

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11339 / December 12, 2024

SECURITIES EXCHANGE ACT OF 1934
Release No. 101898 / December 12, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22348

In the Matter of

**CANTOR FITZGERALD,
L.P.,**

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933 AND SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Cantor Fitzgerald, L.P. (“Cantor” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. This matter concerns materially false and misleading statements made by two special purpose acquisition companies ("SPACs") controlled by Cantor Fitzgerald, L.P. ("Cantor"). The misstatements relate to activities Cantor – acting through a small team consisting of Cantor executives as well as personnel employed by Cantor subsidiaries – caused each SPAC to take prior to its initial public offering ("IPO"). This small Cantor team controlled the actions of the Cantor SPACs, including conducting a centralized search for potential business combination targets, and engaging in substantive discussions with potential targets. To date Cantor has sponsored nine SPACs through subsidiaries, with the majority launching their IPOs over the seven months spanning August 2020 to February 2021.

2. In November 2020, a Cantor SPAC, CF Finance Acquisition Corp. II ("CFAC II"), announced an agreement to merge with View, Inc. ("View"). In Form S-1 filings and a prospectus Cantor caused CFAC II to file with the Commission before its August 2020 IPO, CFAC II falsely stated that neither CFAC II nor anyone acting on its behalf had initiated any substantive discussions with any business combination target, contacted any of the prospective target businesses considered by Cantor's prior SPAC CF Finance Acquisition Corp., or approached any specific target business. In fact, Cantor personnel, acting on behalf of the SPAC, had already initiated discussions with View and at least one other potential target regarding a potential business combination as early as June 2020, and those discussions continued during the time period before the CFAC II IPO. The Form S-4 filings and a business combination proxy statement Cantor caused CFAC II to file with the Commission in February 2021 also included false statements about the true history of Cantor's interactions with View.

3. Similarly, in July 2021, another Cantor SPAC, CF Acquisition Corp. V ("CFAC V"), announced an agreement to merge with Satellogic Inc. ("Satellogic"). The Form S-1 filings and a prospectus Cantor caused CFAC V to file with the Commission before its January 2021 IPO falsely stated that neither CFAC V nor anyone acting on its behalf had initiated any substantive discussions with any business combination target, contacted any of the prospective target businesses considered by the four prior Cantor SPACs, or approached any specific target business. In fact, Cantor personnel, acting on behalf of its SPACs, had already initiated discussions with Satellogic and at least two other potential targets regarding a potential business combination as early as December 2020, and those discussions continued during the time period before the CFAC V IPO. Pre-IPO discussions with Satellogic about a potential business combination with a Cantor SPAC explicitly included the possibility of using the not-yet-launched CFAC V as the acquisition

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

vehicle. The business combination proxy statement Cantor caused CFAC V to file with the Commission in November 2021 also included false statements about the true history of Cantor’s interactions with Satellogic.

4. As a result of the materially misleading statements described throughout this Order, Cantor caused CFAC II and CFAC V to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, antifraud provisions of the federal securities laws. Cantor also caused CFAC II and CFAC V to violate Section 14(a) of the Exchange Act and Rule 14a-3 thereunder.

Respondent

5. Cantor, a Delaware limited partnership, is a global financial services firm headquartered in New York, which operates through its subsidiary companies. Cantor has launched nine SPACs to date, through wholly-owned Delaware limited liability companies that act as the SPAC sponsors. The registration statement for each SPAC discloses that the SPAC and its sponsor “are controlled by Cantor.” Certain Cantor executives and personnel employed by subsidiaries of Cantor serve as officers of each Cantor SPAC sponsor and as officers and directors of each SPAC. As a consequence, Cantor controlled each of the Cantor SPACs’ activities – from contacts with potential target companies, to executing binding agreements and making public filings with the Commission. Through this structure, Cantor caused the violations described herein.

Other Relevant Entities

6. CF Finance Acquisition Corp. (“CFAC I”), a Delaware corporation headquartered in New York, was a SPAC. CFAC I had no operations of its own and existed for the purpose of merging with a privately held company with the effect of taking that company public. CFAC I’s sponsor was CF Finance Holdings, LLC, a Delaware limited liability company which is 100% owned by Cantor. Beginning on December 12, 2018 and ending on December 17, 2018, CFAC I completed an IPO of 25,000,000 units at \$10 per unit, generating gross proceeds of \$250,000,000. Its securities were registered under Section 12(b) of the Exchange Act and traded on the Nasdaq exchange under the symbol CFFA. CFAC I announced an agreement to merge with a private company on August 8, 2020, which was consummated on November 17, 2020. Shares of the surviving company currently trade on the Nasdaq exchange.

7. CF Finance Acquisition Corp. II (“CFAC II”), a Delaware corporation headquartered in New York, was a SPAC. CFAC II had no operations of its own and existed for the purpose of merging with a privately held company with the effect of taking that company public. CFAC II’s sponsor was CF Finance Holdings II, LLC, a Delaware limited liability company which is 100% owned by Cantor. Beginning on August 27, 2020 and ending on August 31, 2020, CFAC II completed an IPO of 50,000,000 units at \$10 per unit, generating gross proceeds of \$500,000,000. Its securities were registered under Section 12(b) of the Exchange Act and traded on the Nasdaq exchange under the ticker symbol CFII. CFAC II announced an agreement to merge with View, Inc. (“View”) on November 30, 2020, which was consummated on

March 8, 2021. Shares of View traded on the Nasdaq exchange under the ticker symbol VIEW until April 5, 2024, when Nasdaq suspended trading following a delisting determination. View deregistered its securities with the Commission on May 20, 2024.

8. CF Finance Acquisition Corp III (“CFAC III”), a Delaware corporation headquartered in New York, was a SPAC. CFAC III had no operations of its own and existed for the purpose of merging with a privately held company with the effect of taking that company public. CFAC III’s sponsor was CF Finance Holdings III, LLC, a Delaware limited liability company which is 100% owned by Cantor. Beginning on November 13, 2020 and ending on November 17, 2020, CFAC III completed an IPO of 23,000,000 units at \$10 per unit, generating gross proceeds of \$230,000,000. Its securities were registered under Section 12(b) of the Exchange Act and traded on the Nasdaq exchange under the ticker symbol CFAC. CFAC III announced an agreement to merge with a private company on February 17, 2021, which was consummated on August 16, 2021. Shares of the surviving company currently trade on the Nasdaq exchange.

9. CF Acquisition Corp. V (“CFAC V”), a Delaware corporation headquartered in New York, was a SPAC. CFAC V had no operations of its own and existed for the purpose of merging with a privately held company with the effect of taking that company public. CFAC V’s sponsor was CFAC Holdings V, LLC, a Delaware limited liability company which is 100% owned by Cantor. Beginning on January 29, 2021 and ending on February 2, 2021, CFAC V completed an IPO of 25,000,000 units at \$10 per unit, generating gross proceeds of \$250,500,000. Its securities were registered under Section 12(b) of the Exchange Act and traded on the Nasdaq exchange under the ticker symbol CFV. CFAC V announced an agreement to merge with Satellogic Inc. (“Satellogic”) on July 6, 2021, which was consummated on January 25, 2022. Shares of Satellogic currently trade on the Nasdaq exchange under the ticker symbol SATL.

Facts

Background

10. A SPAC is a company with no underlying business operations that is formed to raise capital through an IPO for the purpose of using the proceeds to acquire an unidentified private operating company within a specified period of time (typically two years).

11. Following its IPO, a SPAC will seek to identify acquisition candidates and attempt to complete a business combination transaction after which the company will continue the operations of the acquired company as a public company. A SPAC sponsor is the entity and/or persons primarily responsible for establishing the SPAC, which is thereafter managed by a board of directors and management.

12. Given that the purpose of a SPAC is to identify and acquire an operating business after conducting its IPO, disclosures about substantive steps a SPAC has or has not taken in furtherance of a particular acquisition would be material to a reasonable SPAC investor, who

would want to know about the SPAC’s prospects with future acquisition targets. Disclosures made in a SPAC’s IPO – including as it relates to substantive pre-IPO discussions or negotiations with future acquisition targets or concerning potential business combinations – need to be clear and accurate, and cannot be materially false or misleading.

Cantor’s SPAC Business

13. Throughout the relevant period, from at least August 2020 to February 2021, a team of Cantor executives and personnel employed by Cantor subsidiaries managed and controlled all of the Cantor SPAC sponsors and entities then in existence. The Cantor team pursued targets and executed business combinations on behalf of the Cantor SPACs in a continuous flow of deals, with significant overlap in targets seriously pursued from one SPAC to the next. When a Cantor SPAC reached an agreement to merge with a specific target, Cantor would often roll the ongoing discussions with one or more of the remaining targets over to another Cantor SPAC. As described below, in some instances the discussions with an unchosen target were advanced and substantive. When one particular potential SPAC target questioned why paperwork reflected the name of an already merged SPAC, members of the Cantor team responded that it did not matter which SPAC name was referenced in the paperwork, because they “always ha[ve] a SPAC available” for a possible business combination.

Substantive Discussions with View and Target A Prior to the CFAC II IPO

14. Over a month before the CFAC II IPO, on July 16, 2020, CFAC I executed a non-disclosure agreement (“NDA”) with View. View provided a product demonstration to Cantor personnel on July 28, 2020, and granted Cantor personnel access to their data room on July 31, 2020. After announcing that CFAC I would merge with a different company on August 3, 2020, Cantor personnel held two calls with the View finance team – one that evening, and another on August 4, 2020. A third and fourth call took place between Cantor personnel and View’s finance team before the CFAC II IPO, on August 11 and 25, 2020. These actions constituted substantive discussions with View about a possible business combination.

15. Separately, a Cantor executive held a call with a representative of Target A on June 11, 2020, where they discussed the idea of merging part of Target A’s business with “a new Spac we roll out.” CFAC I subsequently executed an NDA with Target A, held a call with Target A’s finance executives concerning potential merger terms and diligence requests, reviewed diligence materials provided by Target A, and proposed in an internal email that “September would be an ideal time to finalize [a letter of intent],” all before the CFAC II IPO. These actions constituted substantive discussions with Target A about a possible business combination.

16. The October 15, 2020 definitive proxy statement Cantor caused CFAC I to file for its business combination with a private company states that its discussions with other potential targets had been substantive: “CFAC evaluated numerous business combination opportunities and entered into substantive discussions with multiple potential target businesses.”

Disclosures in the CFAC II IPO Filings

17. On August 7, 2020, Cantor caused CFAC II to file a Form S-1 with respect to the registration and initial public offering of 52.5 million units (consisting of one share of stock and one-third of a redeemable warrant), to be sold for \$525 million. On August 18, 2020, Cantor caused CFAC II to file an amended Form S-1 reflecting this same information. The Form S-1 registration statement was declared effective by the Commission on August 26, 2020.

18. On August 28, 2020, Cantor caused CFAC II to file the final IPO prospectus, dated August 26, 2020. The final size of the offering was 50 million units for \$500 million.

19. Each of CFAC II's Form S-1 filings, as well as the final prospectus, contained several statements about the state of discussions with potential targets. For example, these filings include the following statement on the first page:

We have not selected any specific business combination target and we have not, nor has anyone on our behalf, initiated any substantive discussions, directly or indirectly, with any business combination target regarding an initial business combination with our company.

20. Each of CFAC II's Form S-1 filings, as well as the final prospectus, also stated:

Because we have not yet selected or approached any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business's operations, results of operations, cash flows, liquidity, financial condition or prospects.

21. In addition, each of CFAC II's Form S-1 filings, as well as the final prospectus, stated:

We have not contacted any of the prospective target businesses that Cantor SPAC I had considered and rejected as a target business to acquire.

22. CFAC II entered into an underwriting agreement with Cantor's investment bank, Cantor Fitzgerald & Co. ("CF&Co"), dated August 26, 2020, that was filed as an exhibit to its report on Form 8-K dated September 1, 2020. In the underwriting agreement, CFAC II represented the following:

The Company has not identified any Business Combination target (each a "Target Business") and it has not, nor has anyone on its behalf, initiated any substantive discussions with any Target Business.

23. The statements in paragraphs 19 through 22 were materially misleading, given that Cantor personnel had already had substantive discussions on behalf of CFAC II with at least two targets, including View, about a potential business combination before the CFAC II IPO. Cantor caused CFAC II to make these materially misleading statements.

24. On August 31, 2020, CFAC II issued a press release, which was attached as an exhibit to a report on Form 8-K filed September 1, 2020, announcing the closing that day of CFAC II's IPO of 50 million units at \$10.00 per unit, for gross proceeds of \$500 million. Following the IPO, Cantor held 14,375,000 founder shares in CFAC II via its ownership and control of the CFAC II sponsor. CF&Co, a registered broker-dealer controlled by Cantor, also received 2% of the IPO proceeds, or \$10 million, as an underwriting fee.

Interactions with View and Target A Following the CFAC II IPO

25. On the day the CFAC II IPO closed, August 31, 2020, the Cantor team and View continued their substantive discussions about a possible business combination by executing a fresh NDA and corresponding about a "deal timeline." The very next day, on September 1, 2020, View and Cantor personnel held a call, and View requested auditor conflict of interest documentation. Cantor personnel sent diligence request lists to View on the following day, and executed a letter of intent ("LOI") between CFAC II and View less than three weeks later, on September 22, 2020. CFAC II subsequently announced an agreement to merge with View on November 30, 2020, and the deal was consummated on March 8, 2021.

26. Following the CFAC II IPO, Cantor personnel also continued their substantive discussions about a possible business combination with Target A. Those discussions continued further after Cantor launched its fourth SPAC on December 22, 2020, after which time Target A chose a different merger partner.

Disclosures in the CFAC II Business Combination Filings

27. On December 23, 2020, Cantor caused CFAC II to file a joint proxy statement and prospectus on Form S-4 making required disclosures about the proposed business combination with View. Cantor caused CFAC II to file an amended version of the Form S-4 on January 26, 2021. The registration statement on this Form S-4 was declared effective on February 16, 2021.

28. On February 16, 2021, Cantor caused CFAC II to file the final joint proxy statement and prospectus on Form 424(b) for the proposed business combination with View, setting a Special Meeting date of March 5, 2021.

29. These joint proxy statement and prospectus filings purportedly provided a detailed history of Cantor's discussions and negotiations with View, including the discussions that took place when the Cantor team was searching for a CFAC I business combination target, prior to the CFAC II IPO. All three filings stated that:

SPAC I executed a transaction agreement with another target business on August 2, 2020 at which time it ceased discussions with other potential target businesses, including View.

30. In fact, as described above, Cantor personnel did not cease discussions with View on August 2, 2020, but instead continued to have substantive discussions with View about a business combination up until the CFAC II IPO on August 27, 2020. The substantive nature of those discussions is reflected in the immediacy with which CFAC II and View executed agreements following the IPO.

Substantive Discussions with Satellogic and Targets B & C Prior to the CFAC V IPO

31. On January 6, 2021, CFAC III executed an NDA with Satellogic. Satellogic and its bankers made a presentation to the Cantor team on January 13, 2021, and the Cantor team communicated again with Satellogic's bankers on January 14 and 15. In response to a January 15, 2021 update that Satellogic "can move to exclusivity quickly," a Cantor executive instructed an employee to set up a meeting with Satellogic, and to remind Satellogic of the not-yet-launched \$250 million CFAC V IPO, for which Cantor had already caused CFAC V to file a Form S-1 registration statement (see paragraphs 36-40 below).

32. On January 20, 2021, CFAC III triggered mutual exclusivity provisions in the LOI between CFAC III and a different private company. Nevertheless, Cantor personnel held a call that day with Satellogic and its bankers to discuss the company, its financials, and the timing and process for a SPAC deal. The next day, on January 21, 2021, a Cantor executive agreed to discuss Cantor's "proposal for next steps with the Satellogic team." Internally, Cantor personnel were instructed to "[b]e prepared on Monday to send Satellogic a new NDA after pricing [of the CFAC V IPO]. And then we follow up with LOI for Spac V on Tuesday," and relayed instructions from a Cantor executive to the legal team. They followed these instructions, preparing a draft LOI for Satellogic on behalf of CFAC V on January 24, 2021, five days before the CFAC V IPO.

33. On Monday, January 25, 2021, four days before the CFAC V IPO, Satellogic's bankers sent a process letter to the Cantor team providing instructions for an offer they were expecting to receive in two days' time. At some point in the three days that followed, a Cantor executive called the Satellogic CEO directly to explain that, although CFAC III would be entering into a business combination with a different target, Cantor personnel still planned to move forward on a business combination with Satellogic using CFAC V instead. These actions constituted substantive discussions with Satellogic about a possible business combination.

34. Separately, CFAC III entered into NDAs and had substantive discussions with two other potential target companies, Targets B and C, prior to the CFAC V IPO, which were subsequently rolled over to CFAC V. Those discussions included numerous calls with members of the target companies' executive management, and, in connection with Target B in particular,

discussions of potential deal terms, and draft LOIs. These actions constituted substantive discussions with Targets B and C about a possible business combination.

35. The final prospectus Cantor caused CFAC III to file for its business combination with a private company on July 21, 2021 states that its discussions with other potential targets had been substantive: “CF III executed non-disclosure agreements with seventeen (17) potential target businesses and entered into substantive discussions with many of these potential target businesses, substantial stockholders thereof and/or transaction intermediaries.”

Disclosures in the CFAC V IPO Filings

36. On January 8, 2021, Cantor caused CFAC V to file a Form S-1 with respect to the registration and initial public offering of 25 million units (consisting of one share of stock and one-third of a redeemable warrant), to be sold for \$250 million. Cantor caused CFAC V to file an amended Form S-1 reflecting this same information on January 20, 2021. The Form S-1 registration statement was declared effective by the Commission on January 28, 2021.

37. On January 29, 2021, Cantor caused CFAC V to file the final IPO prospectus, dated January 28, 2021.

38. Each of CFAC V’s Form S-1 filings, as well as the final prospectus, contained several statements about the state of discussions with potential targets. For example, CFAC V included the following statement on the first page:

We have not selected any specific business combination target and we have not, nor has anyone on our behalf, initiated any substantive discussions, directly or indirectly, with any business combination target regarding an initial business combination with our company.

39. Each of CFAC V’s Form S-1 filings, as well as the final prospectus, also stated:

Because we have not yet selected or approached any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business’s operations, results of operations, cash flows, liquidity, financial condition or prospects.

40. In addition, each of CFAC V’s Form S-1 filings, as well as the final prospectus, stated:

We have not contacted any of the prospective target businesses that Cantor SPAC I, Cantor SPAC II, Cantor SPAC III or Cantor SPAC IV had considered.

41. CFAC V entered into an underwriting agreement with Cantor’s investment bank, CF&Co, dated January 28, 2021, that is filed as an exhibit to its report on Form 8-K dated February 3, 2021. In the underwriting agreement, CFAC V represented the following:

The Company has not identified any Business Combination target (each a “Target Business”) and it has not, nor has anyone on its behalf, initiated any substantive discussions with any Target Business.

42. The statements in paragraphs 38 through 41 were materially misleading, given that Cantor personnel had already initiated substantive discussions on behalf of CFAC V with Satellogic and at least two other targets about a potential business combination. Cantor caused CFAC V to make these materially misleading statements.

43. On February 2, 2021, CFAC V issued a press release, which was attached as an Exhibit to a report on Form 8-K filed February 3, 2021, announcing the closing that day of CFAC V’s IPO of 25 million units at \$10.00 per unit, for gross proceeds of \$250 million. Following the IPO, Cantor held 6,250,000 founder shares in CFAC V via its ownership and control of the CFAC V sponsor. CF&Co, a registered broker-dealer controlled by Cantor, also received 2% of the IPO proceeds, or \$5 million, as an underwriting fee.

Interactions with Satellogic and Targets B & C Following the CFAC V IPO

44. Cantor caused CFAC V to send a new NDA to Satellogic in the immediate hours after the CFAC V registration statement became effective. The next day, on January 29, 2021, Cantor personnel continued their substantive discussions with Satellogic by holding a meeting with Satellogic and sending it a draft LOI. CFAC V executed an LOI with Satellogic less than three weeks later, on February 19, 2021, and publicly announced an agreement to merge on July 6, 2021. The deal was consummated on January 25, 2022.

45. Cantor personnel also continued substantive discussions with Targets B and C immediately after the CFAC V registration statement became effective, by sending them NDAs and quickly executing LOIs. With Target B, the Cantor team collaborated on an investor presentation and completed formal due diligence before rolling the company over to its sixth SPAC.

Disclosures in the CFAC V Business Combination Filings

46. On November 12, 2021, Cantor caused CFAC V to file a final proxy statement for the proposed business combination with Satellogic, setting a Special Meeting date of December 8, 2021.

47. The final proxy statement purported to provide a detailed history of Cantor’s discussions and negotiations with Satellogic on behalf of Cantor’s SPACs, including the

discussions that took place when Cantor personnel were searching for a CFAC III business combination target, prior to the CFAC V IPO. The filing stated that:

CF III entered into exclusive negotiations with another target business in January 2021, at which time CF III ceased discussions with other potential target businesses, including the Company [Satellogic].

48. In fact, as described above, Cantor personnel did not cease discussions with Satellogic after entering into exclusive negotiations between CFAC III and a private company on January 20, 2021, but instead continued having substantive discussions with Satellogic about a business combination up until the CFAC V IPO on January 28, 2021. The advanced state of those discussions is reflected in the immediacy with which CFAC V and Satellogic executed agreements following the IPO.

Violations

49. As a result of the conduct described above, the Commission finds that Cantor caused CFAC II and CFAC V to violate Section 17(a)(2) of the Securities Act, which makes it unlawful, in the offer or sale of any securities, to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

50. As a result of the conduct described above, the Commission finds that Cantor also caused CFAC II and CFAC V to violate Section 17(a)(3) of the Securities Act, which makes it unlawful, in the offer or sale of any securities, to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

51. As a result of the conduct described above, the Commission finds that Cantor also caused CFAC II and CFAC V to violate Section 14(a) of the Exchange Act and Rule 14a-3 thereunder. Section 14(a) makes it unlawful to solicit any proxy in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act in contravention of such rules and regulations as the Commission may prescribe. Rule 14a-3 requires that a proxy statement must include certain information, including a description of any negotiations or material contacts with a merger partner during the past two years.

IV.

On the basis of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Cantor shall cease and desist from committing or causing any violations and any future

violations of Sections 17(a)(2) or 17(a)(3) of the Securities Act and Section 14(a) of the Exchange Act and Rule 14a-3 thereunder.

B. Respondent Cantor shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of \$6.75 million to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Cantor as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Mark D. Cave, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

C. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this proceeding, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any

part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary