BGC Holdings will be managed by its general partner. Immediately after the separation and the merger, the Combined Company will indirectly hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitles the holder thereof to remove and appoint the general partner of BGC Holdings, and will serve as the general partner of BGC Holdings, which will entitle the Combined Company to control BGC Holdings.

Under the BGC Holdings limited partnership agreement, BGC Partners, as BGC Holdings' general partner, will manage the business and affairs of BGC Holdings, but will require Cantor's consent for amendments to the BGC Holdings limited partnership agreement, to decrease distributions to BGC Holdings limited partners to less than 100% of net income received by BGC Holdings (other than with respect to selected extraordinary items), to transfer any BGC U.S. or BGC Global partnership interests beneficially owned by BGC Holdings and to take any other actions that may interfere with Cantor's exercise of its pre-emptive right to acquire BGC Holdings limited partnership interests (and the corresponding investment in BGC U.S. and BGC Global by BGC Holdings), its right to acquire BGC Holdings limited partnership interests from founding partners and its right to exchange the BGC Holdings exchangeable limited partnership interests. Cantor's consent will also be required in connection with transfers of BGC Holdings limited partnership interests by other limited partners and the issuance of additional BGC Holdings limited partnership interests outside of the Participation Plan or that are not deemed issued in connection with the merger, in connection with the prior written consent of the BGC Partners

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compensation committee (or its designee) or in connection with a conversion of unissued unit and interest into a different class or type of unit and interest. BGC Holdings founding partner interests are only exchangeable if Cantor so determines, as Cantor has agreed to do with respect to a portion of the founding partner interests as described above. The BGC Holdings limited partnership agreement will also provide that BGC Holdings, in its capacity as general partner of each of BGC U.S. and BGC Global, will require Cantor's consent to amend the terms of the BGC U.S. or BGC Global limited partnership agreements. Founding/working partners and restricted equity partners will not have any voting rights with respect to their ownership of BGC Holdings limited partnership interests, other than limited consent rights concerning amendments to the terms of the BGC Holdings limited partnership agreement.

After the first anniversary of the completion of the merger, the BGC Holdings limited partnership interests held by Cantor will be exchangeable with the Combined Company for Combined Company Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of Combined Company Class B common stock, Combined Company Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments). Cantor will, however, be able to exchange up to an aggregate of 20 million of its BGC Holdings limited partnership interests prior to the first anniversary of the completion of the merger for shares of Combined Company Class A common stock received upon such exchange, in connection with a broad-based public offering of all shares of Combined Company Class A common stock underwritten by a nationally recognized investment banking firm. In addition, prior to the merger, a portion of the BGC Holdings founding partner interests held by Mr. Lynn, as well as two other individuals who are employed by one of our affiliates, who, together with Mr. Amaitis, we refer to collectively as the select persons, will be sold to Cantor for cash, and such persons' aggregate net proceeds will be used as described in Certain Relationships and Related Transactions Before and After the Merger Repayment of Existing Loans and Required Capital Contributions. Upon acquiring such BGC Holdings founding partner interests from such persons, Cantor will exchange them for BGC Partners units on a one-for-one basis, and prior to the merger, BGC Partners will redeem such BGC Partners units from Cantor for cash equal to the amount paid by Cantor to the select persons in respect of such interests. See Certain Relationships and Related Transactions Before and After the Merger Repayment of Existing Loans and Required Capital Contributions.

The BGC Holdings limited partnership interests that Cantor transfers to founding partners in redemption of their current limited partnership interests in Cantor at the time of the separation will not be exchangeable with the Combined Company unless (1) Cantor reacquires such interests from the founding partners (which it has the right to do under certain circumstances), in which case such interests will be exchangeable with the Combined Company for Combined Company Class A common stock or Combined Company Class B common stock as described above, or (2) Cantor determines that such interests can be exchanged by such founding partners with the Combined Company for Combined Company Class A common stock, generally on a one-for-one basis (subject to customary anti-dilution adjustments), on terms and conditions to be determined by Cantor, provided that the terms and conditions of such exchange cannot in any way diminish or adversely affect the rights of the Combined Company or its subsidiaries (it being understood that an obligation by the Combined Company to deliver shares of Combined Company Class A common stock upon exchange will not be deemed to diminish or adversely affect the rights of the Combined Company or its subsidiaries) (which exchange of certain interests Cantor expects to permit from time to time). In particular, Cantor intends to provide all founding partners with the right to immediately exchange 20% of their BGC Holdings founding partner interests for restricted shares of Combined Company Class A common stock, on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by a founding partner upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. In addition, prior to the completion of the merger, Cantor intends to enter into agreements with Messrs. Amaitis and Lynn pursuant to which Cantor will agree that an additional portion of the BGC Holdings founding partner interests held by each of them will be immediately exchangeable into restricted shares of Combined Company Class A common stock on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of

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the shares received by either of them upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. From time to time, Cantor may provide founding partners with the right to exchange their remaining BGC Holdings founding partner interests on terms and conditions to be determined by Cantor, provided that the terms and conditions of such exchange cannot in any way diminish or adversely affect the rights of the Combined Company or its subsidiaries (it being understood that an obligation by the Combined Company to deliver shares of Combined Company Class A common stock upon exchange will not be deemed to diminish or adversely affect the rights of the Combined Company or its subsidiaries). See Certain Relationships and Related Transactions Before and After the Merger Exchangeability of Founding Partner Interests.

No working partner interests will be issued at the time of the separation and merger. Any working partner interests that are issued will not be exchangeable with the Combined Company unless otherwise determined by BGC Partners with the written consent of a BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

In the fourth quarter of 2007, certain employees of BGC and other persons who provide services to BGC were informed that they could expect to receive an aggregate of 276,204 REU interests in lieu of a portion of their discretionary bonus for 2007 having an aggregate estimated value of \$2,817,279 and 148,543 REU interests to be considered as part of their total 2008 compensation having an aggregate estimated value of \$1,515,143, in each case to be delivered in 2008 and issued upon the closing of the merger. The right to receive payment upon redemption of these REU interests will vest in one-third increments on December 14, 2008, 2009 and 2010. The REU interests will only be exchangeable for Combined Company Class A common stock in accordance with terms and conditions of the grant of such REU interests, which terms and conditions will be determined in the sole discretion of the BGC Holdings general partner which, after the merger, will be the Combined Company, in accordance with the terms of the BGC Holdings limited partnership agreement. In addition, in the fourth quarter of 2007, certain employees of BGC and other persons who provide services to BGC were informed that they could expect to receive an aggregate of 1,220,772 BGC RSUs having an aggregate estimated value of \$1,862,425 and \$10,589,451 for delivery in 2008, which would be issued upon the closing of the merger, in lieu of a portion of their discretionary bonus for 2007 and to be considered as part of their total 2008 compensation, respectively. These BGC RSUs vest in one-third increments on December 14, 2008, 2009 and 2010. Aggregate estimated values in each case are determined based on the eSpeed stock price on the date of each award.

In addition, in the fourth quarter of 2007, certain executive officers of BGC were informed that they could expect to receive an aggregate of 593,990 REU interests (267,865 for Howard W. Lutnick, 133,932 for Lee Amaitis, 133,932 for Shaun Lynn, 38,171 for Stephen M. Merkel and 20,090 for Robert K. West) for delivery in 2008, which would be issued upon the closing of the merger. These REU interests have an aggregate estimated value of \$6,652,500 (\$3,000,000 for Howard W. Lutnick, \$1,500,000 for Lee Amaitis, \$1,500,000 for Shaun Lynn, \$427,500 for Stephen M. Merkel and \$225,000 for Robert K. West). The REUs will only be exchangeable for Combined Company Class A common stock in accordance with terms and conditions of the grant of such REU interests, which terms and conditions will be determined in the sole discretion of the BGC Holdings general partner which, after the merger, will be the Combined Company, in accordance with the terms of the BGC Holdings limited partnership agreement. The right to receive payment upon redemption of these REU interests for Messrs. Lutnick, Amaitis and Lynn was immediately vested on December 31, 2007. The right to receive payment upon redemption of these REUs for Messrs. West and Merkel will vest in one-third increments in December 2008, 2009 and 2010. Aggregate estimated values in each case are determined based on the eSpeed stock price on the date of each award.

Amended and Restated Limited Partnership Agreements of BGC U.S. and BGC Global (see page 147)

On or prior to the closing of the merger, the limited partnership agreements of each of BGC U.S. and BGC Global will be amended and restated. Each of BGC U.S. and BGC Global will be managed by BGC Holdings, its

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general partner. As the general partner, BGC Holdings will be entitled to make all decisions with respect to BGC U.S. and BGC Global and their subsidiaries, subject to limited consent rights of Cantor and to the rights of the special voting limited partner, which will be BGC Holdings. BGC Holdings will require Cantor's consent to amend the terms of the BGC U.S. or the BGC Global limited partnership agreement or to take any other action that may interfere with Cantor's exercise of its pre-emptive right to acquire BGC Holdings limited partnership interests (and the corresponding investment in BGC U.S. and BGC Global by BGC Holdings) or Cantor's right to exchange BGC Holdings exchangeable limited partnership interests.

The BGC U.S. and BGC Global special voting limited partner will be entitled to appoint and remove the general partner of the applicable entity. The Combined Company, in its capacity as the general partner of BGC Holdings, will not cause BGC Holdings, in its capacity as the general partner of BGC U.S. and BGC Global, to make any amendments (other than ministerial or other immaterial amendments) to the limited partnership agreements of BGC U.S. or BGC Global unless such action is approved by a majority of the Combined Company's independent directors.

Separation Registration Rights Agreement (see page 151)

On or prior to the closing of the merger, BGC Partners and Cantor will enter into the separation registration rights agreement. The separation registration rights agreement will provide that Cantor and any affiliate of Cantor, which we refer to as a holder, holding BGC Partners units, or, after the merger, Combined Company common stock, which is transferred or issued to any holder pursuant to and in accordance with the BGC Holdings limited partnership agreement, and any BGC Partners units, or, after the merger, Combined Company common stock, issuable in respect of or in exchange for any such BGC Partners units or Combined Company common stock, as the case may be, which we refer to as registrable securities, will have unlimited piggyback registration rights. The separation registration rights agreement also will grant Cantor four demand registration rights requiring that BGC Partners, or, after the merger, the Combined Company, register the units or shares of its common stock, as the case may be, held by Cantor, provided that the amount of securities subject to such demand constitutes at least 10% of the BGC Partners Class A units, or, after the merger, shares of Combined Company Class A common stock, outstanding or has an aggregate market value in excess of \$20 million.

Administrative Services Agreements (see page 151)

Tower Bridge International Services L.P., which we refer to as Tower Bridge, BGC International (formerly known as Cantor Fitzgerald International), which we refer to as BGCI, and Cantor have entered into a new agreement, with an effective date of January 1, 2007. At the closing of the separation, Cantor and BGC Partners will enter into the administrative services agreement. Each is for an initial three-year term with successive one-year renewal periods unless terminated by any party, in the case of the Tower Bridge administrative services agreement, at least 180 days, or, in the case of the administrative services agreement, 120 days, before the end of the three-year term or any subsequent one-year renewal period, as the case may be.

BGC Holdings Participation Plan (see page 154)

In connection with the separation, BGC Holdings intends to adopt the Participation Plan as a means to attract, retain, motivate and reward present founding partners, present and prospective working partners and restricted equity partners and executive officers of BGC Partners, or, after the merger, the Combined Company, by enabling such founding/working partners, restricted equity partners and executive officers to acquire or increase their ownership interests in BGC Holdings.

Approval of Amendment to Certificate of Incorporation Regarding Authorized Class A Common Stock (see page 286)

In connection with the merger and the transactions contemplated thereby, the eSpeed board of directors deems it advisable to amend the eSpeed certificate of incorporation, effective upon completion of the merger, to

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increase the authorized number of shares of its Class A common stock from 200 million to 500 million. The eSpeed board of directors deems this advisable because, after the merger, if there were to be a full exercise of all outstanding rights to acquire Combined Company Class A common stock (including a conversion of all shares of outstanding Combined Company Class B common stock), the Combined Company would have limited authorized and unissued shares of Combined Company Class A common stock. The proposed increase in the authorized Combined Company Class A common stock has been recommended by the eSpeed board of directors to assure that an adequate supply of authorized, unissued shares of Combined Company Class A common stock is available for general corporate needs and to provide the Combined Company board of directors, following the merger, with the necessary flexibility to issue Combined Company Class A common stock in connection with potential financings without the expense and delay incidental to obtaining stockholder approval of an amendment to the certificate of incorporation at the time of such action, except as may be required for a particular issuance by applicable law or the NASDAQ rules. This proposed amendment is conditioned upon the completion of the merger.

Approval of Amendment to Certificate of Incorporation Regarding Corporate Opportunities (see page 288)

Currently, the eSpeed certificate of incorporation does not directly address potential conflicts of interest between eSpeed and Cantor and its representatives. As such, in connection with the merger and the transactions contemplated thereby, the eSpeed board of directors deems it advisable to amend and restate the eSpeed certificate of incorporation, effective upon completion of the merger, to resolve such potential conflicts of interest. In particular, the amended and restated eSpeed certificate of incorporation will contain provisions regulating and defining the conduct of the Combined Company's affairs as they may involve Cantor and its representatives, and its relationship with Cantor and its affiliates, officers, directors, general partners or employees. The amended and restated certificate of incorporation will provide that no Cantor Company or any of the representatives of a Cantor Company will owe any fiduciary duty to, nor shall any Cantor Company or any of their respective representatives be liable for breach of fiduciary duty to, the Combined Company or any of its stockholders. Please note, however, that to the extent a representative of Cantor or its affiliates also serves as a director or officer of the Combined Company, such person will owe fiduciary duties to the Combined Company in his or her other capacity as a director or officer of the Combined Company.

In addition, the amended and restated certificate of incorporation will provide that Cantor and its respective representatives will have no duty to refrain from:

engaging in the same or similar business activities or lines of business as the Combined Company; or

doing business with any of the Combined Company's clients or customers.

For purposes of the above, Cantor Company means Cantor and any of its affiliates (other than, if applicable, the Combined Company and its affiliates) and representatives means, with respect to any person, the directors, officers, employees, general partners or managing member of such person. The proposed amendment is conditioned upon the completion of the merger.

Approval of Amended and Restated BGC Partners, Inc. Long Term Incentive Plan (see page 290)

Our Long Term Incentive Plan, which we refer to as the Equity Plan, was initially adopted in 1999 as the eSpeed, Inc. 1999 Long Term Incentive Plan, and was subsequently amended and restated in 2003. The eSpeed board of directors has further amended and restated our Equity Plan, subject to the approval of our stockholders, to (1) increase the number of our shares of Class A common stock that may be subject to outstanding awards under the Equity Plan from the greater of 18.5 million shares of our Common Stock or 30% of the number of outstanding shares of all classes of our common stock to the greater of 40 million shares of our Common Stock

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or 15% of the number of outstanding shares of all classes of our common stock, and increase the overall limit on the number of shares of Class A common stock that may be issued pursuant to the exercise or settlement of all awards granted under the Equity Plan from 30 million shares to 60 million shares, all of which shares may be subject to incentive stock options; (2) provide that the price per share at which our Class A common stock may be purchased upon the exercise of a stock option may not be less than 100% of the fair market value of such shares on the date of grant; (3) prohibit repricing of stock options and stock appreciation rights, without prior stockholder approval to the extent required by applicable law and regulation; (4) provide that we may not, in connection with any award, extend, maintain, renew, guarantee or arrange for credit in the form of a personal loan to any participant who is our director or executive officer (within the meaning of the Exchange Act); (5) provide that Other Stock-Based Awards, as defined in the Equity Plan, includes BGC Holdings limited partnership interests issued under the BGC Holdings Participation Plan that are exchangeable for or otherwise represent the right to receive Combined Company common stock; (6) make certain other changes to clarify the meaning and operation of various provisions of the Equity Plan, conform the Equity Plan to recent regulatory developments, and remove outdated references in the Equity Plan; and (7) rename the Equity Plan the Amended and Restated BGC Partners, Inc. Long Term Incentive Plan.

We are submitting our Equity Plan, as amended and restated to incorporate these changes, to our stockholders for approval pursuant to the terms of the Equity Plan. Also, stockholder approval is being sought (i) so that the compensation attributable to certain awards under our Equity Plan may continue to qualify for an exemption from the \$1,000,000 federal income tax deduction limit under Section 162(m) of the Code; (ii) so that incentive stock options may continue to meet the requirements of the Code; and (iii) to meet the published listing requirements of the NASDAQ Global Market.

The eSpeed board of directors believes that the number of shares of our Class A common stock provided for under our Equity Plan will not be sufficient in view of our significantly increased size after the merger. The board has concluded that our ability to attract, retain and motivate top quality employees, officers, directors and consultants is material to our success, and would be enhanced by our continued ability to grant equity compensation under the Equity Plan and facilitate the grant of BGC Holdings limited partnership interests that are exchangeable for or otherwise represent the right to receive Combined Company common stock. Thus, the board believes that our interests and the interests of our stockholders will be advanced if employees, officers, directors and consultants can continue to be offered the opportunity to acquire or increase their proprietary interests in us. The board, therefore, believes that the availability of more shares under the Equity Plan will ensure that there will continue to be a sufficient number of shares with which to achieve the compensation strategy of the Combined Company. The other proposed amendments, which will be effective whether or not the merger agreement is approved, are intended to limit, clarify, and update the Equity Plan in various respects.

If this proposal to amend Equity Plan is approved by our stockholders, the increase in the number of shares of Class A common stock provided for under our Equity Plan, the inclusion within Other Stock-Based Awards of BGC Holdings limited partnership interests issued under the BGC Holdings Participation Plan that are exchangeable for or otherwise represent the right to receive Combined Company common stock and the renaming of the Equity Plan will be effective only if our stockholders approve the merger agreement. All other amendments to our Equity Plan, and the restatement of our Equity Plan, will be effective whether or not our stockholders approve the merger agreement.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table sets forth a summary of the historical combined financial information and other data of BGC Partners and summary pro forma combined financial information of the Combined Company.

The summary historical combined financial data of BGC Partners as of December 31, 2006 and 2005 and for each of the years ended December 31, 2006, 2005 and 2004 have been derived from BGC Partners' audited historical combined financial statements included elsewhere in this proxy statement. The summary historical combined financial data of BGC Partners as of December 31, 2004 have been derived from BGC Partners' audited historical combined financial statements not included in this proxy statement.

The summary historical combined financial data of BGC Partners as of and for the nine months ended September 30, 2007 have been derived from the unaudited historical combined financial statements included elsewhere in this proxy statement. The summary historical combined financial data of BGC Partners for the nine months ended September 30, 2006 have been derived from the unaudited historical combined financial statements included elsewhere in this proxy statement.

This financial data should be read in conjunction with BGC Partners' Selected Historical Combined Financial Data, BGC Partners' Management's Discussion and Analysis of Financial Condition and Results of Operations and BGC Partners' Combined Financial Statements and the accompanying Notes thereto included elsewhere in this proxy statement.

For purposes of this section of the proxy statement, references to BGC Partners refer to the BGC Division (as defined in Note 1 to the BGC Division Combined Financial Statements for the years ended December 31, 2006, 2005 and 2004, included elsewhere in this proxy statement).

The unaudited pro forma Combined Company statement of operations data for the nine months ended September 30, 2007 and the year ended December 31, 2006 and the unaudited pro forma statement of financial condition data as of September 30, 2007 were derived by applying pro forma adjustments to the historical statements of operations data of eSpeed and BGC Partners for the nine months ended September 30, 2007 and the year ended December 31, 2006 and the historical statement of financial condition data of eSpeed and BGC Partners as of September 30, 2007. The unaudited pro forma combined statement of operations data for the nine months ended September 30, 2007 and the year ended December 31, 2006 and the unaudited pro forma combined statement of financial condition data at September 30, 2007 present the results of operations and financial position of the Combined Company assuming that the merger had been completed as of January 1, 2006 with respect to the unaudited pro forma combined statement of operations data and at September 30, 2007 with respect to the unaudited pro forma combined statement of financial condition data.

The BGC Partners stand-alone pro forma adjustments give effect to the impact of the BGC's separation from Cantor. The separation adjustments are as follows:

Business Transfer: As part of the separation, Cantor will transfer to BGC Partners all rights and obligations to receive North American fully electronic trading revenues. Under the JSA, these rights include the recognition of North American fulfillment revenues; fees paid to eSpeed under revenue share arrangements; and costs required to settle and clear the transactions. The separation is described in more detail in the Related Agreements Separation Agreement section of this proxy statement. The adjustments include 35% recognition of fulfillment revenues (eSpeed recognizes 65%) and actual costs incurred by Cantor to support the business.

Finance Restructuring: As part of the separation, BGC Partners will be relieved of its current long-term debt obligations with Cantor in the amount of approximately \$250 million and allocated a portion of existing long-term debt of approximately \$150 million. The pro forma financial statements reflect the net impact of the existing debt relief and the assumption of the new debt.

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The Combined Company pro forma adjustments principally give effect to the impact of the merger as well as the following matters:

Ownership Structure: The Combined Company will consolidate the worldwide interests of the Opcos and eSpeed. For financial reporting purposes under U.S. GAAP the ownership interest held in Combined Company common stock, the BGC Holdings founding/working partner interest and BGC Holdings limited partnership interest held by Cantor will be accounted for as described below. A reconciliation of the calculation of fully diluted earnings per share will be reflected in the footnotes to the combined financial statements. The details of this reconciliation are outlined in the tables below. For purposes of providing an explanation of the capital structure we have labeled the three economic ownerships: (1) Combined Company; (2) founding/working partners; and (3) BGC Holdings limited partnership interests held by Cantor. The interest held by the public (including Combined Company common stock held by Cantor) will be in the form of Combined Company Class A common stock and Class B common stock. The BGC Holdings interests held by Cantor and the founding/working partners will be in the form of BGC Holdings limited partnership interests. The BGC Holdings exchangeable limited partnership interests received by Cantor may, in effect, be exchanged in the future for shares of Combined Company Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of Combined Company Class B common stock, Combined Company Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments). In addition, Cantor intends to provide all founding partners with the right to immediately exchange 20% of their BGC Holdings founding partner interests for Combined Company Class A common stock, on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by a founding partner upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. Cantor also expects to grant certain additional exchange rights to Messrs. Amaitis and Lynn. No working partner interests will be issued at the time of the separation and merger. Any working partner interests that are issued will not be exchangeable with the Combined Company unless otherwise determined by BGC Partners with the written consent of a BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

The accounting for the three economic ownership categories is described in the table below:

	Statement of Financial	
Economic Ownership	Statement of Operations Presentation	Condition Presentation
<p><u>Combined Company</u></p> <p>Combined Company stockholders (Class A and B common stockholders)</p>	<p>The public stockholders (including Cantor) basic earnings per share (EPS) in the Combined Company is based on net income after allocations to the founding/working partners divided by the number of outstanding shares of Combined Company common stock.</p>	<p>Public stockholders (including Cantor) equity will be included in stockholders equity in the combined statement of financial condition.</p>
<p><u>Founding/working partners</u></p> <p>Founding/working partner interests (BGC Holdings limited partnership interests holders)</p>	<p>The founding/working partners may receive allocations of net income based on their pro rata share of the fully diluted shares in the Combined Company. This charge will be called allocation of net income to BGC Holdings founding partner units which will be a separate component listed in compensation expense.</p>	<p>The capital account balance, generally the amount of capital contributed by founding/working partners, will be classified on a separate liability line in the combined statement of financial condition called mandatorily redeemable partnership interest.</p>
<p><u>BGC Holdings limited partnership interests held by Cantor</u></p> <p>BGC Holdings limited partnership interests held by Cantor (BGC Holdings limited partnership interests holders)</p>	<p>Cantor's pro rata share of the net income in the Combined Company will be reported as a minority interest charge in the combined statement of operations.</p>	<p>Cantor's pro rata share of the capital held in BGC Division will be included as a component of minority interest in the combined statement of financial condition.</p>

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Economic Ownership	Statement of Operations Presentation	Statement of Financial Condition Presentation
<u>Consolidated BGC Partners, Inc.</u>	EPS on a fully diluted basis for the Combined Company are presented as follows: Net income allocations to the founding/working partners and the minority interest to Cantor described above will be added back to net income. The number of units held in BGC Holdings by both the founding/working partners and Cantor will be added to the Combined Company common stock (plus common stock equivalents) to determine fully diluted shares outstanding. The adjusted net income will be divided by the adjusted fully diluted shares to calculate fully diluted EPS. Because basic EPS and fully diluted EPS (with the exception of the impact of stock option) are based on pro rata ownership in the Combined Company, there should not be any difference in the calculations.	The three economic ownership categories will be accounted for as components of the Combined Company's liabilities and equity on the combined statement of financial condition. The founding/working partner interests will be recorded as mandatorily redeemable partnership interest; Cantor's BGC Holdings limited partnership interests will be treated as a component of minority interest and the interests held by the public will be a component of stockholders' equity in the Combined Company.

It is expected that after the merger the economic ownership structure percentages in the operating subsidiaries of the Combined Company will be 39.6% held by the public (including Combined Company common stock held by Cantor), 37.2% held by Cantor as BGC Holdings limited partnership interests, and 23.2% held by the founding partners as BGC Holdings limited partnership interests. In addition, concurrently with the merger, and, in the future, as part of its compensation process, BGC Holdings intends to issue certain REUs and BGC Partners intends to issue certain RSUs to certain employees of BGC and other persons who provide services to BGC. The calculation of the economic ownership percentages is described in the following table (in thousands):

Ownership	Pre-Merger Common Stock (1)	Issued Common Stock (2)	Issued BGC Holding Units (3)	Total	Percentage (4)
Combined Company	51,461	21,969		73,430	39.6%
Founding/working partners			42,936	42,936	23.2
BGC Holdings limited partnership interests held by Cantor			68,955	68,955	37.2
Total common stock/BGC Holdings units	51,461	21,969	111,891	185,321	100.0%

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- (1) Common stock amounts represent total eSpeed common stock including common stock options outstanding at September 30, 2007.
 - (2) Reflects shares issued in return for Maxcor. Maxcor is an entity that was acquired by BGC Division in May 2005. Maxcor is being contributed to the Combined Company directly. A separate valuation was performed on Maxcor on May 25, 2007 to determine the amount of shares to be issued.
 - (3) Reflects the issuance of BGC Holdings units to be held by the founding partners and Cantor upon completion of the merger. As part of the merger, the Cantor units held by founding partners will be redeemed for two distribution rights for each unit and 10 founding partner exchangeable interests for each unit. Cantor partners will receive two distribution rights for each Cantor unit they hold. They will not receive the one for 10 exchangeable interests as they are not BGC Holdings founding partners. Included in Cantor's portion of the BGC Holdings units are 7.4 million of distribution rights Cantor is obligated to distribute to the founding partners.

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- (4) The collective management of BGC, including founding partners and certain executives of Cantor who hold BGC management positions, are expected to own another 8.2% of the Combined Company, reflecting distribution and exchange rights. As a result, the Combined Company ownership held by management of BGC and eSpeed is the founding partners BGC Holdings units representing 23.2% plus another approximately 8.2% or approximately 31.4%. This amount excludes any shares of Class A or Class B common stock or any options previously granted to, held directly by, or held beneficially by, or otherwise controlled by the executives of the Combined Company.

The economic ownership percentages calculated above determine certain income statement and balance sheet allocations in the Combined Company pro forma financial statements as of September 30, 2007. The allocations are calculated below (in thousands, except for per share data):

Statement of Operations **Amount***Net income allocations*

Combined Company net income prior to allocations to founding partners and Cantor	\$	46,724
Founding/working partners net income allocation percentage and compensation charged based on a pro rata ownership in the Combined Company.	23.2%	(10,826)
Cantor minority interest allocation percentage and charge based on a pro rata ownership in the Combined Company.	37.2%	(17,386)
Public company net income after founding partner distributions and minority interest allocations	\$	18,512

Basic and Fully Diluted Share Calculations

Basic weighted average shares of common shares outstanding (1)	72,411
Stock option programs	1,006
BGC Holdings units held by founding partners	42,936
BGC Holdings units held by Cantor	68,955
Total fully diluted weighted average shares outstanding	185,308

*Earnings Per Share Calculations***Basic earnings per share**

Combined Company net income	\$	18,512
Basic weighted average shares outstanding		72,411
Basic earnings per share	\$	0.26

Fully diluted earnings per share

Combined Company net income adjusted to add back net income allocations to founding partners and Cantor minority interest allocations	\$	46,724
Total fully diluted weighted average shares outstanding		185,308
Fully diluted earnings per share	\$	0.25

Statement of Financial Condition

Total stockholders' equity and net assets prior to allocations	\$	390,662
<i>Mandatorily redeemable interest</i>		
Value of BGC founding partner capital accounts at the time of the merger (2)		170,857
Subtotal remaining stockholders' equity and net assets		219,805

Minority interest and Public Company

The Cantor minority interest and the public company stockholders' equity was based on each ownership's pro rata share (based on assumed common stock and units held at September 30, 2007) of the remaining stockholders' equity after the allocation to the founding partners

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Public Company shares of common stock outstanding and stockholders equity allocation assumed at the time of the merger	73,430	51.6%	113,357
BGC Holding units held by and minority interest allocation to Cantor assumed at the time of the merger	68,955	48.4%	106,448
Total	142,384		

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- (1) The weighted average basic common shares outstanding amounts were taken from eSpeed's Quarterly Report on Form 10-Q for the nine months ended September 30, 2007, filed with the SEC on November 9, 2007. The amount per the filing was 50.4 million shares. The pro forma Combined Company basic weighted average common shares takes the share amount per the eSpeed Form 10-Q and adds Combined Company Class A common stock contributed by Maxcor of 22.0 million shares assuming those shares were outstanding for the entire nine-month period ended September 30, 2007.
 - (2) The value of the founding partner accounts reflects redemptions of partnership interests to settle loans to certain Combined Company executive officers.

Separation: BGC Partners' separation from Cantor is described in more detail in the "The Merger Agreement" "Certain Actions Prior to the Merger" and "Related Agreements" "Separation Agreement" sections of this proxy statement.

Sale of Partnership Interests: Prior to completion of the merger, Messrs. Amaitis, Lynn, Merkel and two other individuals who are employed by one of BGC's affiliates will settle outstanding loans made to or guaranteed by Cantor. The settlement of the loans will result in a reduction in pro forma equity and cash and cash equivalents on the Combined Company's balance sheet as well as one-time compensation charge. To settle the loan balances, Messrs. Lynn, Merkel and two other individuals who are employed by one or more of BGC's affiliates will immediately after the separation sell to Cantor, for cash, distribution rights and founding partner interest provided to them in connection with the redemption of their Cantor limited partnership interests in connection with the separation at a price per interest or share equal to the closing price of eSpeed Class A common stock on the date of closing of the merger. The distribution rights and founding partner interest were derived by taking each of identified partner's Cantor partnership units and exchanging each of the Cantor units held for two distribution rights and 10 founding partner interests units in the Combined Company. Mr. Merkel will not receive founding partner interests. Cantor will redeem a portion of Mr. Amaitis' Cantor limited partnership interests for \$100.00 a unit. This price is based on a value determined by Cantor. The amount of the compensation charge is based on the closing price of eSpeed Class A common stock at the date of the transaction, or in Mr. Amaitis' case the \$100.00 value determined by Cantor, less the partner's basis in his Cantor interest or distribution rights and founding partner interest required to settle the outstanding debt at such date. Partner basis is based on the value of the partner's capital account at the time of the merger divided by their total units. The total amount of BGC executive officer debt at September 30, 2007 was \$66.9 million. The closing price of eSpeed Class A common stock on September 28, 2007 of \$8.53 was used for purposes of the below table. If the sale of the distribution rights, founding partner interests and Cantor interests occurred on September 28, 2007, it would have generated a compensation charge of \$41.3 million for the nine months ended September 30, 2007. Terms of the repayment are described in more detail in the "Certain Relationships and Related Transactions Before and After the Merger" "Repayment of Existing Loans and Required Capital Contributions" section of this proxy statement.

Under SEC Regulation S-X, Rule 11-02 (b)(5), "The pro forma condensed income statement shall disclose income (loss) from continuing operations before nonrecurring charges or credits directly attributable to the transaction. Material nonrecurring charges or credits and related tax effects which result directly from the transaction and which will be included in the income of the registrant within the 12 months succeeding the transaction shall be disclosed separately. Therefore, the compensation charge will not be considered in the pro forma combined statement of operations for the Combined Company."

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The following table shows the calculation of the projected compensation charges in connection with the redemption of the executive officers Cantor interests or distribution rights and founding partner interests (in thousands, except for per share data):

Executive Officer	Total Loan Outstanding(1)(2)	Share Redemption Price	Cantor Interest	Distribution Rights and BGC Holdings Founding Partner Interests Required to Repay Outstanding Loan	Cost Basis(1)	Compensation Charge (Total Proceeds Less Cost Basis) From Sale
Lee Amaitis	\$ 51,784	\$ 100.00	518		\$ 39.46	\$ 31,349
Shaun Lynn	9,627	\$ 8.53		1,129	\$ 2.91	6,344
Stephen Merkel	1,190	\$ 8.53		140	\$ 2.89	787
Other executives	4,273	\$ 8.53		500	\$ 2.93	2,807
Total	\$ 66,874		518	1,769		\$ 41,287

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- (1) Outstanding loan balances and partner cost basis were based on August 31, 2007 partnership data of Cantor.
- (2) Loan balances include accrued interest.

Issuance of Additional Partnership Interest: Immediately after the redemption, Cantor will provide Messrs. Amaitis and Lynn with 1,100,000 and 200,000, respectively, of additional BGC Holdings founding partner interests that will be immediately exchangeable into shares of Class A common stock in the Combined Company. Mr. Lynn will also have 400,000 units of his existing founding partner interests become immediately exchangeable into shares of Class A common stock in the Combined Company. The additional founding partner interests will be treated as 100% compensation and Mr. Lynn's existing partnership interests that become immediately exchangeable will be treated as compensation to the extent the assumed share price exceeds his basis. The value of the interests is based on the closing price of eSpeed Class A common stock on the closing date of the merger. The closing price of eSpeed Class A common stock on September 28, 2007 of \$8.53 is used for purposes of the below table. If the additional units were issued and Mr. Lynn's existing founding partner interest became immediately exchangeable on September 28, 2007 it would have resulted in a compensation charge of \$13.3 million for the nine months ended September 30, 2007.

As described under "Sale of Partnership Interests" above, this charge is one-time in nature and therefore, under SEC Regulation S-X, Rule 11-02(b)(5), the compensation charge will not be considered in the pro forma combined statement of operations for the Combined Company.

The following table shows the calculation of the projected compensation charge in connection with the issuance of additional founding partner interests (in thousands, except for per share data):

Executive Officer	Additional Exchangeable Rights	Share Price	Cost Basis(1)	Compensation Charge
Lee Amaitis	1,100	\$ 8.53	\$	\$ 9,383
Shaun Lynn	200	\$ 8.53	\$	1,706
	400	\$ 8.53	\$ 2.91	2,248
Total	1,700			\$ 13,337

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- (1) Partner cost basis was based on August 31, 2007 partnership data of Cantor.

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Merger Structure: The structure of the merger, which includes the issuance of 133,860,000 shares of Combined Company common stock and rights to acquire shares of Combined Company common stock and Cantor's and the founding partners' and the restricted equity partners' interests in BGC Holdings. The structure of the merger is described in more detail in the Proposal 1 The Merger Structure of the Combined Company section of this proxy statement.

Exchangeability of Partnership Interest: Upon the close of the merger, Cantor intends to provide all founding partners with the right to immediately exchange 20% of their BGC Holdings founding partner interests for restricted shares of Combined Company Class A common stock, on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by a founding partner upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. In addition, prior to the merger, Cantor intends to enter into agreements with Messrs. Amaitis and Lynn pursuant to which Cantor will agree that an additional portion of the BGC Holdings founding partner interests held by each of them, 1,100,000 and 600,000 (200,000 of additional BGC Holdings founding partner interest and 400,000 of existing partnership interest), respectively, will be immediately exchangeable into restricted shares of Combined Company Class A common stock on a one-for-one basis (subject to customary anti-dilution adjustments), with one-third of the shares received by either of them upon exchange becoming saleable on each of the first, second and third anniversaries of the completion of the merger, subject to applicable law. From time to time, Cantor may provide founding partners with the right to exchange their remaining BGC Holdings founding partner interests on terms and conditions to be determined by Cantor, provided that the terms and conditions of such exchange cannot in any way diminish or adversely affect the rights of the Combined Company or its subsidiaries (it being understood that an obligation by the Combined Company to deliver shares of Combined Company Class A common stock upon exchange will not be deemed to diminish or adversely affect the rights of the Combined Company or its subsidiaries).

Finance Restructuring: As part of the separation and merger, the Combined Company will be relieved of existing long-term debt obligations to Cantor of approximately \$322 million and allocated a portion of existing Cantor long-term debt, not to exceed \$150 million, which will mature in 2010. The Combined Company's obligations are described in more detail in the Related Agreements Separation Agreement Separation and Contribution section of this proxy statement.

Accounting for the Combined Company: The transaction contemplated by the merger agreement will be accounted for as a combination of entities under common control. For this purpose, eSpeed will be deemed the acquirer and BGC Partners will be deemed the acquiree. Statement of Financial Accounting Standards, which we refer to as SFAS, No. 141, *Accounting for Business Combinations*, which we refer to as SFAS No. 141, requires that in a transaction between entities under common control, the net assets of the acquiree, BGC Division, be recognized at their carrying amounts in the accounts of the transferring entity at the date of transfer; which for purposes of the statement of financial condition is assumed to be September 30, 2007.

Consolidation: The businesses of the Combined Company will be held under two subsidiaries: a partnership primarily holding the U.S. businesses called BGC U.S. and a partnership holding the non-U.S. businesses called BGC Global. These subsidiaries are collectively referred to as the Opcos. The Opcos will consolidate under Emerging Issues Task Force (EITF) 04-05, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*, as it has been determined there are no variable interest entities.

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The summary pro forma financial data of the Combined Company are included for informational purposes only and should not be considered indicative of actual results that would have been achieved had these events actually been consummated on the dates indicated and do not purport to indicate results of operations as of any future date or for any future period. Please refer to Unaudited Pro Forma Financial Data for more information regarding the pro forma adjustments for the Combined Company.

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	Year Ended December 31,				Nine Months Ended September 30,			
	2006				2007			
	BGC Partners		Restated	Pro Forma	BGC Partners		Pro Forma	Pro Forma
	2004	2005	2006	Company	Restated	2007	Stand-Alone	Combined
					2006		2007	Company
Combined Statement of Income Data:								
Revenues:								
Commissions	\$ 165,410	\$ 343,327	\$ 512,075	\$ 592,078	\$ 374,730	\$ 519,193	\$ 539,614	\$ 579,715
Principal transactions	125,272	119,586	134,939	134,939	107,484	181,679	181,679	181,679
Fees from related parties	11,501	13,059	22,498	36,046	16,499	25,423	25,423	37,973
Market data	14,307	16,283	17,409	17,409	13,136	14,240	14,240	14,240
Interest income	1,055	9,048	21,545	31,086	18,874	12,348	12,335	19,872
Other revenues	10,276	2,432	19,614	43,184	13,473	2,878	2,878	11,918
Total revenues	327,821	503,735	728,080	854,742	544,196	755,761	776,169	845,397
Expenses:								
Compensation and employee benefits	193,405	386,752	510,893	560,016	388,051	444,980	444,980	486,912
Allocation of net income to founding partners holding units								10,826
Total compensation	193,405	386,752	510,893	560,016	388,051	444,980	444,980	497,738
Other expenses	130,770	220,567	331,685	382,938	231,309	257,042	250,162	300,447
Total expenses	324,175	607,319	842,578	942,954	619,360	702,022	695,142	798,185
Income (loss) from continuing operations before income taxes and minority interest	3,646	(103,584)	(114,498)	(88,212)	(75,164)	53,739	81,027	47,212
Minority interest	(54)	(16)	11	(53,744)	17	1,443	1,443	18,810
Provision (benefit) for income taxes	2,577	(7,634)	(1,843)	204	(361)	9,147	10,180	9,890
Income (loss) from continuing operations	1,123	(95,934)	(112,666)	(34,672)	(74,820)	43,149	69,404	18,512
Loss from discontinued operations, net of tax		(117)	(650)		(650)			
Cumulative effect of a change in accounting principle			(10,080)		(10,080)			
Net income (loss)	\$ 1,123	\$ (96,051)	\$ (123,396)	\$ (34,672)	\$ (85,550)	\$ 43,149	\$ 69,404	\$ 18,512
Adjustments for net income for fully diluted computation								
Net income								\$ 18,512
Allocation of net income to founding partner holding units								10,826
Minority interest to Cantor								17,386
Net income for fully diluted computation								\$ 46,724
Per share data:								
Basic earnings per share								\$ 0.26
Fully diluted earnings per share								\$ 0.25
Basic weighted average shares of common stock outstanding								
Stock option programs								72,411
BGC Holding units held by founding partners								42,936
BGC Holding units held by Cantor								68,955
Fully diluted weighted average shares of common stock outstanding								185,308

Revenue by Geographic Region:

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United Kingdom	\$ 218,503	\$ 232,798	\$ 344,342	\$ 345,507	\$ 273,504	\$ 338,008	\$ 338,008	\$ 340,697
United States	50,501	131,160	203,496	321,649	155,436	213,064	233,472	299,989
Other international	58,817	139,777	180,242	187,586	115,256	204,689	204,689	204,710
Total revenues	\$ 327,821	\$ 503,735	\$ 728,080	\$ 854,742	\$ 544,196	\$ 755,761	\$ 776,169	\$ 845,397

Selected Statistical Data:

Total average brokers	496	800	1,124	1,124	1,088	1,195	1,195	1,195
Total average employees	746	1,132	1,541	1,931	1,515	1,653	1,653	2,063

As of December 31,

As of September 30,

2007

BGC Partners

BGC Partners

Pro Forma
Combined
Company

	As of December 31,			As of September 30,	
	2004	2005	Restated 2006	2007	2007
Combined Statement of Financial Condition Data:					
Cash and cash equivalents	\$ 19,215	\$ 127,367	\$ 109,050	\$ 185,442	\$ 202,526
Total assets	\$ 454,409	\$ 875,059	\$ 1,119,099	\$ 1,439,203	\$ 1,538,257
Total liabilities	\$ 340,153	\$ 709,803	\$ 1,039,383	\$ 1,314,014	\$ 1,146,171
Mandatorily redeemable partnership interest	\$	\$	\$	\$	\$ 170,857
Minority interest (Cantor)	\$	\$	\$	\$	\$ 106,448
Total net assets/stockholders equity	\$ 107,208	\$ 158,224	\$ 72,673	\$ 116,703	\$ 113,357

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GLOSSARY

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

BGC Partners refers to (a)(i) BGC Partners, Inc., prior to its conversion to BGC Partners, LLC, or (ii) BGC Partners, LLC, after such conversion, or (b) the BGC Division (as defined in Note 1 to the BGC Division Combined Financial Statements for the years ended December 31, 2006, 2005 and 2004, included elsewhere in this proxy statement), where the context requires;

the Opcos refers to BGC U.S. and BGC Global, collectively;