

ESPEED INC
Form 4
April 03, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LUTNICK HOWARD W

(Last) (First) (Middle)
**C/O BGC PARTNERS, INC. 499
PARK AVENUE**

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ESPEED INC [BGCP]

3. Date of Earliest Transaction
(Month/Day/Year)
04/01/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman & Co-CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Class A Common Stock, par value \$0.01 per share	04/01/2008		A(1)(2)(3)		7,742,325 (1) (2) (3) (4) (5)	D	
Class A Common Stock, par value \$0.01 per share	04/01/2008		A(1)(2)(3)(5)		5,732,159 (1) (2) (3) (5) (4) (5)	I	See Footnotes (6) (7)

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Class A Common Stock, par value \$0.01 per share	04/01/2008	A ⁽⁸⁾	10,856,642	A	(8)	12,595,685 <u>(8)</u> <u>(9)</u>	I	See Footnotes <u>(7)</u> <u>(9)</u>
Class A Common Stock, par value \$0.01 per share	03/12/2008	G ⁽¹⁰⁾	V 8,334	D	\$ 0	12,587,351 <u>(11)</u>	I	See Footnotes <u>(7)</u> <u>(11)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Ex (Month/D
				Code	V (A) (D)	Date Exer
Class B Common Stock, par value \$0.01 per share	<u>(8)</u> <u>(12)</u>	04/01/2008		A ⁽⁸⁾⁽¹²⁾	11,112,429	
Class B Common Stock, par value \$0.01 per share	<u>(8)</u> <u>(12)</u>	04/01/2008		D ⁽⁸⁾⁽¹⁴⁾⁽¹⁵⁾⁽¹⁶⁾	16,799,429	<u>(8)</u>
Class B Common Stock, par value \$0.01	<u>(8)</u> <u>(12)</u>	04/01/2008		D ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁸⁾⁽¹⁴⁾⁽¹⁵⁾⁽¹⁶⁾	13,474,484 <u>(4)</u>	<u>(1)(2)(3)</u>

per share

BGC
 Holdings
 Exchangeable Limited Partnership Interests (8) (12) (19) 04/01/2008 A(8)(12)(19) 67,069,530 (8) (12) (19)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LUTNICK HOWARD W C/O BGC PARTNERS, INC. 499 PARK AVENUE NEW YORK, NY 10022	X	X	Chairman & Co-CEO	

Signatures

/s/ Howard W. Lutnick 04/03/2008
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Deferred stock distributions of shares of Class A Common Stock receivable by the reporting person from Cantor Fitzgerald, L.P. ("CFLP") in respect of his CFLP partnership units in connection with the Separation and Merger (as such terms are defined below). The shares are receivable by the reporting person on the ninth anniversary of the completion of the Merger, (Continued Footnote 2) subject to acceleration in certain circumstances as follows: (i) with respect to distributions received in respect of CFLP partnership units held three years or longer as of the completion of the Merger, one-third of the shares on each of the 12-, 18- and 24- month anniversaries of the completion of the Merger, and (ii) with respect to distributions received in respect of CFLP partnership units held less than three years as of the completion of the Merger, one-fifth of the shares on each of the 12-, 18-, 24-, 30- and 36-month anniversaries of the completion of the Merger, in the case of both (i) and (ii) above, if, as of the applicable anniversary date, the reporting person continues to provide services to CFLP and has not breached his CFLP partner obligations, including the non-competition and non-solicitation covenants contained in the limited partnership agreement of CFLP, (Continued Footnote 3)
 - (2) to the extent applicable. Prior to the Merger, CFLP separated (the "Separation") its inter-dealer brokerage business, market data business and fulfillment businesses (collectively, the "BGC Businesses") from the remainder of CFLP's businesses and contributed the BGC Businesses to BGC Partners, LLC, which then merged (the "Merger") with and into eSpeed, Inc. ("eSpeed") which was renamed BGC Partners, Inc. The Merger was completed on April 1, 2008.
 - (3) Change in form of ownership exempt under Rule 16a-13 of the Securities Exchange Act of 1934.
 - (4) Deferred stock distributions of shares of Class A Common Stock receivable by (i) CF Group Management, Inc. ("CFGM"), (ii) KBCR Management Partners, LLC ("KBCR"), (iii) the reporting person's spouse, and (iv) a trust for the benefit of descendants of the reporting person, of which the reporting person's spouse is one of two trustees and the reporting person has limited powers to remove and replace

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such trustees, from CFLP in respect of their respective CFLP partnership units in connection with the Separation and Merger.

The 5,732,159 shares consist of (i) 2,050,197 shares of Class A Common Stock represented by deferred stock distributions receivable by CFGM, (ii) 2,048,000 shares of Class A Common Stock represented by deferred stock distributions receivable by KBCR, (iii) 23,780 shares of Class A Common Stock represented by deferred stock distributions receivable by the reporting person's spouse, and (iv) 1,610,182 shares of Class A Common Stock receivable by a trust for the benefit of descendants of the reporting person, of which the reporting person's spouse is one of two trustees and the reporting person has limited powers to remove and replace such trustees, from CFLP in respect of their respective CFLP limited partnership units in connection with the Separation and Merger.

CFGM is the Managing General Partner of CFLP and the reporting person is the President and sole stockholder of CFGM. GP Units Holdings, LLC is a non-managing General Partner of CFLP and is wholly-owned by the reporting person. KBCR is a non-managing General Partner of CFLP and the reporting person is the managing member of KBCR. The reporting person disclaims beneficial ownership of all such shares in excess of his pecuniary interest, if any, and this report shall not be deemed an admission that he is the beneficial owner of, or has pecuniary interest in, any such excess shares for purposes of Section 16 of the Securities Exchange Act of 1934 or for any other purpose.

Pursuant to the Merger, eSpeed issued to CFLP: (i) 10,856,642 shares of Class A Common Stock, (ii) 11,112,429 shares of Class B Common Stock and (iii) 67,069,530 rights to acquire shares of Class B Common Stock and/or Class A Common Stock pursuant to the exchange of Exchangeable Limited Partnership Interests of BGC Holdings, L.P. ("BGC Holdings").

The 12,595,685 shares of Class A Common Stock consist of (i) 388,812 shares of Class A Common Stock held by CFGM, (ii) 12,027,222 shares of Class A Common Stock held by CFLP, (iii) 175,589 shares of Class A Common Stock held by a trust for the benefit of the descendants of the reporting person, of which the reporting person's spouse is one of two trustees and the reporting person has limited powers to remove and replace such trustees, and (iv) 4,062 shares of Class A Common Stock held in the reporting person's 401(k) account. The 12,595,685 shares held indirectly by the reporting person consist solely of shares of Class A Common Stock. Previously, the reporting person had aggregated shares of Class A Common Stock and Class B Common Stock held by CFLP and CFGM in Column 5 of Table I.

The 8,334 shares of Class A Common Stock were gifted by CFLP.

The 12,587,351 shares of Class A Common Stock consist of (i) 388,812 shares of Class A Common Stock held by CFGM, (ii) 12,018,888 shares of Class A Common Stock held by CFLP, (iii) 175,589 shares of Class A Common Stock held by a trust for the benefit of the descendants of the reporting person, of which the reporting person's spouse is one of two trustees and the reporting person has limited powers to remove and replace such trustees, and (iv) 4,062 shares of Class A Common Stock held in the reporting person's 401(k) account. The 12,587,351 shares held indirectly by the reporting person consist solely of shares of Class A Common Stock. Previously, the reporting person had aggregated shares of Class A Common Stock and Class B Common Stock held by CFLP and CFGM in Column 5 of Table I.

The shares of Class B Common Stock are convertible at any time on a one-for-one basis (subject to adjustment) into shares of Class A Common Stock.

The 30,610,229 shares held indirectly by the reporting person consist of 48,745 shares of Class B Common Stock held by CFGM and 30,561,484 shares of Class B Common Stock held by CFLP.

Deferred stock distributions to CFLP partners in respect of their CFLP partnership units in connection with the Separation and Merger. To the extent that CFLP does not have sufficient shares of Class A Common Stock, CFLP will make the distributions from its shares of Class B Common Stock, which will become shares of Class A Common Stock in the hands of the distributee partners. Certain CFLP partners, who provide services to the BGC Businesses and became founding partners of BGC Holdings in connection with the Separation and Merger, will receive a fixed number of shares of Class A Common Stock, with one-third of such shares receivable on each of the first, second and third anniversaries of the completion of the Merger. (Continued Footnote 15)

Other CFLP partners, who did not become founding partners of BGC Holdings in connection with the Separation and Merger, will receive a fixed number of shares of Class A Common Stock on the ninth anniversary of the completion of the Merger, subject to acceleration in certain circumstances as follows: (i) with respect to distributions received in respect of CFLP partnership units held three years or longer as of the completion of the Merger, one-third of the shares on each of the 12-, 18- and 24-month anniversaries of the completion of the Merger and (Continued Footnote 16)

(ii) with respect to distributions received in respect of CFLP partnership units held less than three years as of the completion of the Merger, one-fifth of the shares on each of the 12-, 18-, 24-, 30- and 36-month anniversaries of the completion of the Merger, in the case of both (i) and (ii) above, if, as of the applicable anniversary date, the partner continues to provide services to CFLP and has not breached his or her CFLP partner obligations, including the non-competition and non-solicitation covenants contained in the limited partnership agreement of CFLP, to the extent applicable.

The 13,810,800 shares held indirectly by the reporting person consist of 48,745 shares of Class B Common Stock held by CFGM and 13,762,055 shares of Class B Common Stock held by CFLP.

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The 336,316 shares held indirectly by the reporting person consist of 48,745 shares of Class B Common Stock held by CFGM and 287,571 shares of Class B Common Stock held by CFLP.

- (19) After the first anniversary of the completion of the Merger, the exchange rights with respect to CFLP's BGC Holdings Exchangeable Limited Partnership Interests will be exercisable at any time for shares of Class B Common Stock (or, at CFLP's option or if there are no additional authorized but unissued shares of Class B Common Stock, shares of Class A Common Stock) on a one-for-one basis (subject to adjustment). CFLP will, however, be able to exercise its exchange rights with respect to up to 20 million of its BGC Holdings Exchangeable Limited Partnership Interests for shares of Class A Common Stock prior to the first anniversary of the completion of the Merger in connection with a broad-based public offering, including all the shares of Class A Common Stock received upon such exchange, underwritten by a nationally recognized investment banking firm.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.