BGC Partners, Inc.
Form 424B7
August 06, 2012
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and Rule 424(b)(7)
Registration No. 333-175034

Prospectus Supplement

BGC PARTNERS, INC.

6,125,067 Shares of Class A Common Stock

This prospectus supplement relates to 6,125,067 shares of Class A common stock, par value $0.01 per share, which we refer to as our Class A common stock, of BGC Partners, Inc., which we refer to as BGC Partners, we, us, or the Company, (i) that have been or may be distributed pursuant to distribution rights that were granted by Cantor Fitzgerald, L.P., which we refer to as Cantor, on April 1, 2008 to certain current and former Cantor partners in connection with the separation of the BGC businesses from Cantor and the merger of BGC Partners, LLC with eSpeed, Inc., which shares we refer to as the April 2008 distribution rights shares, and that remain unsold under the registration statement of which this prospectus supplement forms a part, (ii) that have been or may be distributed by Cantor to its partners in payment of previous quarterly partnership distributions payable to such partners by Cantor, including such shares distributed by Cantor on February 14, 2012, and such shares distributed by Cantor on March 21, 2012 and to be distributed by Cantor pursuant to distribution rights granted on February 14, 2012, which we refer to as February 2012 distribution rights shares, and that remain unsold under the registration statement, or (iii) that have been or may be donated by Cantor to charitable organizations, and that remain unsold under the registration statement. Of these 6,125,067 shares of Class A common stock, an aggregate of 2,755,753 April 2008 distribution rights shares have already been distributed by Cantor, an aggregate of 374,135 February 2012 distribution rights shares have already been distributed by Cantor, 75,000 shares were donated by Cantor to The Cantor Fitzgerald Relief Fund, a charitable organization, on March 9, 2012, and the remaining 2,920,179 shares may in the future be distributed by Cantor to partners to satisfy its distribution rights obligations or donated by Cantor to charitable organizations. The aggregate of 3,129,888 such shares already distributed by Cantor to partners may be offered and sold through this prospectus supplement by such distributee partners, the 75,000 shares donated by Cantor to The Cantor Fitzgerald Relief Fund may be offered and sold through this prospectus supplement by it, and the remaining 2,920,179 shares may be offered and sold under the registration statement (1) either by Cantor at the direction and for the account of the partners who hold the related distribution rights, or by such partners as distributees of such distribution rights shares from Cantor, or the partners respective pledgees, donees, transferees or other successors in interest, which we refer to collectively as the Individual Selling Stockholders, or (2) by such charitable organizations, including The Cantor Fitzgerald Relief Fund, or their pledgees, donees, transferees or other successors in interest, which we refer to collectively as the Charitable Organizations.

The 75,000 shares that Cantor donated to The Cantor Fitzgerald Relief Fund referred to above may be offered and sold through this prospectus supplement by The Cantor Fitzgerald Relief Fund, or by its pledgees, donees, transferees or other successors in interest, which we refer to collectively as the Relief Fund.

References in this prospectus supplement to the Selling Stockholders include Cantor, the Individual Selling Stockholders, the Charitable Organizations, and the Relief Fund. Although nominally listed as a Selling Stockholder, Cantor will not be selling any shares for its own account under the registration statement.

To date, of the 9,440,317 shares of our Class A common stock registered on the registration statement of which this prospectus supplement forms a part, an aggregate of 3,315,250 shares have been sold under the registration statement, including 2,871,564 shares by Individual Selling Stockholders and 443,686 shares by the Relief Fund. As of the date of this prospectus supplement, an aggregate of 6,125,067 shares remain to be sold under the registration statement.

The purpose of including these shares of our Class A common stock in this prospectus supplement is to meet the expectations of the Individual Selling Stockholders that they will receive registered shares of our Class A common stock distributed by Cantor to them pursuant to their distribution rights or in payment of such quarterly partnership distributions. Additional purposes are to enable (1) the Charitable Organizations, including the Relief Fund, to offer and sell any shares of Class A common stock donated by Cantor to them and (2) the Relief Fund to offer and sell the shares of Class A common stock donated by us to it on May 9, 2011.

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

We will not receive any of the proceeds from the sale of shares of our Class A common stock by the Selling Stockholders under the registration statement of which this prospectus supplement forms a part. The Individual Selling Stockholders who are current or former partners of Cantor will be expected to use the proceeds from such sales to repay any outstanding loans to, or credit enhanced by, Cantor before receipt of any net proceeds.

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

Our Class A common stock is traded on the Nasdaq Global Select Market under the symbol BGCP. On August 3, 2012, the last reported sales price of our Class A common stock was $4.97 per share.

An investment in shares of our Class A common stock involves risks. See the Risk Factors section of our latest Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we refer to as the SEC, and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein.

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

The date of this prospectus supplement is August 6, 2012.

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Prospectus Supplement

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

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference into this prospectus supplement contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein or in documents incorporated by reference that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as may, will, should, estimates, predicts, potential, cont strategy, believes, anticipates, plans, expects, intends and similar expressions are intended to identify forward-looking statements.

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

- pricing and commissions and market position with respect to any of our products and services and those of our competitors;
- the effect of industry concentration and reorganization, reduction of customers and consolidation;
- liquidity, regulatory and clearing capital requirements and the impact of credit market events;
- market conditions, including trading volume and volatility, potential deterioration of the equity and debt capital markets, and our ability to access the capital markets;
- our relationships with Cantor Fitzgerald, L.P., which we refer to as Cantor, and its affiliates, including Cantor Fitzgerald & Co., which we refer to as CF&Co, any related conflicts of interest, competition for and retention of brokers and other managers and key employees, support for liquidity and capital and other relationships, including Cantor s holding of our 8.75% convertible notes, CF&Co s acting as our sales agent under our controlled equity or other offerings, and CF&Co s acting as our financial advisor in connection with one or more business combinations or other transactions;
- economic or geopolitical conditions or uncertainties;
- extensive regulation of our businesses, changes in regulations relating to the financial services and other industries, and risks relating to compliance matters, including regulatory examinations, inspections, investigations and enforcement actions, and any resulting costs, fines, penalties, sanctions, enhanced oversight, increased financial and capital requirements, and changes to or restrictions or limitations on specific activities, operations, compensatory arrangements, and growth opportunities, including acquisitions, hiring, and new business, products, or services;
- factors related to specific transactions or series of transactions, including credit, performance and unmatched principal risk, counterparty failure, and the impact of fraud and unauthorized trading;
- costs and expenses of developing, maintaining and protecting our intellectual property, as well as employment and other litigation and their related costs, including judgments or settlements paid or received;

certain financial risks, including the possibility of future losses and negative cash flows from operations, an increased need for short-term or long-term borrowings or other sources of cash, related to acquisitions or other matters, potential liquidity and other risks relating to our ability to obtain financing or refinancing of existing debt on terms acceptable to us, if at all, and risks of the resulting leverage, including potentially causing a reduction in our credit ratings and/or the associated outlooks given by the rating agencies to those credit ratings, increased borrowing costs, as well as interest and currency rate fluctuations;

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

our ability to enter into marketing and strategic alliances and business combination or other transactions in the financial services, real estate and other industries, including acquisitions, dispositions, reorganizations, partnering opportunities and joint ventures and to meet our financial reporting obligations with respect thereto, and the integration of any completed transactions;

our ability to hire and retain personnel;

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

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- our ability to effectively manage any growth that may be achieved, while ensuring compliance with all applicable regulatory requirements;
- our ability to identify and remediate any material weaknesses in our internal controls that could affect our ability to prepare financial statements and reports in a timely manner, control our policies, procedures, operations and assets, assess and manage our operational, regulatory and financial risks, and integrate our acquired businesses;
- the effectiveness of our risk management policies and procedures, and the impact of unexpected market moves and similar events;
- the fact that the prices at which shares of our Class A common stock are sold in one or more of our controlled equity offerings or in other offerings or other transactions may vary significantly, and purchasers of shares in such offerings or transactions, as well as existing stockholders, may suffer significant dilution if the price they paid for their shares is higher than the price paid by other purchasers in such offerings or transactions;
- our ability to meet expectations with respect to payments of dividends and distributions and repurchases of shares of our Class A common stock and purchases of limited partnership interests of BGC Holdings, L.P., which we refer to as BGC Holdings, or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners, and others, and the net proceeds to be realized by us from offerings of our shares of Class A common stock;
- the effect on the market for and trading price of our Class A common stock of various offerings and other transactions, including our controlled equity and other offerings of Class A common stock and convertible or exchangeable debt securities, our repurchases of shares of Class A common stock and purchases of BGC Holdings limited partnership interests or other equity interests of our subsidiaries, our payment of dividends on Class A common stock and distributions on BGC Holdings limited partnership interests, convertible arbitrage, hedging, and other transactions engaged in by holders of our 4.50% convertible notes and counterparties to our capped call transactions, and resales of shares of Class A common stock acquired from us or Cantor, including pursuant to our employee benefit plans, conversion of our convertible notes, conversion or exchange of our convertible or exchangeable debt securities, and distributions from Cantor pursuant to Cantor s distribution rights obligations and other distributions to Cantor partners, including deferred distribution rights shares; and
- the risk factors described in our latest Annual Report on Form 10-K filed with the SEC and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein.

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

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CERTAIN DEFINED TERMS

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

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

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

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

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

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

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

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

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

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

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

CF&Co refers to Cantor Fitzgerald & Co.;

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

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

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

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

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

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

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

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

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

eSpeed refers to eSpeed, Inc.;

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

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

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

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

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

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

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

limited partners refers to holders of limited partnership units;

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

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

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

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

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

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

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

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

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

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

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

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

working partners refers holders of working partner units; and

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

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SUMMARY

This summary highlights selected information from this prospectus supplement, but may not contain all of the information that may be important to you. The following summary is qualified in its entirety by the more detailed information contained or incorporated by reference in this prospectus supplement. For a more complete understanding of the terms of our Class A common stock, and before making your investment decision, you should carefully read this entire prospectus supplement and the documents referred to under the headings Where You Can Find More Information and Documents Incorporated by Reference. See the Certain Defined Terms section beginning on page v of this prospectus for the definition of certain terms used in this prospectus supplement.

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

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The Company

We are a leading global brokerage company primarily servicing the wholesale financial and real estate markets, specializing in the brokering of a broad range of products, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commercial real estate, commodities, futures, and structured products. We also provide a full range of services, including trade execution, broker-dealer services, clearing, processing, information, and other back-office services to a broad range of financial and non-financial institutions. Our integrated platform is designed to provide flexibility to customers with regard to price discovery, execution and processing of transactions, and enables them to use voice, hybrid, or in many markets, fully electronic brokerage services in connection with transactions executed either over-the-counter or through an exchange. Through our eSpeed, BGC Trader™, and BGC Market Data brands, we offer financial technology solutions, market data, and analytics related to select financial instruments and markets

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

Our customers include many of the world s largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, property owners, real estate developers and investment firms. We have offices in dozens of major markets, including New York and London, as well as in Atlanta, Beijing, Boston, Chicago, Copenhagen, Dubai, Hong Kong, Houston, Istanbul, Johannesburg, Los Angeles, Mexico City, Miami, Moscow, Nyon, Paris, Rio de Janeiro, São Paulo, Seoul, Singapore, Sydney, Tokyo, Toronto, Washington, D.C. and Zurich. We expect to have additional offices as we integrate the Grubb & Ellis business. As of June 30, 2012, we had 2,605 brokers and salespeople across more than 230 desks.

Our Organizational Structure

We are a holding company, and our businesses are operated through two operating partnerships, which we refer to as the OpCos : BGC U.S., which holds our U.S. businesses, and BGC Global, which holds our non-U.S. businesses. The limited partnership interests of the OpCos are held by us and BGC Holdings, and the limited partnership interests of BGC Holdings are currently held by the founding/working partners, holders of limited partnership units and Cantor. We hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitle us to remove and appoint the general partner of BGC Holdings, and serve as the general partner of BGC Holdings, which entitles us to control BGC Holdings. BGC Holdings, in turn, holds the BGC U.S. general partnership interest and the BGC U.S. special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC U.S., and the BGC Global general partnership interest and the BGC Global special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC Global, and serves as the general partner of BGC U.S. and BGC Global, all of which entitle BGC Holdings (and thereby us) to control each of BGC U.S. and BGC Global. BGC Holdings holds its BGC Global general partnership interest through a company incorporated in the Cayman Islands, BGC Global Holdings GP Limited.

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The following diagram illustrates our ownership structure as of June 30, 2012. The following diagram does not reflect the various subsidiaries of us, BGC U.S., BGC Global, BGC Holdings or Cantor, or the noncontrolling interests in our consolidated subsidiaries, other than Cantor s units in BGC Holdings.

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* Shares of our Class B common stock are convertible into shares of our Class A common stock at any time in the discretion of the holder on a one-for-one basis. Accordingly, if Cantor converted all of its Class B common stock into Class A common stock, Cantor would hold 27.7% of the voting power, and the public stockholders would hold 72.3% of the voting power (and the indirect economic interests in BGC U.S. and BGC Global would remain unchanged). The diagram reflects (i) 1,010,655 shares of Class A common stock that Cantor distributed to its partners on February 14, 2012 and 282,023 shares of Class A common stock that Cantor distributed to its partners on March 21, 2012 (but not the 1,928,103 February 2012 distribution rights shares that remain to be distributed by Cantor), 374,135 of which shares remain unsold and are included in this prospectus supplement; (ii) an aggregate of 721,679 April 2008 distribution rights shares that Cantor has distributed since September 2011, including the 498,960 shares of Class A common stock that Cantor distributed on February 14, 2012 (but not the 15,545,606 April 2008 distribution rights shares that remain to be distributed by Cantor); (iii) 75,000 shares of Class A common stock that Cantor donated to The Cantor Fitzgerald Relief Fund on March 9, 2012, all of which shares are included in this prospectus supplement; (iv) an aggregate of 1,050,000 shares of Class A common stock that we donated to The Cantor Fitzgerald Relief Fund on February 3, 2012 and March 9, 2012, all of which shares may be offered and sold under our separate shelf Registration Statement on Form S-3 (Registration No. 333-180391); (v) an aggregate of 5,290,090 shares of Class A common stock that we have sold under the September 2011 sales agreement since January 1, 2012 pursuant to our shelf Registration Statement on Form S-3 (Registration No. 333-176523); (vi) an aggregate of 1,434,910 shares of Class A common stock that we have sold under the February 2012 sales agreement since June 4, 2012 (but not the 8,565,090 shares that remain to be sold under that sales agreement) pursuant to our shelf Registration Statement on Form S-3 (registration No. 333-176523); (vii) an aggregate of 886,569 Cantor units that Cantor purchased from BGC Holdings on March 13, 2012 in connection with the redemption of and/or grant of exchangeability to nonexchangeable founding/working partner units; (viii) an aggregate of 34,160 Cantor units that Cantor purchased from BGC Holdings on May 4, 2012 in connection with the redemption of non-exchangeable founding/working partner units; (ix) an aggregate of 44,013 shares of Class A common stock that we repurchased, including an aggregate of 41,523 shares from Mr. Merkel and certain family trusts, on March 13, 2012; and (x) 895,141 exchangeable founding/working partner units that we repurchased from a founding/working partner on April 5, 2012. The diagram does not reflect Cantor s economic interest in the 8.75% convertible notes or the 22,959,124 shares of Class A common stock acquirable by Cantor upon conversion thereof. If Cantor converted all of the 8.75% convertible notes into shares of Class A common stock, Cantor would hold 78.4% of the voting power, and the public stockholders would hold 21.6% of the voting power (and Cantor s indirect economic interests in each of BGC U.S. and BGC Global would be 37.6%). Further, the diagram does not reflect (i) 9,949,187 shares of Class A common stock that remain available to be sold pursuant to the BGC Partners, Inc. Dividend Reinvestment and Stock Purchase Plan under our shelf Registration Statement on Form S-3 (Registration No. 333-173109); (ii) 18,368,970 shares of Class A common stock that may be sold under our acquisition shelf Registration Statement on Form S-4 (Registration No. 333-169232); (iii) 16,260,160 shares of Class A common stock that may be issued upon conversion of the 4.50% convertible notes; or (iv) any shares of Class A common stock that may become issuable upon the conversion or exchange of any convertible or exchangeable debt securities that may in the future be sold under our shelf Registration Statement on Form S-3 (Registration No. 333-180331). For purposes of the diagram and this paragraph, Cantor s percentage ownership also includes CFGM s percentage ownership.

The Offering

Shares of our Class A common stock offered by the Selling Stockholders:	6,125,067 shares
Use of Proceeds:	We will not receive any of the proceeds from the sale of shares of our Class A common stock by the Selling Stockholders. The Individual Selling Stockholders who are current or former partners of Cantor will be expected to use the proceeds from such sales to repay any outstanding loans to, or credit enhanced by, Cantor before receipt of any net proceeds.

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RISK FACTORS

An investment in shares of our Class A common stock involves risks. You should consider carefully the Risk Factors section of our latest Annual Report on Form 10-K filed with the SEC, and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein, as well as the other information included in this prospectus supplement before making an investment decision. Any of the risk factors could significantly and negatively affect our businesses, financial condition, results of operations, cash flows, and prospects and the trading price of Class A common stock. You could lose all or part of your investment in our Class A common stock.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our Class A common stock by the Selling Stockholders. The Individual Selling Stockholders who are current or former partners of Cantor will be expected to use the proceeds from such sales to repay any outstanding loans to, or credit enhanced by, Cantor before receipt of any net proceeds.

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DIVIDEND POLICY

Our board of directors has authorized a dividend policy which provides that we expect to pay not less than 75% of our post-tax distributable earnings per fully diluted share as cash dividends to our common stockholders, with the balance of such distributable earnings to be available to repurchase shares of our Class A common stock or purchase BGC Holdings limited partnership interests or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners and others. Please see below for a detailed definition of post-tax distributable earnings per fully diluted share.

Our board of directors and our audit committee have authorized repurchases of shares of our Class A common stock and redemptions of BGC Holdings limited partnership interests or other equity interests in our subsidiaries, including those held by Cantor, our executive officers, other employees, partners and others. As of July 31, 2012, we had approximately $39.4 million remaining under this authorization and may continue to actively make repurchases or redemptions, or cease to make such repurchases or redemptions, from time to time.

We expect to pay such dividends, if and when declared by our board of directors, on a quarterly basis. The dividend to our common stockholders is expected to be calculated based on post-tax distributable earnings allocated to BGC Partners, Inc. and generated over the fiscal quarter ending prior to the record date for the dividend. No assurance can be made, however, that a dividend will be paid each quarter.

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

Certain Definitions

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

As compared with income (loss) from operations before income taxes, net income (loss) for fully diluted shares, and fully diluted earnings (loss) per share, all prepared in accordance with GAAP, distributable earnings calculations primarily exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by us, which do not dilute existing stockholders, and which do not have economic consequences, as described below. In addition, distributable earnings calculations exclude certain gains and charges that management believes do not best reflect our ordinary operating results.

Revenues for distributable earnings are defined as GAAP revenues excluding the impact of our non-cash earnings or losses related to our equity investments, such as in Aqua Securities, L.P. and ELX Futures, L.P., and its holding company general partner, ELX Futures Holdings LLC. Revenues for distributable earnings also includes the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting.

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

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

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

Non-cash asset impairment charges, if any.

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

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

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

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

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

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

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

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

The fully diluted share count excludes the shares related to these instruments, but includes the associated interest expense, net of tax.

Each quarter, the dividend to common stockholders is expected to be determined by our board of directors with reference to post-tax distributable earnings per fully diluted share. In addition to the quarterly dividend to our common stockholders, we expect to pay a pro rata distribution of net income to BGC Holdings founding/working partner and other limited partnership units, including REUs, RPUs, PSUs and PSIs, and to Cantor for its noncontrolling interest. The amount of all of these payments is expected to be determined using the above definition of pre-tax distributable earnings per fully diluted share.

Certain employees who are holders of RSUs are granted pro rata payments equivalent to the amount of dividends paid to common stockholders. Under GAAP, a portion of the dividend equivalents on RSUs is required to be taken as a compensation charge in the period paid. However, to the extent that they represent cash payments made from the prior period s distributable earnings, they do not dilute existing stockholders and are therefore excluded from the calculation of distributable earnings.

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

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

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PRICE RANGE OF CLASS A COMMON STOCK

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

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

	High	Low
2012		
First Quarter	$ 8.04	$ 5.88
Second Quarter	$ 7.56	$ 5.73
Third Quarter (through August 3, 2012)	$ 6.23	$ 4.82
2011		
First Quarter	$ 10.07	$ 7.72
Second Quarter	$ 9.75	$ 7.27
Third Quarter	$ 8.58	$ 5.88
Fourth Quarter	$ 7.47	$ 5.40
2010		
First Quarter	$ 6.47	$ 3.72
Second Quarter	$ 6.97	$ 5.05
Third Quarter	$ 6.03	$ 4.69
Fourth Quarter	$ 8.76	$ 5.95

On August 3, 2012, the closing sales price of our Class A common stock on the Nasdaq Global Select Market was $4.97. As of August 3, 2012, there were 336 holders of record of our Class A common stock and two holders of record of our Class B common stock.

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SELLING STOCKHOLDERS

In connection with the separation and merger, on April 1, 2008 Cantor granted to certain current and former Cantor partners distribution rights entitling such partners to receive over time from Cantor an aggregate of 33,371,740 shares of our Class A common stock. Since the merger, and through July 31, 2012, Cantor has distributed to such partners an aggregate of 17,826,134 April 2008 distribution rights shares and 15,545,606 such shares remain to be distributed. In addition, on February 14, 2012, Cantor determined to distribute to its partners an aggregate of 3,220,781 shares of Class A common stock in payment of previous quarterly partnership distributions. Of those 3,220,781 shares, an aggregate of 1,010,655 shares were distributed by Cantor to partners on February 14, 2012 (including an aggregate of 44,013 shares distributed to certain partners, including to one of our executive officers, that are not being offered and sold under the registration statement of which this prospectus supplement forms a part), an aggregate of 282,023 February 2012 distribution rights shares were distributed by Cantor on March 21, 2012, and an aggregate of 1,928,103 February 2012 distribution rights shares remain to be distributed to partners.

Cantor may satisfy its obligations with respect to distribution rights shares by distributing to partners shares of Class A common stock owned by it, shares of Class A common stock acquired by it upon exchange of Cantor units owned by it, shares of Class A common stock acquired by it upon conversion of shares of our Class B common stock owned by it, shares of Class A common stock acquired by it upon conversion of the 8.75% convertible notes, or any other shares of Class A common stock now owned or hereafter acquired by it. In addition, from time to time Cantor may donate shares of Class A common stock to Charitable Organizations.

This prospectus supplement relates to 6,125,067 shares of our Class A common stock, which Cantor acquired on May 5, 2011 upon exchange of 9,000,000 Cantor units for 9,000,000 shares of Class A common stock. Of these 6,125,067 shares of Class A common stock, an aggregate of 2,755,753 April 2008 distribution rights shares that have already been distributed by Cantor and remain unsold, an aggregate of 374,135 February 2012 distribution right shares that have already been distributed by Cantor and remain unsold, and 75,000 shares that were donated by Cantor to The Cantor Fitzgerald Relief Fund on March 9, 2012 may be offered and sold through this prospectus supplement by the Selling Stockholders identified in the table below, and the remaining 2,920,179 shares may be offered and sold under the registration statement of which this prospectus supplement forms a part (1) either by Cantor at the direction and for the account of the Individual Selling Stockholders who hold the related distribution rights, or by such Individual Selling Stockholders as distributees of such distribution rights shares from Cantor, which Individual Selling Stockholders in each such case will be identified in one or more additional prospectus supplements to the extent required prior to the time of any offer or sale of such Individual Selling Stockholders shares under the registration statement, or (2) by the Charitable Organizations, which will be identified in one or more additional prospectus supplements to the extent required prior to the time of any offer or sale of such Charitable Organizations shares under the registration statement. Although nominally listed as a Selling Stockholder, Cantor will not be selling any shares for its own account under the registration statement.

As of July 31, 2012, of the 9,440,317 shares of our Class A common stock registered on the registration statement of which this prospectus supplement forms a part, an aggregate of 3,315,250 shares have been sold under the registration statement, including 2,871,564 shares by Individual Selling Stockholders and 443,686 shares by the Relief Fund. As of the date of this prospectus supplement, an aggregate of 6,125,067 shares remain to be sold under the registration statement.

The table below provides Selling Stockholder information, which has been supplied by Cantor and the Selling Stockholders that are currently offering and selling shares of our Class A common stock pursuant to this prospectus supplement, concerning the beneficial ownership of Class A common stock as July 31, 2012 by such Selling Stockholders. Selling Stockholder information for each additional Selling Stockholder will be set forth in one or more additional prospectus supplements to the extent required prior to the time of any offer or sale of such Selling Stockholder s shares under the registration statement. Any prospectus supplement may add, update, substitute or change the information contained in this prospectus supplement, including the identities of the Selling Stockholders and the number of shares being offered and sold by them or on their behalf. The Selling Stockholders may sell all, some or none of such shares. See Plan of Distribution. In addition, certain of the Selling Stockholders may in the future offer and sell shares of Class A common stock under our separate resale shelf Registration Statements on Form S-3 (Registration Nos. 333-167953 and 333-180391).

For more information regarding Cantor and the material relationships it has with us, see our latest Annual Report on Form 10-K filed with the SEC, and any updates thereto contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which are incorporated herein by reference. For purposes of the table below, we have assumed that, following the completion of the sale of shares of our Class A common stock included in this prospectus supplement, there will continue to be 110,654,402 shares of Class A common stock outstanding.

Except as indicated in the footnotes to the table below, each of the Selling Stockholders listed below has sole voting and investment power with respect to all shares of our Class A common stock shown as beneficially owned by such person. The principal address of each of the Selling Stockholders is 499 Park Avenue, New York, New York 10022.

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The table below does not set forth separately the 34,799,362 shares of our Class B common stock held by Cantor, which represents 99.9% of the total Class B common stock outstanding as of July 31, 2012. Shares of Class B common stock are convertible into shares of our Class A common stock at any time in the discretion of the holder on a one-for-one basis. In addition, the table does not set forth separately Cantor s 48,782,933 rights to acquire shares of Class B common stock upon exchange of Cantor units. As referenced in footnote (2) to the table below, a total of 48,782,933 Cantor units are exchangeable by Cantor with us at any time for shares of Class B common stock (or at Cantor s option, or if there are no additional authorized and unissued shares of Class B common stock, Class A common stock) on a one-for-one basis. As of July 31, 2012, there were 4