ESPEED INC

FORM 10-Q
(Quarterly Report)

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Industry	Consumer Financial Services
Sector	Financial
Fiscal Year	12/31

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2002

OR

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

For the transition period from _____ to _____

Commission file number 0-28191

ESPEED, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	13-4063515
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

135 East 57th Street

(Address of Principal Executive Offices)

New York, New York 10022

(City, State, Zip Code)

(212) 938-5000

(Registrant's Telephone Number, Including Area Code)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 11, 2002
Class A common stock, par value $.01 per share	29,563,966
Class B common stock, par value $.01 per share	25,388,814

PART I--FINANCIAL INFORMATION

ITEM 1. Financial Statements:

PART II--OTHER INFORMATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

eSPEED, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION AS OF SEPTEMBER 30, 2002 AND DECEMBER 31, 2001

	September 30, 2002	December 31, 2001
	(unaudited)	
Assets		
Cash and cash equivalents	$ 2,487,475	$ 2,567,932
Reverse repurchase agreements with related parties	191,806,160	157,330,676
Total cash and cash equivalents	194,293,635	159,898,608
Fixed assets, net	23,832,236	19,137,269
Investments	12,046,550	11,732,863
Intangible assets,net	16,985,409	9,122,491
Other assets	2,378,568	3,207,832
Total assets	$ 249,536,398	$ 203,099,063
Liabilities and Stockholders' Equity		
Liabilities:		
Payable to related parties, net	$ 7,697,122	$ 6,822,163
Accounts payable and accrued liabilities	34,003,315	23,095,092
Total liabilities	41,700,437	29,917,255
Stockholders' equity:		
Preferred stock, par value $0.01 per share; 50,000,000 shares authorized; 8,000,750 and 8,000,750 shares issued and outstanding	80,008	80,008
Class A common stock, par value $0.01 per share; 200,000,000 shares authorized; 28,491,091 and 26,590,668 shares issued and outstanding	284,911	265,906
Class B common stock, par value $0.01 per share; 100,000,000 shares authorized; 26,488,814 and 28,354,737 shares issued and outstanding	264,888	283,547
Additional paid-in capital	267,335,144	266,791,989
Unamortized expense of business partner securities	(1,794,600)	(2,691,900)
Treasury stock, 24,600 shares of Class A common stock at cost	(221,892)	(221,892)
Accumulated deficit	(58,112,498)	(91,325,850)
Total stockholders' equity	207,835,961	173,181,808
Total liabilities and stockholders' equity	$ 249,536,398	$ 203,099,063

See notes to consolidated financial statements

eSPEED, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001
(UNAUDITED)

	For the three months ended	
	September 30, 2002	September 30, 2001
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	$ 22,782,614	$ 15,676,495
Voice-assisted brokerage transactions	4,649,045	5,577,545
Screen-assisted open outcry transactions	11,465	146,673
Total transaction revenues with related parties	27,443,124	21,400,713
Software Solutions fees from related parties	3,422,729	4,806,225
Software Solutions and licensing fees from unrelated parties	1,332,589	691,677
Interest income from related parties	780,209	1,292,718
Total revenues	32,978,651	28,191,333
Expenses:		
Compensation and employee benefits	9,113,762	14,738,315
Occupancy and equipment	6,338,062	7,414,913
Professional and consulting fees	1,148,854	1,196,878
Communications and client networks	1,465,111	2,470,533
Marketing	1,280,340	999,188
Administrative fees paid to related parties	2,291,423	2,911,382
Loss on unconsolidated investments	--	3,833,679
Non-cash business partner securities	541,266	517,328
Provision for September 11 Events	--	14,368,554
Other	3,011,944	2,461,958
Total expenses	25,190,762	50,912,728
Income (loss) before provision for income taxes	7,787,889	(22,721,395)
Income tax provision:		
Federal	--	--
State and local	122,065	129,000
Total tax provision	122,065	129,000
Net income (loss)	$ 7,665,824	$ (22,850,395)
Per share data:		
Basic net income (loss) per share	$ 0.14	$ (0.42)
Fully diluted net income (loss) per share	$ 0.14	$ (0.42)
Basic weighted average shares of common stock outstanding	54,980,044	54,973,648
Fully diluted weighted average shares of common stock outstanding	56,498,915	54,973,648

See notes to consolidated financial statements

eSPEED, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001
(UNAUDITED)

	For the nine months ended	
	September 30, 2002	September 30, 2001
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	$ 65,608,590	$ 57,752,654
Voice-assisted brokerage transactions	13,478,973	17,275,168
Screen-assisted open outcry transactions	134,727	313,581
Total transaction revenues with related parties	79,222,290	75,341,403
Software Solutions fees from related parties	9,747,204	12,775,813
Software Solutions and licensing fees from unrelated parties	2,436,719	1,339,596
Business interruption insurance proceeds from parent	12,832,886	--
Interest income from related parties	2,221,821	4,701,569
Total revenues	106,460,920	94,158,381
Expenses:		
Compensation and employee benefits	27,748,412	46,124,822
Occupancy and equipment	18,048,318	22,329,398
Professional and consulting fees	4,263,576	7,232,006
Communications and client networks	4,516,545	6,672,676
Marketing	4,514,868	3,997,959
Administrative fees paid to related parties	6,578,674	7,753,500
Loss on unconsolidated investments	--	3,833,679
Non-cash business partner securities	1,354,072	816,228
Provision for September 11 Events	--	14,368,554
Other	5,873,038	6,756,622
Total operating expenses	72,897,503	119,885,444
Income (loss) before provision for income taxes	33,563,417	(25,727,063)
Income tax provision:		
Federal	--	--
State and local	350,065	387,000
Total tax provision	350,065	387,000
Net income (loss)	$ 33,213,352	$ (26,114,063)
Per share data:		
Basic net income (loss) per share	$ 0.60	$ (0.48)
Fully diluted net income (loss) per share	$ 0.59	$ (0.48)
Basic weighted average shares of common stock outstanding	54,979,037	54,076,897
Fully diluted weighted average shares of common stock outstanding	56,683,137	54,076,897

See notes to consolidated financial statements

eSpeed, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS For
the nine months ended September 30, 2002 and September 30, 2001

(unaudited)

	For the nine months ended September 30, 2002	For the nine months ended September 30, 2001
Cash flows from operating activities:		
Net income (loss)	$ 33,213,352	$ (26,114,063)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	7,152,472	4,311,096
Amortization	2,367,888	227,665
Amortization of non-cash business partner securities	1,354,072	816,228
Equity in net losses of certain unconsolidated investments	203,842	252,636
Loss on unconsolidated investments	--	3,833,679
Non-cash issuance of securities under employee benefit plans	54,638	364,123
Provision for September 11 Events	--	14,368,554
(Increase) decrease in operating assets:		
Other assets	84,726	(3,566,773)
Increase (decrease) in operating liabilities:		
Payable to related parties, net	874,959	(6,757,208)
Accounts payable and accrued liabilities	10,908,226	13,894,349
Net cash provided by operating activities	56,214,175	1,630,286
Cash flows from investing activities:		
Purchases of fixed assets	(5,281,319)	(9,235,941)
Capitalization of software development costs	(6,339,116)	(5,616,672)
Increase in intangible assets, net	(10,230,806)	(6,094,591)
Net cash used in investing activities	(21,851,241)	(20,947,204)
Cash flows from financing activities:		
Proceeds from issuance of securities	--	47,750,000
Proceeds from issuance of securities under the ESPP	--	589,230
Proceeds from exercises of options	32,093	414,298
Payments for issuance related expenses	--	(2,484,845)
Net cash provided by financing activities	32,093	46,268,683
Net increase in cash and cash equivalents	34,395,027	26,951,765
Cash and cash equivalents, beginning of period	159,898,608	122,163,712
Cash and cash equivalents, end of period	$ 194,293,635	$ 149,115,477

Supplemental disclosure of non-cash investing and financing activities:	
Issuance of Class A common stock in exchange for investment	$ 6,970,907
Issuance of Class A common stock in exchange for intangible asset	500,000
Issuance of warrants in exchange for intangible asset	197,000
Destruction of fixed assets resulting in insurance claim receivable	17,690,289
Issuance of Class A common stock in exchange for other assets	4,013,992

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: eSpeed, Inc. (eSpeed or, together with its direct and indirect wholly owned subsidiaries, the Company) is a majority owned subsidiary of Cantor Fitzgerald Securities (CFS), which in turn is a 99.5% owned subsidiary of Cantor Fitzgerald, L.P. (CFLP or, together with its subsidiaries, Cantor). eSpeed primarily engages in the business of operating interactive vertical electronic marketplaces designed to enable market participants to trade financial and non-financial products more efficiently and at a lower cost than traditional trading environments permit. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC), certain footnote disclosures, which are normally required under GAAP, have been omitted. It is recommended that these consolidated financial statements be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001. The Consolidated Statement of Financial Condition at December 31, 2001 was derived from audited financial statements. The results of operations for any interim period are not necessarily indicative of results for the full year. It is the Company's policy to make reclassifications to prior period financial statements to conform to current period presentation.

Software solutions fees: Pursuant to various services agreements, the Company recognizes fees from related parties in amounts generally equal to its actual direct and indirect costs, including overhead, of providing such services at the time when such services are performed. For specific technology support functions that are both utilized by the Company and provided to related parties, the Company allocates the actual costs of providing such support functions based on the relative usage of such support services by each party. In addition, certain clients of the Company provide online access to their customers through use of the Company's electronic trading platform. The Company receives up-front and/or periodic fees from unrelated parties for the use of its platform. Such fees are deferred and recognized as revenue ratably over the term of the licensing agreement. The Company also receives patent license fees from unrelated parties. Such fees are recognized as income ratably over the license period.

2. SEPTEMBER 11 EVENTS

On September 11, 2001, the Company's principal place of business at One World Trade Center was destroyed and, in connection therewith, the Company lost 180 employees and Cantor and TradeSpark lost an aggregate of 478 employees (the September 11 Events).

In 2001, the Company recognized a net provision of $13,323,189 for non-property damage related to the September 11 Events. Such provision includes the incremental costs associated with substituting external professionals for deceased employees, write-off of software development costs, write-off of goodwill and costs associated with the Company's restructuring, including costs associated with the closing of two offices, as a result of the September 11 Events, less refunds received for marketing campaigns which were cancelled after the September 11 Events. The write-off related to software development consists of costs that previously were capitalized but have been written off because the software being developed related to aspects of the Company's business that were adversely affected by the September 11 Events. The write-off of goodwill relates to goodwill associated with the acquisition of TreasuryConnect LLC.

The following table summarizes the components of the remaining liability related to the September 11 Events as of September 30, 2002:

Description	
Recruitment	$ 2,540,918
Restructuring	1,133,446
Other	267,428
Total	$ 3,941,792

In 2002, CFLP received $40,000,000 of insurance proceeds pursuant to its business interruption insurance coverage, of which $12,832,886 was attributable to the Company and was received by the Company in August 2002. Such amount represents payments for both lost revenues and increased expenses.

As a result of the September 11 Events, fixed assets with a book value of approximately $17,796,420 were destroyed. The Company has recovered these losses through its $40,000,000 of property insurance and, as such, has not recorded a net loss related to the destruction of its fixed assets.

In addition, the Company is in the process of replacing assets that were destroyed in connection with the September 11 Events. To the extent that the cost of assets replaced exceeds the carrying value of the assets destroyed, the Company would record a gain on replacement of assets resulting from potential additional recoveries under the Company's property and casualty coverage. The Company's property insurance covers full replacement cost of the assets actually replaced. However, the Company cannot currently estimate the amount or timing of any such gain, if any, and accordingly, no gains on replacement of fixed assets have been recorded during the period.

3. FIXED ASSETS

	September 30, 2002	December 31, 2001
Fixed assets consist of the following:		
Computer and communication equipment	$18,175,783	$ 10,021,646
Software, including software development costs	24,758,094	18,870,472
Leasehold improvements and other fixed assets	823,214	474,527
	43,757,091	29,366,645
Less accumulated depreciation and amortization	(19,924,855)	(10,229,376)
Fixed assets, net	$23,832,236	$ 19,137,269

4. INCOME TAXES

Since the date of the Company's initial public offering (the Offering), the Company has been subject to income tax as a corporation. Net operating losses (NOLs) from that date, approximating $17,900,000, are available on a carry forward basis to offset operating income of the Company. However, a valuation allowance has been recorded at September 30, 2002 to offset the full amount of the NOLs as realization of this deferred tax benefit is dependent upon generating sufficient taxable income prior to the expiration of the NOLs.

5. BUSINESS PARTNER TRANSACTIONS

Freedom

The Company and Cantor formed a limited partnership (the LP) to acquire an interest in Freedom International Brokerage (Freedom), a Canadian government securities broker-dealer and Nova Scotia unlimited liability company. The Company shares in 15% of the LP's cumulative profits but not in cumulative losses. Cantor will be allocated all of the LP's cumulative losses or 85% of the cumulative profits. The Company issued fully vested, non-forfeitable warrants to purchase shares of its Class A common stock to provide incentives over the three year period ending April 2004 to the other Freedom owner participants to migrate to the Company's fully electronic platform. The Company has recorded $897,300 as a non-cash charge for the nine months ended September 30, 2002 representing amortization of the value of the warrants at the time of issue. The remaining unamortized balance of $1,794,600 will be recognized as an expense ratably through April 2004. To the extent necessary to protect the Company from any allocation of losses, Cantor is required to provide future capital contributions to the LP up to an amount that would make Cantor's total contribution equal to the Company's initial investment in the LP. The Company receives 65% of all electronic transaction services revenues and Freedom receives 35% of such revenues. The Company also receives 35% of revenues derived from Freedom's voice-assisted transactions, other miscellaneous transactions and the sale of market data or other information.

The Company entered into this transaction principally to expand its business in Canadian fixed-income, foreign exchange and other capital markets products and to leverage its opportunities to transact business with the six leading Canadian financial institutions that are participants in Freedom. The Company was willing to accept a reduced profits interest in order to avoid recognizing potentially significant short-term losses prior to the anticipated achievement by Freedom of profitability. The Company determined the appropriate number of shares and warrants to be issued in this transaction based on the anticipated benefits to be realized and the structure of the profit and loss arrangement.

Deutsche Bank

In connection with an agreement with Deutsche Bank, AG (Deutsche Bank), the Company previously sold Series C Redeemable Convertible Preferred Stock (Series C Preferred) to Deutsche Bank, which had a value of approximately $3,330,000 as of the date of issue. On July 30th of each year of the five year agreement in which Deutsche Bank fulfills its liquidity and market-making obligations for specified products, one-fifth of such Series C Preferred will automatically convert into warrants to purchase shares of the Company's Class A common stock. For the twelve months ended July 30, 2002, Deutsche Bank is deemed to have fulfilled its obligations under the agreement. For the nine months ended September 30, 2002, the Company has recognized a non-cash charge of $321,905, representing the amortized value of the warrants at the time of issuance of the Series C Preferred.

UBS

On August 21, 2002, the Company entered into an agreement with UBS and Cantor for UBS to execute trades electronically on the eSpeed(R) system in U.S. Securities, Agency Securities, European Government Bonds, UK Gilts, Japanese Government Bonds and swaps of these various securities instruments. The agreement has an initial term of two and one-half years, commencing as of January 1, 2002. In addition to quarterly participation fees paid to Cantor, UBS pays transaction fees to Cantor for each executed transaction, which are shared with the Company pursuant to the Joint Services Agreement.

In addition, the Company issued to UBS a warrant to purchase 300,000 shares of its Class A common stock. The warrant has a term of 10 years and has an exercise price equal to $8.75, the market value of the underlying Class A common stock on the date of issuance. The warrant is fully vested and

nonforfeitable, and is exercisable nine years and six months after issuance, subject to acceleration upon the satisfaction by UBS of its yearly commitment condition. The Company will record a non-cash charge equal to the fair value of the warrant on the date of issuance of $2,189,910, which will be amortized over the term of the agreement. The Company agreed to issue an additional warrant to purchase 200,000 shares of its Class A common stock at an exercise price equal to the market value of the underlying Class A common stock on the date of issuance if the agreement is renewed for another two and one-half years. For the nine months ended September 30, 2002, the Company has recognized a non-cash charge of $135,067 related to the UBS warrants.

6. RELATED PARTY TRANSACTIONS

All of the Company's Reverse Repurchase Agreements are transacted on an overnight basis with CFS. Under the terms of these agreements, the securities collateralizing the Reverse Repurchase Agreements are held under a custodial arrangement with a third party bank and are permitted to be resold or repledged. The fair value of such collateral at September 30, 2002 and December 31, 2001 totaled $193,866,297 and $159,941,811, respectively.

Investments in TradeSpark and the LP that invested in Freedom are accounted for using the equity method. The carrying value of such related party investments was $8,628,221 and $8,832,064 at September 30, 2002 and December 31, 2001, respectively, and is included in Investments in the Consolidated Statement of Financial Condition. For the nine months ended September 30, 2002, the Company's share of the net income of the LP was $54,586, and its share of the net losses of TradeSpark was $258,428.

Under the Amended and Restated Joint Services Agreement, as amended (the Joint Services Agreement), between the Company and Cantor and services agreements between the Company and each of TradeSpark, Freedom and Municipal Partners, LLC (MPLLC), the Company owns and operates the electronic trading system and is responsible for providing electronic brokerage services, and Cantor, TradeSpark, Freedom or MPLLC may provide voice-assisted brokerage services, fulfillment services, such as clearance and settlement, and related services, such as credit risk management services, oversight of client suitability and regulatory compliance, sales positioning of products and other services customary to marketplace intermediary operations. In general, for fully electronic transactions, the Company receives 65% of the transaction revenues and Cantor, TradeSpark or Freedom receives 35% of the transaction revenues. The Company and MPLLC each receive 50% of the fully electronic revenues related to municipal bonds. In general, for voice-assisted brokerage transactions, the Company receives 7% of the transaction revenues, in the case of Cantor transactions, and 35% of the transaction revenues, in the case of TradeSpark or Freedom transactions. In addition, the Company receives 25% of the net revenues from Cantor's gaming businesses.

Under those services agreements, the Company has agreed to provide Cantor, TradeSpark, Freedom and MPLLC technology support services, including systems administration, internal network support, support and procurement for desktops of end-user equipment, operations and disaster recovery services, voice and data communications, support and development of systems for clearance and settlement services, systems support for brokers, electronic applications systems and network support, and provision and/or implementation of existing electronic applications systems, including improvements and upgrades thereto, and use of the related intellectual property rights. In general, the Company charges Cantor, TradeSpark and Freedom the actual direct and indirect costs, including overhead, of providing such services. The Company charges MPLLC an amount based upon the actual direct and indirect costs, plus a reasonable profit less a discount. In exchange for a 25% share of the net revenues from Cantor's gaming businesses, the Company is obligated to spend and does not get reimbursed for the first $750,000 each quarter of the costs of providing support and development services for such gaming businesses.

Under an Administrative Services Agreement, Cantor provides various administrative services to the Company, including accounting, tax, legal and facilities management. The Company is required to reimburse Cantor for the cost of providing such services. The costs represent the direct and indirect costs of providing such services and are determined based upon the time incurred by the individual performing such services. Management believes that this allocation methodology is reasonable. The Administrative Services Agreement has a three-year term which will renew automatically for successive one-year terms unless cancelled upon six months' prior notice by either the Company or Cantor. The Company incurred administrative fees for such services during the nine month periods ended September 30, 2002 and September 30, 2001 totaling $6,578,674 and $7,753,500, respectively.

The services provided under both the Joint Services Agreement and the Administrative Services Agreement are not the result of arm's-length negotiations because Cantor owns and controls the Company. As a result, the amounts charged for services under these agreements may be higher or lower than amounts that would be charged by third parties if the Company did not obtain such services from Cantor.

Amounts due to or from related parties pursuant to transactions described above are non-interest bearing. As of September 30, 2002, receivables from TradeSpark, Freedom and MPLLC amounted to $275,337, $1,483,157 and $757,779, respectively, and are included in payable to related parties, net in the consolidated statements of financial condition.

7. INTERCONTINENTALEXCHANGE

On March 29, 2002, the Company entered into a long term licensing agreement (the Agreement) with IntercontinentalExchange, Inc. (ICE) granting use of the Wagner Patent to ICE. Under the terms of the Agreement, ICE pays the Company an annual royalty of $2 million per year. Such annual payment is recognized as income ratably throughout the year. The unearned portion of the annual royalty, amounting to $1,000,000, is included in Accounts payable and accrued liabilities. ICE will also pay to the Company $0.10 for each contract that participants submit to the electronic futures exchange for trading, or $0.20 for each contract contained in matched trades on the electronic futures exchange. The Agreement will remain in effect until February 7, 2007, unless certain contingencies are not met.

As part of the consideration for the Company's acquisition of the Wagner Patent, the Company agreed to pay to the former owners a percentage of revenues generated from the patent. Accordingly, the Company paid approximately $234,000 during the nine months ended September 30, 2002. Such amounts are recognized as a reduction to revenues ratably throughout the year.

8. SETTLEMENT AGREEMENT

On August 26, 2002, the Company entered into a Settlement Agreement (the Settlement Agreement) with Electronic Trading Systems Corporation, the former owner of the Wagner Patent (ETS), the Chicago Mercantile Exchange Inc. (CME) and the Board of Trade of the City of Chicago (CBOT) to resolve the litigation related to the Wagner Patent. As part of the Settlement Agreement, all parties will be released from the legal claims brought against each other without admitting liability on the part of any party.

Under the terms of the Settlement Agreement, CME and CBOT will each pay $15 million to the Company as a fully paid up license, for a total of $30 million. Each $15 million payment includes $5 million which was received in the three months ended September 30, 2002, and $2 million per year until 2007. Of the $30 million to be received by the Company, $5,750,000 may be paid to ETS in its capacity as the former owner of the Wagner Patent, and $24,250,000 is to be recognized as revenue ratably over the remaining useful life of the patent as "Software Solutions and licensing fees from unrelated parties". The Company has recorded $449,000 of such Software Solutions and licensing fees from unrelated parties for the nine month period ended September 30, 2002.

9. EMPLOYEE SHARE TRANSACTIONS

The Company issued 5,814 shares of its Class A common stock valued at $54,638 as the Company's matching contribution to the eSpeed Inc. Deferral Plan for Employees of Cantor Fitzgerald, L.P. and its Affiliates during the nine months ended September 30, 2002 with respect to employee contributions in 2001. The Company issued 14,050 shares of its Class A common stock valued at $220,432 as the Company's matching contribution during the nine months ended September 30, 2001 with respect to employee contributions in 2000.

During the nine month periods ended September 30, 2002 and 2001, the Company issued options to purchase 339,600 and 213,109 shares, respectively, of its Class A common stock to employees of the Company. The options were issued at strike prices equal to the market price of the underlying Class A common stock at the date of grant. During the nine month periods ended September 30, 2002 and 2001, the Company issued 624 and 18,833 shares, respectively, of its Class A common stock to employees as a result of exercises of options. The options had been granted pursuant to the eSpeed, Inc. 1999 Long-Term Incentive Plan (the LT Plan).

During the nine months ended September 30, 2001, the Company issued 10,934 shares of restricted Class A common stock valued at $220,247 to certain employees under the LT Plan. For the three months ended September 30, 2001, the Company recognized $31,008 of compensation expense related to the awards. The Company elected to fully vest the restricted shares after the September 11 Events.

10. REGULATORY CAPITAL REQUIREMENTS

Through its subsidiary, eSpeed Government Securities, Inc., the Company is subject to SEC broker-dealer regulation under Section 15C of the Securities Exchange Act of 1934, which requires the maintenance of minimum liquid capital, as defined. At September 30, 2002, eSpeed Government Securities, Inc.'s liquid capital of $96,102,245 was in excess of minimum requirements by $96,077,245.

Additionally, the Company's subsidiary, eSpeed Securities, Inc., is subject to SEC broker-dealer regulation under Rule 17a-3 of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At September 30, 2002, eSpeed Securities, Inc. had net capital of $6,986,855, which was $6,669,892 in excess of its required net capital, and eSpeed Securities, Inc.'s net capital ratio was .68 to 1.

The regulatory requirements referred to above may restrict the Company's ability to withdraw capital from its regulated subsidiaries.

11. COMMITMENTS AND CONTINGENCIES

There have been no significant changes in commitments and contingencies from the matters described in the notes to the Company's consolidated financial statements for the year ended December 31, 2001.

12. SEGMENT AND GEOGRAPHIC DATA

SEGMENT INFORMATION: The Company currently operates its business in one segment, that of operating interactive electronic vertical marketplaces for the trading of financial and non-financial products, licensing software and providing technology support services.

PRODUCT INFORMATION: The Company currently markets its services through three products: eSpeed Markets (SM), an integrated electronic trading marketplace; eSpeed Software Solutions (SM), in which the Company recognizes fees from technology support services and licensing fees; and eSpeed Online (SM), which provides e-commerce businesses with online access to wholesale market participants. Revenues from eSpeed Markets (SM) and eSpeed Online (SM) are included in transaction revenues and eSpeed Markets (SM) comprises the majority of those revenues.

GEOGRAPHIC INFORMATION: The Company operates in the Americas, Europe and Asia. Revenue attribution for purposes of preparing geographic data is principally based upon the marketplace where the financial product is traded, which, as a result of regulatory jurisdiction constraints in most circumstances, is also representative of the location of the client generating the transaction resulting in commissionable revenue. The information that follows, in management's judgment, provides a reasonable representation of the activities of each region as of and for the periods indicated.

Transaction revenues:	Three months ended September 30, 2002	Three months ended September 30, 2001	Nine months ended September 30, 2002	Nine months ended September 30, 2001
Europe	$ 6,841,046	$ 4,550,737	$ 18,401,708	$ 14,743,371
Asia	695,008	359,210	2,037,547	1,181,140
Total Non-Americas	7,536,054	4,909,947	20,439,255	15,924,511
Americas	19,907,070	16,490,766	58,783,035	59,416,892
Total	$ 27,443,124	$ 21,400,713	$ 79,222,290	$ 75,341,403

Average long-lived assets:	September 30, 2002	December 31, 2001
Europe	$ 5,754,365	$ 4,543,563
Asia	389,407	472,098
Total Non-Americas	6,143,772	5,015,661
Americas	17,065,353	12,049,313
Total	$ 23,209,125	$ 17,064,974

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, the effect of the September 11 Events on our operations, including in particular the loss of hundreds of eSpeed, Cantor and TradeSpark employees, our limited operating history, the possibility of future losses and negative cash flow from operations, the effect of market conditions, including volume and volatility, and the current global recession on our business, our ability to enter into marketing and strategic alliances, to hire new personnel, to expand the use of our electronic system, to induce clients to use our marketplaces and services and to effectively manage any growth we achieve, and other factors that are discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2001. The following discussion is qualified in its entirety by, and should be read in conjunction with, the more detailed information set forth in our financial statements and the notes thereto appearing elsewhere in this filing.

OVERVIEW

We were incorporated on June 3, 1999 as a Delaware corporation. Prior to our initial public offering, we were a wholly-owned subsidiary of, and we conducted our operations as a division of, Cantor Fitzgerald Securities, which in turn is a 99.5%-owned subsidiary of Cantor Fitzgerald, L.P. (collectively with its affiliates, Cantor). We commenced operations as a division of Cantor on March 10,1999, the date the first fully electronic transaction using our eSpeed(R) system was executed. Cantor has been developing systems to promote fully electronic marketplaces since the early 1990s. Since January 1996, Cantor has used our eSpeed(R) system internally to conduct electronic trading.

Concurrent with our initial public offering in December 1999, Cantor contributed to us, and we acquired from Cantor, certain of our assets. These assets primarily consist of proprietary software, network distribution systems, technologies and other related contractual rights that comprise our eSpeed(R) system.

We operate interactive electronic marketplaces and license customized real-time software solutions to our clients. In general, we receive transaction fees based on a percentage of the face value of products traded through our system. Products may be traded on a fully electronic basis, electronically through a voice broker, or via open outcry with prices displayed on data screens. We receive different fees for these different system utilizations. Additionally, we receive revenues from licensing software and providing technology support.

We continue to pursue our strategy to expand our client base and expand the number and types of products that our clients can trade electronically on our system. Other than Cantor, no client of ours accounted for more than 10% of our revenues from our date of inception through September 30, 2002.

SEPTEMBER 11 EVENTS

On September 11, 2001, our principal place of business at One World Trade Center was destroyed. In connection therewith, we lost approximately 180 employees and Cantor and TradeSpark lost an aggregate of 478 employees.

Through the implementation of our business recovery plan, we immediately relocated our surviving employees to various locations in the New York metropolitan area. The United States government bond markets were closed on September 11, 2001 and September 12, 2001. By the time the United States government bond market reopened on September 13, 2001, we had re-established global connectivity of our eSpeed(R) system. Our proprietary software was unharmed.

We recognized a net provision of $13,323,189 in 2001 related to the September 11 Events. Such provision includes the incremental costs associated with substituting external professionals for deceased employees, recruitment fees, the impairment of software development costs and the costs associated with our restructuring as a result of the loss of life.

The families of the deceased will receive a share of Cantor's partnership profits for the next five years to pay for, among other things, 10 years of healthcare coverage. The costs related to healthcare coverage, as well as any payment of a percentage of Cantor's partnership profits to the families of the deceased, will be borne by Cantor and not us.

The September 11 Events had an immediate adverse impact on our operations due to the destruction of our principal place of business, the loss of 180 of our employees and the loss of an aggregate of 478 employees of Cantor and TradeSpark. We are uncertain at this time of the long-term impact of the September 11 Events on us.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001

REVENUES

	Three months ended	
	September 30, 2002	September 30, 2001
Transaction revenues with related parties:		
Fully electronic transactions	$ 22,782,614	$ 15,676,495
Voice-assisted brokerage transactions	4,649,045	5,577,545
Screen-assisted open outcry transactions	11,465	146,673
Total transaction revenues with related parties	27,443,124	21,400,713
Software Solutions fees from related parties	3,422,729	4,806,225
Software Solutions and licensing fees from unrelated parties	1,332,589	691,677
Interest income from related parties	780,209	1,292,718
Total revenues	$ 32,978,651	$ 28,191,333

TRANSACTION REVENUES WITH RELATED PARTIES

Under the Joint Services Agreement between us and Cantor and services agreements between us and each of TradeSpark, Freedom and MPLLC, we own and operate the electronic trading system and are responsible for providing electronic brokerage services, and Cantor, TradeSpark, Freedom or MPLLC may provide voice-assisted brokerage services, fulfillment services, such as clearance and settlement, and related services, such as credit risk management services, oversight of client suitability and regulatory compliance, sales positioning of products and other services customary to marketplace intermediary operations. In general, for fully electronic transactions, we receive 65% of the transaction revenues and Cantor, TradeSpark or Freedom receives 35% of the transaction revenues. The Company and MPLLC each receive 50% of the fully electronic revenues related to municipal bonds. In general, for voice-assisted brokerage transactions, we receive 7% of the transaction revenues, in the case of Cantor transactions, and 35% of the transaction revenues, in the case of TradeSpark and Freedom transactions. In addition, we receive 25% of the net revenues from Cantor's gaming businesses.

For the three months ended September 30, 2002, we earned transaction revenues with related parties of $27,443,124, an increase of 28% as compared to transaction revenues with related parties of $21,400,713 for the three months ended September 30, 2001. For the three months ended September 30, 2002, 83% of our transaction revenues were generated from fully electronic transactions.

Our revenues are currently highly dependent on transaction volume in the global financial product markets. Accordingly, among other things, equity market volatility, economic and political conditions in the United States and elsewhere in the world, concerns over inflation, institutional and consumer confidence levels, the availability of cash for investment by mutual funds and other wholesale and retail investors, fluctuating interest and exchange rates and legislative and regulatory changes and currency values may have an impact on our volume of transactions. In addition, a significant amount of our revenues is currently received in connection with our relationship with Cantor. Consequently, our revenues have been negatively affected by the effect of the September 11 Events on Cantor and may continue to be negatively affected in the future if Cantor's business continues to suffer due to the September 11 Events or otherwise.

SOFTWARE SOLUTIONS FEES FROM RELATED PARTIES

Under various services agreements, we provide Cantor, TradeSpark, Freedom and MPLLC, technology support services, including systems administration, internal network support, support and procurement for desktops of end-user equipment, operations and disaster recovery services, voice and data communications, support and development of systems for clearance and settlement services, systems support for brokers, electronic applications systems and network support, and provision and/or implementation of existing electronic applications systems, including improvements and upgrades thereto, and use of the related intellectual property rights. In general, we charge Cantor, TradeSpark and Freedom the actual direct and indirect costs, including overhead, of providing such services; provided, however, in exchange for a 25% share of the net revenues from Cantor's gaming businesses, we are obligated to spend, and do not otherwise get reimbursed for, the first $750,000 of costs for providing technology support and development services in connection with such gaming businesses. We charge MPLLC an amount based upon actual direct and indirect costs of providing such services plus a reasonable profit less a discount.

Software Solutions fees from related parties for the three months ended September 30, 2002 were $3,422,729. This compares with Software Solutions fees from related parties for the three months ended September 30, 2001 of $4,806,225, a decrease of 29%. As a result of the September 11 Events, there has been a reduction in demand for our support services from Cantor and TradeSpark due to the loss of their voice brokers, offset in part by additional Software Solutions fees from MPLLC, and therefore a decrease in our Software Solutions fees from related parties.

SOFTWARE SOLUTIONS AND LICENSING FEES FROM UNRELATED PARTIES

Certain of our clients provide online access to their customers through use of our electronic trading platform for which we receive fees. Such fees are deferred and recognized as revenues ratably over the term of the licensing agreement. We also receive Software Solutions fees from unrelated parties by charging our clients for additional connections to our system to help protect them from possible business interruptions. Software Solutions and licensing fees from unrelated parties for the three months ended September 30, 2002 were $1,332,589 as compared to Software Solutions and licensing fees from unrelated parties of $691,677 for the three months ended September 30, 2001, an increase of 93%, due primarily to licensing fees earned from IntercontinentalExchange for use of the Wagner Patent and licensing fees earned as part of the Wagner Patent Settlement Agreement.

INTEREST INCOME FROM RELATED PARTIES

For the three months ended September 30, 2002, weighted average interest rates on overnight reverse repurchase agreements were 1.6% as compared to 3.4% for the three months ended September 30, 2001. As a result, we generated interest income from related parties of $780,209 for the three months ended September 30, 2002 as compared to $1,292,718 for the three months ended September 30, 2001, a decrease of 40%.

EXPENSES

	Three months ended	
	September 30, 2002	September 30, 2001
Compensation and employee benefits	$ 9,113,762	$ 14,738,315
Occupancy and equipment	6,338,062	7,414,913
Professional and consulting fees	1,148,854	1,196,878
Communications and client networks	1,465,111	2,470,533
Marketing	1,280,340	999,188
Administrative fees paid to related parties	2,291,423	2,911,382
Loss on unconsolidated investments	--	3,833,679
Non-cash business partner securities	541,266	517,328
Provision for September 11 Events	--	14,368,554
Other	3,011,944	2,461,958
Total expenses	$ 25,190,762	$ 50,912,728

COMPENSATION AND EMPLOYEE BENEFITS

At September 30, 2002, we had approximately 317 employees, which was virtually unchanged as compared to the approximately 306 employees we had at September 30, 2001. However, prior to the September 11 Events, we had approximately 484 employees. This decrease in the number of employees was principally due to the September 11 Events. Substantially all of our employees are full time employees located predominantly in the New York metropolitan area and London. Compensation costs include salaries, bonus accruals, payroll taxes and costs of employer-provided benefits for our employees. For the three months ended September 30, 2002, our compensation costs were $9,113,762 as compared to $14,738,315 for the three months ended September 30, 2001, a decrease of 38%, primarily as a result of the September 11 Events. Our future compensation costs are uncertain and are dependent upon the degree and/or speed with which we replace our lost employees and businesses.

OCCUPANCY AND EQUIPMENT

Occupancy and equipment costs were $6,338,062 for the three months ended September 30, 2002 as compared to occupancy and equipment costs of $7,414,913 for the three months ended September 30, 2001, a decrease of 15%. The decrease was primarily caused by our reduced need for office space as a result of the September 11 Events. Occupancy expenditures primarily consist of the rent and facilities costs of our offices in London, Tokyo and the New York metropolitan area. We moved into our new corporate headquarters during the second quarter of 2002. We anticipate that our occupancy costs will remain substantially unchanged in the near future as compared to the three months ended September 30, 2002. Although we believe that our equipment costs will increase in the future, we anticipate that equipment costs will remain below those incurred prior to the September 11 Events.

PROFESSIONAL AND CONSULTING FEES

Professional and consulting fees were $1,148,854 for the three months ended September 30, 2002 as compared to $1,196,878 for the three months ended September 30, 2001, a decrease of 4%, primarily due to a decrease in legal and contract employee personnel costs.

COMMUNICATIONS AND CLIENT NETWORKS

Communications costs were $1,465,111 for the three months ended September 30, 2002, a 41% decrease over communication costs of $2,470,533 for the three months ended September 30, 2001, due principally to decreased data and telephone costs subsequent to the September 11 Events. Communications costs include the costs of local and wide area network infrastructure, the cost of establishing the client network linking clients to us, data and telephone lines, data and telephone usage and other related costs. We anticipate expenditures for communications and client networks will increase in the near future as we continue to reconstruct our digitally managed global network, increase connectivity and connect additional customers to our network.

MARKETING

We incurred marketing expenses of $1,280,340 during the three months ended September 30, 2002 as compared to marketing expenses during the three month period ended September 30, 2001 of $999,188, an increase of 28%, resulting from the development of a 2002 advertising campaign. We expect our marketing expenses to decrease as we reduce spending related to our advertising campaign.

ADMINISTRATIVE FEES PAID TO RELATED PARTIES

Under an Administrative Services Agreement, Cantor provides various administrative services to us, including accounting, tax, legal and facilities management, for which we reimburse Cantor for the direct and indirect cost of providing such services. Administrative fees paid to related parties were $2,291,423 for the three months ended September 30, 2002 as compared to administrative fees of $2,911,382 for the three months ended September 30, 2001, a decrease of 21%, principally due to a decrease in charges from Cantor as a result of the September 11 Events.

Administrative fees paid to related parties are dependent upon both the costs incurred by Cantor, and the portion of Cantor's administrative services which we utilize. Due to the continuing effects of the September 11 Events on both us and Cantor, the level of future administrative fees cannot be reasonably determined at this time.

LOSS ON INVESTMENTS

We did not record any write-offs of our unconsolidated investments in the third quarter of 2002. In the third quarter of 2001, we wrote off our investments in QV Trading Systems and Visible Markets, each of which ceased operations in the third quarter 2001. We recognized a loss of $3,833,679 related to the write-offs.

NON-CASH BUSINESS PARTNER SECURITIES

We enter into strategic alliances with other industry participants in order to expand our business and to enter into new marketplaces. As part of these strategic alliances, we have issued warrants and convertible preferred stock. These securities do not require cash outlays and do not represent a use of our assets. The expense related to these issuances is based on the value of the securities being issued and the structure of the transaction. We believe period to period comparisons are not meaningful as these transactions do not recur on a regular basis.

OTHER EXPENSES

Other expenses consist primarily of recruitment fees, travel, promotional and entertainment expenditures. For the three months ended September 30, 2002, other expenses were $3,011,944, an increase of 22% as compared to other expenses of $2,461,958 for the three months ended September 30, 2001, principally due to a charitable contribution we made to the Cantor Fitzgerald Relief Fund in the third quarter of 2002. We anticipate that other expenses will not increase in the near future because, although we expect to incur additional recruitment fees in the near future due to the September 11 Events, these recruitment costs were estimated and included in the Provision for September 11 Events recorded in 2001.

NET INCOME

Excluding non-cash business partner securities, our net income was $8,207,089 for the three months ended September 30, 2002. Including the above non-cash charges, our net income was $7,665,824 for the three months ended September 30, 2002.

RESULTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND SEPTEMBER 30, 2001

REVENUES

	Nine months ended	
	September 30, 2002	September 30, 2001
Transaction revenues with related parties:		
Fully electronic transactions	$ 65,608,590	$ 57,752,654
Voice-assisted brokerage transactions	13,478,973	17,275,168
Screen-assisted open outcry transactions	134,727	313,581
Total transaction revenues with related parties	79,222,290	75,341,403
Software solutions fees from related parties	9,747,204	12,775,813
Software solutions and licensing fees from unrelated parties	2,436,719	1,339,596
Business interruption insurance proceeds	12,832,886	--
Interest income from related parties	2,221,821	4,701,569
Total revenues	$ 106,460,920	$ 94,158,381

TRANSACTION REVENUES WITH RELATED PARTIES

For the nine months ended September 30, 2002, we earned transaction revenues with related parties of $79,222,290, an increase of 5% as compared to transaction revenues with related parties of $75,341,403 for the nine months ended September 30, 2001. For the nine months ended September 30, 2002, 83% of our transaction revenues were generated from fully electronic transactions.

Our revenues are currently highly dependent on transaction volume in the global financial product markets. Accordingly, among other things, equity market volatility, economic and political conditions in the United States and elsewhere in the world, concerns over inflation, institutional and consumer confidence levels, the availability of cash for investment by mutual funds and other wholesale and retail investors, fluctuating interest and exchange rates and legislative and regulatory changes and currency values may have an impact on our volume of transactions. In addition, a significant amount of our revenues is currently received in connection with our relationship with Cantor. Consequently, our revenues have been negatively affected by the effect of the September 11 Events on Cantor and may continue to be negatively affected in the future if Cantor's business continues to suffer due to the September 11 Events or otherwise.

SOFTWARE SOLUTIONS FEES FROM RELATED PARTIES

Software Solutions fees from related parties for the nine months ended September 30, 2002 were $9,747,204. This compares with Software Solutions fees from related parties for the nine months ended September 30, 2001 of $12,775,813, a decrease of 24%. As a result of the September 11 Events, there has been a reduction in demand for our support services from Cantor and TradeSpark due to the loss of their voice brokers, offset in part by additional Software Solutions fees from MPLLC, and therefore a decrease in our Software Solutions fees from related parties.

SOFTWARE SOLUTIONS AND LICENSING FEES FROM UNRELATED PARTIES

Certain of our clients provide online access to their customers through use of our electronic trading platform for which we receive fees. Such fees are deferred and recognized as revenues ratably over the term of the licensing agreement. We also receive Software Solutions fees from unrelated parties by charging our clients for additional connections to our system to help protect them from possible business interruptions. Software Solutions and licensing fees from unrelated parties for the nine months ended September 30, 2002 were $2,436,719 as compared to Software Solutions and licensing fees from unrelated parties of $1,339,596 for the nine months ended September 30, 2001, an increase of 82%, due primarily to licensing fees earned from IntercontinentalExchange for use of the Wagner Patent and licensing fees earned as part of the Wagner Patent Settlement Agreement.

BUSINESS INTERRUPTION INSURANCE PROCEEDS

During the nine months ended September 30, 2002, we recognized $12,832,886 as our portion of the $40 million insurance recovery received by Cantor. Such amount was received in August 2002.

INTEREST INCOME FROM RELATED PARTIES

For the nine months ended September 30, 2002, weighted average interest rates on overnight reverse repurchase agreements were 1.6% as compared to 4.5% for the nine months ended September 30, 2001. As a result, we generated interest income from related parties of $2,221,821 for the nine months ended September 30, 2002 as compared to $4,701,569 for the nine months ended September 30, 2001, a decrease of 53%.

EXPENSES

	Nine months ended	
	September 30, 2002	September 30, 2001
Compensation and employee benefits	$ 27,748,412	$ 46,124,822
Occupancy and equipment	18,048,318	22,329,398
Professional and consulting fees	4,263,576	7,232,006
Communications and client networks	4,516,545	6,672,676
Marketing	4,514,868	3,997,959
Administrative fees paid to related parties	6,578,674	7,753,500
Loss on unconsolidated investments	--	3,833,679
Non-cash business partner securities	1,354,072	816,228
Provision for September 11 Events	--	14,368,554
Other	5,873,038	6,756,622
Total expenses	$ 72,897,503	$ 119,885,444

COMPENSATION AND EMPLOYEE BENEFITS

At September 30, 2002, we had approximately 317 employees, which was virtually unchanged as compared to the approximately 306 employees we had at September 30, 2001. However, prior to the September 11 Events, we had approximately 484 employees. This decrease in the number of employees was principally due to the September 11 Events. Substantially all of our employees are full time employees located predominantly in the New York metropolitan area and London. Compensation costs include salaries, bonus accruals, payroll taxes and costs of employer-provided benefits for our employees. For the nine months ended September 30, 2002, our compensation costs were $27,748,412 as compared to $46,124,822 for the nine months ended September 30, 2001, a decrease of 40%. Our future compensation costs are uncertain and are dependent upon the degree and/or speed with which we replace our lost employees and businesses.

OCCUPANCY AND EQUIPMENT

Occupancy and equipment costs were $18,048,318 for the nine months ended September 30, 2002 as compared to occupancy and equipment costs of $22,329,398 for the nine months ended September 30, 2001, a decrease of 19%. The decrease was primarily caused by our reduced need for office space as a result of the September 11 Events. Occupancy expenditures primarily consist of the rent and facilities costs of our offices in London, Tokyo and the New York metropolitan area. We moved into our new corporate headquarters during the second quarter of 2002. We anticipate that our occupancy costs will increase slightly in the near future as compared to the nine months ended September 30, 2002. Although we believe that our equipment costs will increase in the future, we anticipate that equipment costs will remain below those incurred prior to the September 11 Events.

PROFESSIONAL AND CONSULTING FEES

Professional and consulting fees were $4,263,576 for the nine months ended September 30, 2002 as compared to $7,232,006 for the nine months ended September 30, 2001, a decrease of 41%, primarily due to a decrease in legal and contract employee personnel costs.

COMMUNICATIONS AND CLIENT NETWORKS

Communications costs were $4,516,545 for the nine months ended September 30, 2002, a 32% decrease over communication costs of $6,672,676 for the nine months ended September 30, 2001, due principally

to decreased data and telephone costs subsequent to the September 11 Events. Communications costs include the costs of local and wide area network infrastructure, the cost of establishing the client network linking clients to us, data and telephone lines, data and telephone usage and other related costs. We anticipate expenditures for communications and client networks will increase in the near future as we continue to reconstruct our digitally managed global network, increase connectivity and connect additional customers to our network.

MARKETING

We incurred marketing expenses of $4,514,868 during the nine months ended September 30, 2002 as compared to marketing expenses during the nine month period ended September 30, 2001 of $3,997,959, an increase of 13%, resulting from the development of a 2002 advertising campaign. We expect our marketing expenses to decrease as we reduce spending related to our advertising campaign.

ADMINISTRATIVE FEES PAID TO RELATED PARTIES

Under an Administrative Services Agreement, Cantor provides various administrative services to us, including accounting, tax, legal and facilities management, for which we reimburse Cantor for the direct and indirect cost of providing such services. Administrative fees paid to related parties were $6,578,674 for the nine months ended September 30, 2002 as compared to administrative fees of $7,753,500 for the nine months ended September 30, 2001, a decrease of 15%, principally due to a decrease in charges from Cantor as a result of the September 11 Events.

Administrative fees paid to related parties are dependent upon both the costs incurred by Cantor, and the portion of Cantor's administrative services which we utilize. Due to the continuing effects of the September 11 Events on both us and Cantor, the level of future administrative fees cannot be reasonably determined at this time.

NON-CASH BUSINESS PARTNER SECURITIES

We enter into strategic alliances with other industry participants in order to expand our business and to enter into new marketplaces. As part of these strategic alliances, we have issued warrants and convertible preferred stock. These securities do not require cash outlays and do not represent a use of our assets. The expense related to these issuances is based on the value of the securities being issued and the structure of the transaction. We believe period to period comparisons are not meaningful as these transactions do not recur on a regular basis.

LOSS ON INVESTMENTS

We did not record any write-offs of our unconsolidated investments in the nine months ended September 30, 2002. In the third quarter of 2001, we wrote off our investments in QV Trading Systems and Visible Markets, each of which ceased operations in the third quarter 2001. We recognized a loss of $3,833,679 related to the write-offs.

OTHER EXPENSES

Other expenses consist primarily of recruitment fees, travel, promotional and entertainment expenditures. For the nine months ended September 30, 2002, other expenses were $5,873,038 as compared to other expenses of $6,756,622 for the nine months ended September 30, 2001, a decrease of 13%, principally as a result of decreased recruitment fees. We anticipate that other expenses will not increase in the near future because, although we expect to incur additional recruitment fees in the near future due to the September 11 Events, these recruitment costs were estimated and included in the Provision for September 11 Events recorded in 2001.

NET INCOME

Excluding non-cash business partner securities, our net income was $34,567,424 for the nine months ended September 30, 2002. Including the above non-cash charges, our net income was $33,213,352 for the nine months ended September 30, 2002.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2002, we had cash and cash equivalents of $194.3 million, an increase of $34.4 million as compared to December 31, 2001. We generated cash of $56.2 million from our operating activities, consisting of net income after non-cash items of $44.3 million and $11.9 million of other changes in operating assets and liabilities. We also used net cash of $21.8 million resulting from $21.8 million of purchases of fixed assets and intangible assets, capitalization of software development costs and patent defense costs.

Our operating cash flows consist of transaction revenues from related parties and Software Solutions fees from related and unrelated parties, various fees paid to or costs reimbursed to Cantor, other costs paid directly by us and interest income from related parties. In its capacity as a fulfillment service provider, Cantor processes and settles transactions and, as such, collects and pays the funds necessary to clear transactions with the counterparty. In doing so, Cantor receives our portion of the transaction fee and, in accordance with the Joint Services Agreement, remits the gross amount owed to us. In addition, we have entered into similar services agreements with TradeSpark and Freedom. Under the Administrative Services Agreement, the Joint Services Agreement and the services agreements with TradeSpark and Freedom, any net receivable or payable is settled at the discretion of the parties.

As a result of the September 11 Events, we anticipate that we will be required to make significant capital expenditures in the near future, including the acquisition of computer hardware, network infrastructure and facilities, including our new corporate headquarters in New York City. However, we expect insurance proceeds to fund a significant portion of these costs. In addition, we do not currently plan to rebuild a third data center.

Under the current operating structure, our cash flows from operations and our existing cash resources should be sufficient to fund our current working capital and current capital expenditure requirements for at least the next 12 months. However, we believe that there are a significant number of capital intensive opportunities for us to maximize our growth and strategic position, including, among other things, strategic alliances and joint ventures potentially involving all types and combinations of equity, debt, acquisition, recapitalization and reorganization alternatives. We are continually considering such options, including the possibility of additional repurchases of our Class A common stock, and their effect on our liquidity and capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At September 30, 2002, we had invested $191,806,160 of our cash in securities purchased under reverse repurchase agreements with Cantor, which are fully collateralized by U.S. Government securities held in a custodial account at The Chase Manhattan Bank. These reverse repurchase agreements have an overnight maturity and, as such, are highly liquid. We do not use derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions. Accordingly, we believe that we are not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments. Our policy is to invest our cash in a manner that provides us with the appropriate level of liquidity to enable us to meet our current obligations, primarily accounts payable, capital expenditures and payroll, recognizing that we do not currently have outside bank funding.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of a date within 90 days prior to the date of the filing of this Report, that our controls and procedures are effective to ensure that information required to be disclosed by us in the reports filed by us under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of such evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

By Statement of Claim dated October 8, 2002, Municipal Partners, LLC (MPLLC) commenced an arbitration before the NASD against Cantor Fitzgerald Partners and Howard Lutnick (the Arbitration). Although MPLLC did not name eSpeed as a respondent in the Arbitration, MPLLC seeks, among other things, (i) a declaration that the License and Service Agreement dated January 30, 2002, between MPLLC and eSpeed is null and void and (ii) an order directing eSpeed to reimburse MPLLC for certain costs. By Order to Show Cause signed on October 30, 2002, eSpeed, Cantor Fitzgerald Partners and Howard Lutnick moved for an order staying the Arbitration in its entirety or, alternatively, staying the Arbitration insofar as it seeks relief directly or indirectly against eSpeed.

By Summons and Complaint dated October 30, 2002, eSpeed commenced an action against MPLLC seeking, among other things, payment for services rendered pursuant to the License and Service Agreement and payment for eSpeed's share of certain electronic revenues of MPLLC.

eSpeed patent related legal proceedings

On August 26, 2002, we entered into a Settlement Agreement (the Agreement) with Electronic Trading Systems Corporation (ETS), the Chicago Mercantile Exchange Inc. (CME) and the Board of Trade of the City of Chicago (CBOT) to resolve the litigation related to the Wagner Patent (United States Patent No. 4,903,201). The Wagner Patent deals with automated futures trading systems in which transactions are completed by a computerized matching of bids and offers of futures contracts on an electronic platform.

Under the terms of the Agreement, CME and CBOT will each pay $15 million to us as a fully paid up license. Each $15 million payment will include $5 million, payable within 30 business days of August 26, 2002, and $2 million per year until 2007. We will recognize these payments, over the remaining life of the Wagner Patent, under the caption "Software Solutions and licensing fees from unrelated parties" in our consolidated statements of operations. The Wagner Patent expires in February 2007. As part of the Agreement, all parties will be released from the legal claims brought against each other without admitting liability on the part of any party. We may be paying ETS up to $5,750,000 over time out of the amounts we receive under the Agreement in connection with the settlement of the litigation relating to the Wagner Patent.

After we acquired the Wagner patent in April 2001, we joined ETS, the prior patent owner, as a plaintiff in litigation pending in the Southern District of New York against the New York Mercantile Exchange. The plaintiffs allege that the defendants in each case infringed the Wagner patent. The complaints seek injunctive relief, a reasonable royalty, treble damages pursuant to 37 U.S.C. ss.284, attorneys' fees, interest and costs. The defendants have asserted counterclaims by which they contend they are entitled to their

attorneys' fees should they prevail. On June 26, 2002, the Judge in the New York case entered an order following a Markman hearing construing the claims of the patent. We believe that both of those Markman rulings were generally consistent with our interpretation of the scope of the patent.

Expert discovery is ongoing in the New York case, and a limited amount of fact discovery remains. The New York case is scheduled to be trial ready by mid-December 2002 with a trial likely in 2003.

Although the ultimate outcome of these actions cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management that the resolution of these matters will not have a material adverse effect on our financial condition or results of operations.

Cantor related legal proceedings

In February 1998, Market Data Corporation contracted with Chicago Board Brokerage (a company controlled by the Chicago Board of Trade and Prebon Yamane) to provide the technology for an electronic trading system to compete with Cantor's United States Treasury brokerage business. Market Data Corporation is controlled by Iris Cantor and Rodney Fisher, her nephew- in-law. Iris Cantor, a company under the control of Iris Cantor referred to herein as Cantor Fitzgerald Incorporated (CFI) and Rodney Fisher are limited partners of CFLP.

In April 1998, CFLP filed a complaint in the Delaware Court of Chancery against Market Data Corporation, Iris Cantor, CFI, Rodney Fisher and Chicago Board Brokerage seeking an injunction and other remedies. The complaint alleges that Iris Cantor, CFI and Rodney Fisher violated certain duties, including fiduciary duties under Cantor's partnership agreement, due to their competition with CFLP with respect to the electronic trading system mentioned above. CFLP believes Market Data Corporation's technology for electronic trading systems would be of substantial assistance to competitors in the wholesale market if provided to them. The complaint further alleges that Market Data Corporation and Chicago Board Brokerage tortiously interfered with CFLP's partnership agreement and aided and abetted Iris Cantor's, CFI's and Rodney Fisher's breaches of fiduciary duty. Iris Cantor, CFI and Rodney Fisher counterclaimed seeking, among other things, (1) to reform agreements they have with CFLP and (2) a declaration that CFLP breached the implied covenant of good faith and fair dealing.

CFLP settled its dispute with Chicago Board Brokerage in April 1999, and Chicago Board Brokerage subsequently announced it was disbanding its operations.

On March 13, 2000, the Delaware Court of Chancery ruled in favor of CFLP, finding that Iris Cantor, CFI and Rodney Fisher had breached the Partnership Agreement of CFLP, and that Market Data Corporation had aided and abetted that breach. The court awarded CFLP declaratory judgment relief and court costs and attorneys' fees. The defendants moved for re-argument with respect to the award of fees and costs. The Court of Chancery adhered to its previous decision that CFLP is entitled to recover court costs and attorneys' fees.

On November 5, 2001, the Court of Chancery entered an Order of Declaratory Judgment, which provides that if Iris Cantor, CFI and/or Rod Fisher, through MDC or otherwise, wish to compete with CFLP or its affiliates in a manner that could reasonably be expected to harm a core business of CFLP, they must obtain the written consent of CFLP's Managing General Partner. On December 4, 2001, the defendants filed notices of appeal. The Delaware Supreme Court dismissed the appeals as interlocutory. The Court has yet to enter a final order regarding fees and costs. On June 21, 2002 (and revised July 8, 2002), the Court rendered an opinion denying defendants' further reargument as to the damages award and stated that the case is now ripe for appeal. The parties were asked to submit a proposed form of order regarding the amount of damages. The Court has yet to enter a final order. In a related proceeding, MDC has alleged that CFLP has violated the declaratory judgment order by withholding its consent for MDC to

engage in certain business transactions. That matter is scheduled for a hearing before the Delaware Court of Chancery's Special Master on January 8 and 9, 2003.

Two related actions are pending in New York. In a case pending in the Supreme Court of New York, plaintiff CFLP alleges, among other things, that defendants Market Data Corporation, CFI, Iris Cantor and Rodney Fisher misused confidential information of CFLP in connection with the above-mentioned provision of technology to Chicago Board Brokerage. In a case filed in the United States District Court for the Southern District of New York, CFI and Iris Cantor allege, among other things, that certain senior officers of CFLP breached fiduciary duties they owed to CFI. The allegations in this lawsuit relate to several of the same events underlying the court proceedings in Delaware.

Neither of these two cases had been pursued prior to the March 13, 2000 decision in the court proceedings in Delaware. On May 15, 2000, the senior officers of CFLP who are defendants in the federal action in New York moved to dismiss the complaint against them on several grounds, including, among other things, that matters that were adjudicated against them in Delaware.

On February 7, 2001, the court granted the motion to dismiss CFI's complaint. CFI and Iris Cantor appealed. In November 2001, the United States Court of Appeals for the Second Circuit heard oral arguments. It has yet to render a decision.

On May 16, 2000, CFI filed an action in Delaware Superior Court, New Castle County, against CFLP and CF Group Management, Inc. (CFGM) seeking payment of $40 million allegedly due pursuant to a settlement agreement in an earlier litigation between the parties. The complaint alleges that CFI is entitled to a one-time $40 million payment upon "an initial public offering of CFLP or of a successor to a material portion of the assets and business of CFLP..." CFI alleges that our initial public offering on December 10, 1999 triggered the payment obligation under the settlement agreement. On September 26, 2000, CFLP and CFGM filed an answer denying liability. Following the events of September 11, 2001, the action was stayed. The stay was lifted on September 1, 2002 and the parties have resumed disclosure. CFLP intends to defend vigorously against its claims.

Although we do not expect to incur any losses with respect to the pending lawsuits or supplemental allegations relating to Cantor and Cantor's partnership agreement, Cantor has agreed to indemnify us with respect to any liabilities we incur as a result of any breach by Cantor of any covenant or obligation contained in Cantor's partnership agreement and for any liabilities that are incurred with respect to the litigation involving Market Data Corporation, Iris Cantor, CFI and Rodney Fisher or MP.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

(d) The effective date of our registration statement (Registration No. 333-87475) filed on Form S-1 relating to our initial public offering of Class A common stock was December 9, 1999. In our initial public offering, we sold 7,000,000 shares of Class A common stock at a price of $22.00 per share and CFS, the selling stockholder, sold 3,350,000 shares of Class A common stock at a price of $22.00 per share. Our initial public offering was managed on behalf of the underwriters by Warburg Dillon Read LLC, Hambrecht & Quist, Thomas Weisel Partners LLC and Cantor Fitzgerald & Co. The offering commenced on December 10, 1999 and closed on December 15, 1999. Proceeds to us from our initial public offering, after deduction of the underwriting discounts and commissions of approximately $10.0 million and offering costs of $4.4 million, totaled approximately $139.6 million. None of the expenses incurred in our initial public offering were direct or indirect payments to our directors, officers, general partners or their associates, to persons owning 10% or more of any class of our equity securities or to our affiliates. Of the $139.6 million raised, approximately $8.9 million has been used to fund investments in

various entities, approximately $57.1 million has been used to acquire fixed assets and to pay for the development of capitalized software and approximately $19.2 million has been used to purchase and perfect intangible assets. The remaining $54.4 million has been invested in reverse repurchase agreements which are fully collateralized by U.S. Government Securities held in a custodial account at a third-party bank.

Of the amount of proceeds spent through September 30, 2002, approximately $24.5 million has been paid to Cantor under the Administrative Services Agreement between Cantor and us.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) We held our 2002 Annual Meeting of Stockholders (the Annual Meeting) on October 23, 2002.

(b) The following directors were elected at the Annual Meeting and they are our only directors: Howard W. Lutnick, Lee M. Amaitis, Joseph C. Noviello, Stephen M. Merkel, Larry R. Carter, John H. Dalton, Frank R. Lautenberg, William J. Moran and Albert M. Weis.

(c) Set forth below is a description of the matters voted upon at the Annual Meeting, including the number of votes cast for, as well as the number of votes withheld, as to each nominee for election as a director. There were no broker non-votes.

Election of nine directors, each to serve until the next Annual Meeting of stockholders and until his successor is duly elected and qualified:

Name of Candidate	For	Withhold Authority
Howard W. Lutnick	280,765,510	6,150,441
Lee M. Amaitis	280,765,510	6,150,441
Joseph C. Noviello	280,765,510	6,150,441
Stephen M. Merkel	280,765,510	6,150,441
Larry R. Carter	286,756,055	159,896
John H. Dalton	286,722,840	193,111
Frank R. Lautenberg	286,792,605	123,346
William J. Moran	286,792,605	123,346
Albert M. Weis	286,792,605	123,346

ITEM 5. OTHER INFORMATION

On October 11, 2002, Mitsui & Co. (Mitsui) invested $1,200,000 in CO2e.com, LLC (CO2e), a Cantor subsidiary. CO2e's purpose is to form and operate one or more electronic trading markets for products related to the mitigation of greenhouse gasses and related activities and to provide brokerage information and consulting services relating to the emission or mitigation of greenhouse gasses and related issues. In connection therewith, we and CO2e entered into a Services Agreement whereby we will receive 50% of CO2e's fully electronic revenues and 15% of CO2e's voice assisted and open outcry revenues until December 2003, and 20% thereafter. The Services Agreement supercedes the provisions of the Joint Services Agreement with respect to CO2e transactions. Mitsui received 4% of the equity of CO2e and we agreed to transfer certain intellectual property rights to CO2e.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Exhibit No.	Description
10.19	Warrant Agreement, dated as of August 21, 2002, between eSpeed, Inc. and UBS USA Inc.
10.20	Registration Rights Agreement, dated as of August 21, 2002, by and between eSpeed, Inc. and UBS USA Inc.
10.21	Services Agreement, dated as of October 11, 2002, between eSpeed and CO2e.com LLC.
10.22	Amendment to the Joint Services Agreement, dated as of October 11, 2002, by and among eSpeed, Inc., Cantor Fitzgerald, L.P. and certain of their respective affiliates.
10.23	Intellectual Property Rights Further Assurances Agreement, dated as of October 11, 2002, between eSpeed, Inc. and CO2e.com LLC.
10.24	Warrant Agreement, dated as of September 13, 2001, between eSpeed, Inc. and Exchange Brokerage Systems Corp.
99	Certification by the Chief Executive Officer and Chief Financial Officer Relating to a Periodic Report Containing Financial Statements.

(b) Report on Form 8-K.

We filed a Current Report on Form 8-K on August 29, 2002 that described under Item 5 of Form 8-K the Settlement Agreement we entered into on August 26, 2002 with Electronic Trading Systems Corporation, The Chicago Mercantile Exchange and The Board of Trade of the City of Chicago.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

eSpeed, Inc.

(Registrant)

/s/ Howard W. Lutnick

Howard W. Lutnick
Chairman, Chief Executive Officer
and President

/s/ Jeffrey M. Chertoff

Jeffrey M. Chertoff
Chief Financial Officer

Date: November 13, 2002

Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Howard W. Lutnick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eSpeed, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ Howard W. Lutnick

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

I, Jeffrey M. Chertoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eSpeed, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ Jeffrey M. Chertoff

Jeffrey M. Chertoff
Senior Vice President and Chief Financial Officer

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99	Certification by the Chief Executive Officer and Chief Financial Officer Relating to a Periodic Report Containing Financial Statements.

NEITHER THIS WARRANT NOR THE SHARES OF CLASS A COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND NEITHER THIS WARRANT NOR SUCH SHARES MAY BE SOLD, ENCUMBERED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT, AND, IF AN EXEMPTION SHALL BE APPLICABLE, THE HOLDER SHALL HAVE DELIVERED AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Void after 5:00 p.m. Eastern Standard Time, on August 21, 2012.

WARRANT TO PURCHASE CLASS A COMMON STOCK

OF

ESPEED, INC.

FOR VALUE RECEIVED, ESPEED, INC. (the "Company"), a Delaware corporation, hereby certifies that UBS USA Inc. (the "Initial Holder"), or its permitted assigns (together with the Initial Holder, the "Holder"), is entitled to purchase from the Company, at any time or from time to time commencing on the Exercise Date set forth in Section 4 hereof (as the same may be accelerated pursuant to Section 4(b) hereof) and prior to 5:00 P.M., Eastern Standard Time, on August 21, 2012 a total of 300,000 fully paid and non-assessable shares of Class A Common Stock, par value $.01 per share, of the Company for a purchase price of $8.75 per share. (Hereinafter, (i) said Class A Common Stock, together with any other equity securities which may be issued by the Company with respect thereto or in substitution therefor, is referred to as the "Class A Stock," (ii) the shares of the Class A Stock purchasable hereunder are referred to as the "Warrant Shares," (iii) the aggregate purchase price payable hereunder for the Warrant Shares is referred to as the "Aggregate Warrant Price," (iv) the price payable hereunder for each of the Warrant Shares is referred to as the "Per Share Warrant Price," (v) this Warrant, and all warrants hereafter issued in exchange or substitution for this Warrant are referred to as the "Warrant" and
(vi) the holder of this Warrant is referred to as the "Holder.") The number of Warrant Shares and the securities (if applicable) for which this Warrant is exercisable and the Per Share Warrant Price are subject to adjustment as hereinafter provided under Section 3.

1. EXERCISE OF WARRANT. This Warrant may be exercised, in whole at any time or in part from time to time, commencing on the Exercise Date set forth in
Section 4 hereof (as the same may be accelerated pursuant to Section 4(b) hereof) and prior to 5:00 P.M., Eastern Standard Time, on August 21, 2012 by the Holder of this Warrant by the surrender of this Warrant (with the subscription form at the end hereof duly executed) at the address set forth in Section 9(a) hereof, together with proper payment of the Aggregate Warrant Price, or the proportionate part thereof if this Warrant is exercised in part. The Aggregate Warrant Price or Per Share Warrant Price shall be paid in cash, via wire transfer to an account designated by the Company, or by certified or official bank check payable to the order of the Company.

If this Warrant is exercised in part, the Holder shall be entitled to receive a new Warrant covering the number of Warrant Shares in respect of which this Warrant has not been exercised and setting forth the proportionate part of the Aggregate Warrant Price applicable to such Warrant Shares. Upon the surrender of this Warrant, for an exercise of this Warrant in part, the Company will (a) issue and deliver a certificate or certificates in the name of the Holder for the shares of the Class A Stock to which the Holder shall be entitled for such partial exercise, and (b) issue and deliver a Warrant in the name of

the Holder for the remaining number of Warrant Shares in respect of which this Warrant has not been exercised, pursuant to the provisions of this Warrant.

If this Warrant is exercised in whole, upon surrender of this Warrant, the Company will issue a certificate or certificates in the name of the Holder for the shares of the Class A Stock to which the Holder shall be entitled, pursuant to the provisions of this Warrant.

No fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the fair market value of a share as reasonably determined by the Company's Board of Directors.

2. RESERVATION OF WARRANT SHARES. The Company agrees that, prior to the expiration of this Warrant, the Company from and as of the date hereof, will have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, the shares of the Class A Stock as from time to time shall be receivable upon the exercise of this Warrant.

3. ADJUSTMENTS FOR CORPORATE EVENTS. The number and kind of securities issuable upon the exercise of this Warrant, the Per Share Warrant Price and the number of Warrant Shares for which this Warrant may be exercised shall be subject to adjustment from time to time in accordance with the following provisions:

(a) Reorganization, Reclassification. In the event of a reorganization, share exchange, or reclassification, other than a change in par value, or from par value to no par value, or from no par value to par value or a transaction described in subsection (b) or (c) below, this Warrant shall, after such reorganization, share exchange or reclassification, be exercisable into the kind and number of shares of stock or other securities or other property of the Company which the holder of this Warrant would have been entitled to receive if the holder had held the Warrant Shares issuable upon exercise of this Warrant immediately prior to such reorganization, share exchange, or reclassification. The provision of this Section 3(a) shall similarly apply to successive reorganizations and reclassifications.

(b) Merger, Consolidation or Sale of All or Substantially All Assets. In the event of a merger or consolidation to which the Company is a party or the sale of all or substantially all of the assets of the Company, this Warrant shall, after such merger, consolidation or sale, be exercisable for the kind and number of shares of stock and/or other securities, cash or other property which the holder of this Warrant would have been entitled to receive if the holder had held the Warrant Shares issuable upon exercise of this Warrant immediately prior to such merger, consolidation or sale. Any such merger, consolidation or sale shall require, as a condition thereto, that such other party to such merger, consolidation or sale agree in writing to assume this Warrant. The provision of this Section 3(b) shall similarly apply to successive mergers and transfers.

(c) Subdivision or Combination of Shares. In case outstanding shares of Class A Stock shall be subdivided, the Per Share Warrant Price shall be proportionately reduced as of the effective date of such subdivision, or as of the date a record is taken of the holders of Class A Stock for the purpose of so subdividing, whichever is earlier. In case outstanding shares of Class A Stock shall be combined, the Per Share Warrant Price shall be proportionately increased as of the effective date of such combination, or as of the date a record is taken of the holders of Class A Stock for the purpose of so combining, whichever is earlier.

(d) Stock Dividends. In case shares of Class A Stock are issued as a dividend or other distribution on the Class A Stock, then the Per Share Warrant Price shall be adjusted, as of the date

a record is taken of the holders of Class A Stock for the purpose of receiving such dividend or other distribution (or if no such record is taken, as at the earliest of the date of such declaration, payment or other distribution), to that price determined by multiplying the Per Share Warrant Price in effect immediately prior to such declaration, payment or other distribution by a fraction (i) the numerator of which shall be the number of shares of Class A Stock outstanding immediately prior to the declaration or payment of such dividend or other distribution, and (ii) the denominator of which shall be the total number of shares of Class A Stock outstanding immediately after the declaration or payment of such dividend or other distribution. In the event that the Company shall declare or pay any dividend on the Class A Stock payable in any right to acquire Class A Stock for no consideration, then, for purposes of calculating such adjustment, the Company shall be deemed to have made a dividend payable in Class A Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Class A Stock.

(e) Adjustment of Aggregate Number of Warrant Shares Issuable. Upon each adjustment of the Per Share Warrant Price under the provisions of this
Section 3, the aggregate number of Warrant Shares issuable upon exercise of this Warrant shall be adjusted to an amount determined by multiplying the Warrant Shares issuable prior to such adjustment by a fraction (x) the numerator of which is the Per Share Warrant Price in effect immediately prior to the event causing such adjustment (y) the denominator of which is the adjusted Per Share Warrant Price.

(f) Minimum Adjustment. No adjustment of the Per Share Warrant Price shall be made if the amount of any such adjustment would be an amount less than 1% of the Per Share Warrant Price then in effect, but any such amount shall be carried forward and an adjustment in respect thereof shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate an increase or decrease of 1% or more.

(g) Treasury Shares. The number of shares of Class A Stock at any time outstanding shall not include any shares thereof then directly or indirectly owned or held by or for the account of the Company.

(h) Notices. If at any time, (x) the Company shall declare a stock dividend (or any other distribution except for cash dividends) on its Class A Stock; (y) there shall be any capital reorganization or reclassification of the Class A Stock, or any consolidation or merger to which the Company is a party, or any sale or transfer of all of substantially all of the assets of the Company; or (z) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; then, in any one or more of such cases, the Company shall give written notice to the Holder, not less than 10 days before any record date or other date set for definitive action, or of the date on which such reorganization, reclassification, sale, consolidation, merger, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall also set forth such facts as shall indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the current Per Share Warrant Price and the kind and amount of Class A Stock and other securities and property deliverable upon exercise of this Warrant. Such notice shall also specify the date (to the extent known) as of which the holders of the Class A Stock of record shall be entitled to exchange their Class A Stock for securities or other property deliverable upon such reorganization, reclassification, sale, consolidation, merger, dissolution, liquidation or winding up, as the case may be. In addition, whenever the aggregate number of Warrant Shares issuable upon exercise of this Warrant and Per Share Warrant Price is adjusted as herein provided, the Chief Financial Officer of the Company shall compute the adjusted number of Warrant Shares and Per Share Warrant Price in accordance with the foregoing provisions and shall prepare a written certificate

setting forth such adjusted number of Warrant Shares and Per Share Warrant Price, and such written instrument shall promptly be delivered to the recordholder of this Warrant.

4. EXERCISE OF WARRANT.

(a) Exercise Date. This Warrant shall be vested immediately and shall be exercisable as to all Warrant Shares commencing May 21, 2011 (the "Exercise Date"), subject to acceleration as set forth in subsection (b) below.

(b) Acceleration of Exercisability. This Warrant shall become exercisable as to (i) 150,000 of the Warrant Shares, if the Commitment Condition (as defined in paragraph (i) below), is satisfied for the First Commitment Period (as defined in paragraph (ii) below), and (ii) 150,000 of the Warrant Shares, if the Commitment Condition is satisfied for the Second Commitment Period (as defined in paragraph (ii) below). Satisfaction of the Commitment Condition shall be evidenced by a Determination pursuant to paragraph (i) below.

(i) Definition of Commitment Condition. A "Commitment Condition" shall be deemed satisfied if, during the applicable Commitment Period (as defined in paragraph
(ii) below), the Subscriber shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required thereby to be performed, satisfied or complied with by the Bank (as defined in that certain UBS - Global Fixed Income Transaction Fee Agreement, dated as of August 13, 2002 between the Company and the Initial Holder (the "Agreement")) in accordance with Annex II of the Agreement, as the same may be amended from time to time. For the avoidance of doubt, the Commitment Condition shall be satisfied for a particular Commitment Period even if the Subscriber has failed to satisfy the Commitment Condition for any preceding Commitment Period. Within 21 days of the end of each Commitment Period, the Company shall notify the Holder in writing as to whether the Commitment Condition has been satisfied for such Commitment Period, together with an explanation for such determination in reasonable detail (the "Determination"). If the Holder notifies the Company in writing, within fifteen (15) days of receipt of the Determination of its objection to the Determination, then no determination shall be made until the Company and the Holder shall agree upon an appropriate determination or a court of competent jurisdiction shall make a determination by a non-appealable order.

(ii) Definition of Commitment Period. A shall mean each of the following periods (i) the period beginning on August 1, 2002 and ending on July 31, 2003 (the "First Commitment Period"), and (ii) the period beginning on August 1, 2003 and ending on June 30, 2004 (the "Second Commitment Period").

5. FULLY PAID STOCK; TAXES. The Company agrees that the shares of the Class A Stock represented by each and every certificate for Warrant Shares delivered on the proper exercise of this Warrant shall, at the time of such delivery, be validly issued and outstanding, fully paid and non-assessable, and not subject to preemptive rights, and the Company will take all such actions as may be necessary to assure that the par value or stated value, if any, per share of the Class A Stock is at all times equal to or less than the then Per Share Warrant Price. The Company further covenants and agrees

that it will pay, when due and payable, any and all federal and state stamp, original issue or similar taxes that may be payable in respect of the issuance of any Warrant Shares or certificates therefor. The Holder covenants and agrees that it shall pay, when due and payable, all of its federal, state and local income or similar taxes that may be payable in respect of the issuance of any Warrant Shares or certificates therefor, if any.

6. TRANSFER

(a) Securities Laws. Neither this Warrant nor the Warrant Shares issuable upon the exercise hereof have been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws and unless so registered may not be transferred, sold, pledged, hypothecated or otherwise disposed of unless an exemption from such registration is available. In the event the Holder desires to transfer this Warrant or any of the Warrant Shares issued in accordance with the terms hereof, the Holder must give the Company prior written notice of such proposed transfer including the name and address of the proposed transferee, unless such transfer is a transfer of the Warrant Shares pursuant to an effective registration statement. Such transfer may be made only either (i) upon publication by the Securities and Exchange Commission (the "Commission") of a ruling, interpretation, opinion or "no action letter" based upon facts presented to said Commission, or (ii) upon receipt by the Company of an opinion of counsel acceptable to the Company to the effect that the proposed transfer will not violate the provisions of the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the rules and regulations promulgated under either such act, or to the effect that the Warrant or Warrant Shares to be sold or transferred have been registered under the Securities Act of 1933, as amended, and that there is in effect a current prospectus meeting the requirements of Subsection 10(a) of the Securities Act, which is being or will be delivered to the purchaser or transferee at or prior to the time of delivery of the certificates evidencing the Warrant or Warrant Shares to be sold or transferred.

(b) Swap or Hedging Transactions. Without the prior written consent of the Company, the Holder may not enter into any swap or other hedging transaction relating to this Warrant, the Warrant Shares (prior to the issuance thereof), or any interest therein. In no event shall the restrictions contained in this paragraph apply to any Warrant Shares that have been issued.

(c) Transfer. Without the prior written consent of the Company, neither this Warrant, nor any interest herein, may be sold, assigned, transferred, pledged, encumbered or otherwise disposed of. Any sale, assignment, transfer, pledge, encumbrance or other disposition of this Warrant attempted contrary to the provisions of this Warrant, or any levy of execution, attachment or other process attempted upon the Warrant, shall be null and void and without effect. The provision of this Section 6(c) shall not be applicable to the Warrant Shares.

(d) Legend and Stop Transfer Orders. Unless the Warrant Shares have been registered under the Securities Act or eligible for resale pursuant to Rule 144(k) under the Securities Act, upon exercise of any part of the Warrant and the issuance of any of the Warrant Shares, the Company shall instruct its transfer agent to enter stop transfer orders with respect to such shares, and all certificates representing Warrant Shares shall bear on the face thereof substantially the following legend, insofar as is consistent with Delaware law:

"The shares of Class A Common Stock represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold, offered for sale, assigned, transferred or otherwise disposed of unless registered pursuant to the provisions

of that Act or an opinion of counsel to the Company is obtained stating that such disposition is in compliance with an available exemption from such registration."

7. LOSS, ETC. OF WARRANT. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to the Company, if lost, stolen or destroyed, and upon surrender and cancellation of this Warrant if mutilated, the Company shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

8. WARRANT HOLDER NOT SHAREHOLDER. Except as otherwise provided herein, this Warrant does not confer upon the Holder any right to vote or to consent to or receive notice as a shareholder of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a shareholder, prior to the exercise hereof.

9. COMMUNICATION. No notice or other communication under this Warrant shall be effective unless the same is in writing and is sent by overnight courier, delivered in person or mailed by first-class mail, postage prepaid, addressed to:

(a) the Company at 135 East 57th Street, 3rd Floor, New York, New York 10022, Attention: General Counsel, or such other address as the Company has designated in writing to the Holder, or

(b) the Holder at _____, or such other address as the Holder has designated in writing to the Company.

10. HEADINGS. The headings of this Warrant have been inserted as a matter of convenience and shall not affect the construction hereof.

11. APPLICABLE LAW. This Warrant shall be governed by and construed in accordance with the law of the State of New York without giving effect to the principles of conflict of laws thereof.

12. COMPLIANCE WITH OTHER INSTRUMENTS. Company represents and warrants to Holder that the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise of this Warrant in accordance with the terms hereof will not be, inconsistent with the Company's charter or bylaws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration or filing with or the taking of any action in respect of or by, any Federal, state or local government authority or agency or other person, except for the filing of notices pursuant to federal and state securities laws, which filings will be effected by the time required thereby.

13. REPRESENTATIONS AND WARRANTIES OF THE INITIAL HOLDER. The Initial Holder, by acceptance hereof, represents and warrants to the Company that:

(a) Knowledge and Experience. The Initial Holder has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an unregistered, non-liquid investment such as an investment in the Company and has evaluated the merits and risks of such an investment. The Initial Holder understands that the offer and sale of the Warrant and the Warrant Shares have not been approved or disapproved by the Commission or any other governmental entity.

(b) No other Representations or Warranties. No representations or warranties have been made to the Initial Holder by the Company or any director, officer, employee, agent or affiliate of the Company, other than the representations of the Company set forth herein, and the decision of the Initial Holder to acquire this Warrant is based on the information contained herein and the Initial Holder's own independent investigation of the Company. The Initial Holder acknowledges and agrees that the Company may now, or in the future, be in negotiations with respect to, or enter into, arrangements, agreements or understandings relating to other business opportunities and that the Company does not have now, nor will it have at any time after execution of this Warrant, any obligation to provide the Initial Holder with any information, other than that which is contained in this Warrant and that which is disclosed in reports, schedules, forms, registration statements, proxy statements and other documents filed by the Company with the Commission.

(c) Ability to Withstand Loss of Investment. The Initial Holder understands that a total loss of the value of this Warrant is possible. The Initial Holder acknowledges that it is capable of bearing a complete loss of the value of this Warrant.

(d) No Public Solicitation. The Initial Holder acknowledges that neither the Company nor any person or entity acting on its behalf has offered to sell any of the Warrants or the Warrant Shares to the Initial Holder by means of any form of general solicitation or advertising, including without limitation
(i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio, and
(ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(e) Accredited Investor Status. The Initial Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

(f) Acquiring for Investment Purposes. The Initial Holder is acquiring this Warrant solely for its own account, for investment purposes only, and not with a view towards their resale or distribution.

(g) No Brokers, Finders, etc. The Initial Holder has not employed any broker, financial advisor or finder, or incurred any liability for any brokerage fees, commissions, finder's or other similar fees or expenses in connection with the transactions contemplated by this Warrant.

(h) No Action Taken to Invalidate Private Placement. The Initial Holder has not taken any action that would result in the offering of this Warrant and the Warrant Shares pursuant to this Warrant being treated as a public offering and not a valid private offering under the law.

14. MODIFICATION AND WAIVER. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the Company and the holder of this Warrant.

15. BINDING EFFECT ON SUCCESSORS. This Warrant shall be binding upon any entity succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Warrant Shares issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and permitted assigns of the holder hereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by a duly authorized officer as of this 21st day of August, 2002.

ESPEED, INC.

By: /s/ Lee Amaitis
---------- Name: Lee Amaitis
Title: Global Chief Operating Officer

ACCEPTED AND AGREED to:

UBS USA INC.

By: /s/ Per Dyrvik
---------- Name: Per Dyrvik
Title: Managing Director

SUBSCRIPTION

The undersigned, _____, pursuant to the provisions of the foregoing Warrant, hereby agrees to subscribe for the purchase of _____ shares of the Class A Common Stock of eSPEED, INC. covered by said Warrant, and makes payment therefor in full at the price per share provided by said Warrant.

Dated ----------

Signature ----------

Address ----------

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ the foregoing Warrant and all rights evidenced thereby, and does irrevocably constitute and appoint _____, attorney, to transfer said Warrant on the books of
eSPEED, INC.

Dated ----------

Signature ----------

Address ----------

PARTIAL ASSIGNMENT

FOR VALUE RECEIVED _____ hereby assigns and transfers unto _____ the right to purchase _____ shares of the Class A Common Stock of eSPEED, INC. by the foregoing Warrant, and a proportionate part of said Warrant and the rights evidenced hereby, and does irrevocably constitute and appoint _____, attorney, to transfer that part of said Warrant on the books of eSPEED, INC.

Dated ----------

Signature ----------

Address ----------

REGISTRATION RIGHTS AGREEMENT

BY AND BETWEEN

ESPEED, INC.

AND

THE INVESTOR NAMED HEREIN

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REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated this 21st day of August, 2002, by and among eSpeed, Inc., a Delaware corporation (the "Company") and UBS USA Inc. (the "Investor").

RECITALS

WHEREAS, the Company desires to grant to the Investor registration rights with respect to the shares (the "Shares") of Class A Common Stock underlying the warrants to purchase 300,000 shares of Class A Common Stock (the "Warrants") issued to the Investor on the date hereof and may grant additional Warrants to purchase up to 200,000 additional shares in the future in accordance with the renewal provisions of that certain Transaction Fee Agreement (the "Renewal Warrants"), dated as of the date hereof, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
PIGGYBACK REGISTRATIONS

1.1 Right to Piggyback. From and after the date which is 12 months from the date of this Agreement, whenever the Company proposes to register any of its equity securities under the Securities Act (other than a registration effected in connection with a Company stock option or other employee benefit plan (such as a Registration Statement on Form S-8), a registration effected in connection with the conversion of debt securities, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities (such as a Registration Statement on Form S-4), or a registration effected in connection with an acquisition), and the form of registration statement to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company will give notice (the "Notice") to the Investor of its intention to effect such a registration and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein, subject to the provisions of Section 1.3 and 1.4 hereof. Such requests for inclusion shall be in writing and delivered to the Company within five business days after the Investor's receipt of the Notice and shall specify the number of Registrable Securities intended to be disposed of and the intended method of distribution thereof. Any holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any Registration Statement pursuant to this Section 1.1 by giving written notice to the Company of its request to withdraw. The Company may withdraw a Piggyback Registration at any time prior to the time it becomes effective. The Company is not required to include in a registration any Registrable Securities which the holder would not be entitled to offer to sell under such registration whether by contractual restriction or by law.

1.2 Piggyback Expenses. The Registration Expenses of the Investor will be paid by the Company in all Piggyback Registrations

1.3 Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering, the Company will include in such registration (i) first, the securities the Company proposes to sell, (ii) second, that number of other shares of Common Stock proposed to be included in such registration by Cantor Fitzgerald Securities and its Affiliates, and their successors and assigns ("Cantor") and (iii) third, that number of other shares of Common Stock proposed to be included in such registration, pro rata among any other holders (including the Investor) exercising their respective piggyback registration rights thereof based upon the total number of shares which such holders (including the Investor) propose to include in such registration.

1.4 Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders (other than the Investor) of the Company's securities, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering, the Company will include in such registration (i) first, the number of shares of Common Stock requested to be included by the holders exercising their demand registration rights, (ii) second, that number of other shares of Common Stock proposed to be included in such registration by Cantor and (iii) third, that number of other shares of Common Stock proposed to be included in such registration, pro rata among any other holders (including the Investor) exercising their respective piggyback registration rights thereof based upon the total number of shares which such holders (including the Investor) propose to include in such registration.

ARTICLE II
HOLDBACK AGREEMENTS

In the event the Company or another holder of the Company's stock proposes to enter into an underwritten public offering, each holder of Registrable Securities agrees to enter into an agreement with the managing underwriters not to effect any sale or distribution of equity securities of the Company, or any securities convertible, exchangeable or exercisable for or into such securities, during the period beginning on the date of such offering and extending for a period recommended by the managing underwriters. The foregoing shall not affect the ability of a holder of Registrable Securities to sell such securities pursuant to Rule 144 under the Securities Act if approved by the underwriters.

ARTICLE III
REGISTRATION PROCEDURES

Whenever holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement (the "Selling Holders"), the Company will use reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company will:

(a) use reasonable efforts to prepare and file with the Commission a Registration Statement with respect to such Registrable Securities as soon as practicably thereafter; provided, that as promptly as practicable before filing a Registration Statement or Prospectus or any amendments or supplements thereto, the Company will (i) furnish to the Selling Holders copies of all such documents proposed to be filed and (ii) notify each Selling Holder of Registrable Securities covered by such Registration Statement of (x) any request by the Commission to amend such Registration Statement or amend or supplement any Prospectus, or (y) any stop order issued or threatened by the Commission, and take all reasonable actions required to prevent the entry of such stop order or to promptly remove it if entered; and provided further that the Company shall not be required to keep such Registration Statement effective for more than 30 days (or such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold, but not prior to the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder, if applicable);

(b) (i) prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for as long as such registration is required to remain effective pursuant to the terms hereof and (ii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(c) furnish to each Selling Holder, without charge, such number of conformed copies of such Registration Statement, each amendment and supplement thereto, the Prospectus included in such Registration Statement (including each preliminary Prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder;

(d) notify each Selling Holder, at a time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event known to the Company as a result of which the Prospectus included in such Registration Statement, as then in effect, contains an untrue statement of a material fact or omits to

state any fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, at the request of any such Selling Holder, the Company will prepare and furnish such Selling Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) subject to other provisions hereof, use all reasonable efforts to cause such Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies or authorities or self-regulatory organizations as may be necessary to enable the Selling Holders thereof to consummate the disposition of such Registrable Securities;

(f) promptly notify the Selling Holders of the issuance of any stop order by the Commission or the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or exemption from qualification of any of the Registrable Securities under state securities or "blue sky" laws, and use every reasonable effort to obtain the lifting at the earliest possible time of any stop order suspending the effectiveness of any Registration Statement or of any order preventing or suspending the use of any preliminary Prospectus; and

(g) promptly notify the Selling Holders of the occurrence of any pending material merger, acquisition, corporate reorganization or other material transaction involving the Company or any of its Affiliates which makes it imprudent for the Company to be in registration, as determined in the good faith judgment of the Company (a "Black-Out Period").

The Company may require each Selling Holder to promptly furnish in writing to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration including, without limitation, all such information as may be requested by the Commission or any regulatory authority. The Company may exclude from such Registration Statement any holder who fails to provide such information.

Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in paragraph (a), (e), (h) or (i) above, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by paragraph (a) or (d) above, or in the case of a Black-Out Period until the Company notifies the Selling Holders that the period has ended, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies,

other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. The periods referred to in paragraph (a) above for maintaining the effectiveness of the Registration Statement shall be extended for a period equal to the period during which the disposition of the Registrable Securities is discontinued as set forth in the immediately preceding sentence.

ARTICLE IV
REGISTRATION EXPENSES

4.1 Registration Expenses. All registration and filing fees, fees and expenses of compliance with securities or "blue sky" laws, printing expenses, listing fees for securities to be registered on a national securities exchange or The Nasdaq Stock Market and all independent certified public accountants, underwriters (excluding discounts and commissions), fees and expenses of counsel to the Company and other Persons retained by the Company (all such expenses being herein called "Registration Expenses") will be borne by the Company as provided in Section 1.2 of this Agreement.

4.2 Holders' Expenses. The Company shall have no obligation to pay (i) any underwriting discounts or commissions attributable to the sale, or potential sale, of Registrable Securities, which expenses will be borne by all Selling Holders of Registrable Securities included in such registration; and (ii) any fees or expenses of counsel or others retained by the Selling Holders in connection with the sale, or potential sale, of Registrable Securities.

ARTICLE V
UNDERWRITTEN AND OTHER OFFERINGS

5.1 Underwriting Agreement. If requested by the underwriters for any underwritten offering involving the Registrable Securities, the Company will enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory to the Company and to contain such representations and warranties by the Company and such other terms as are generally included in agreements of this type, including, without limitation, indemnities customarily included in such agreements. The holders of the Registrable Securities will cooperate in good faith with the Company in the negotiation of the underwriting agreement.

5.2 Obligations of Participants. No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, escrow agreements and other documents required under the terms of such underwriting arrangements and consistent with the provisions of this Agreement. In addition, the

Company may require each Selling Holder to promptly furnish in writing to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration including, without limitation, all such information as may be requested by the Commission or the NASD. The Company may exclude from such Registration Statement any Holder who fails to provide such information.

ARTICLE VI
INDEMNIFICATION

6.1 Company's Indemnification Obligations. The Company agrees to indemnify and hold harmless each of the holders of any Registrable Securities covered by any Registration Statement referred to herein and each other Person, if any, who controls such holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Holder Indemnitees") against any and all loss, liability, claim, damage or reasonable expense arising out of or based upon an untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto), including all documents incorporated therein by reference, or in any preliminary Prospectus or Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that this indemnity does not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information furnished to the Company by or on behalf of any holder expressly for use in the preparation of any Registration Statement (or any amendment or supplement thereto), including all documents incorporated therein by reference, or in any preliminary Prospectus or Prospectus (or any amendment or supplement thereto); provided further, that (other than in connection with an underwritten offering) the Company will not be liable to any holder or any other Holder Indemnitee under the indemnity agreement in this Section 6.1 with respect to any preliminary Prospectus or the final Prospectus or the final Prospectus as amended or supplemented, as the case may be, to the extent that any such loss, liability, claim, damage or expense of such Holder Indemnitee results from the fact that such holder sold Registrable Securities to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final Prospectus or of the final Prospectus as then amended or supplemented, whichever is most recent, if the Company has previously and timely furnished copies thereof to such holder; and provided further, that the Company will not be liable to any holder or any other Holder Indemnitee under the indemnity agreement in this Section 6.1 to the extent that any such loss, liability, claim or expense arises out of or is based upon an untrue statement or omission in any Prospectus, even if an amended and corrected Prospectus is not furnished to such holder, but only to the extent that the holder, after being notified by the Company pursuant to paragraph (d) of Article III hereof, continues to use such Prospectus and in such case and

to the extent of, and with respect to, damages which arise after the holder receives such notice.

6.2 Holder's Indemnification Obligations. In connection with any Registration Statement in which a holder of Registrable Securities is participating, each such holder agrees to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6.1 of this Agreement) the Company and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement, any preliminary, final or summary Prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made about such holder in reliance upon and in conformity with information furnished to the Company by or on behalf of such holder expressly for inclusion in such Registration Statement. The obligations of each holder pursuant to this Section 6.2 are to be several and not joint.

6.3 Notices; Defense; Settlement. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding involving a claim referred to in Section 6.1 or Section 6.2 of this Agreement, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 6.1 or Section 6.2 of this Agreement except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in the reasonable opinion of counsel to such indemnified party a conflict of interest between such indemnified and indemnifying parties exists in respect of such claim, in which case the indemnifying party shall not be liable for the fees and expenses of (i) more than one counsel for all the Selling Holders, selected by a majority of the Selling Holders or (ii) more than one counsel for the Company in connection with any one action or separate but similar or related actions, as applicable. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable opinion of counsel to any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel or counsels. The indemnifying party will not, without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding

in respect of which indemnification may be sought hereunder (whether or not such indemnified party or any Person who controls such indemnified party is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability arising out of such claim, action, suit or proceeding. The indemnified party will not, without the prior written consent of the indemnifying party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not such indemnifying party or any Person who controls such indemnifying party is a party to such claim, action, suit or proceeding). Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party will have the right to retain, at its own expense, counsel with respect to the defense of a claim.

6.4 Indemnity Provision. The Company and each holder of Registrable Securities requesting registration shall provide for the foregoing indemnity (with appropriate modifications) in any underwriting agreement with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority.

ARTICLE VII
DEFINITIONS

7.1 Terms. As used in this Agreement, the following defined terms shall have the meanings set forth below:

"Affiliate" means, with respect to any specified party, any other individual, partnership, corporation or other organization, whether incorporated or unincorporated, who, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a party, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

"Class A Common Stock" means the Class A Common Stock, par value $.01 per share, of the Company and any securities into which the Class A Common Stock shall have been changed or any securities resulting from any reclassification or recapitalization of the Class A Common Stock.

"Commission" means the U.S. Securities and Exchange Commission.

"Common Stock" means the shares of Common Stock, regardless of designation, of the Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar Federal statute then in effect, and any reference to a particular section thereof shall include a reference to the equivalent section, if any, of any such similar Federal statute, and the rules and regulations thereunder.

"NASD" means the National Association of Securities Dealers, Inc.

"Person" means any individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Prospectus" means the Prospectus included in any Registration Statement (including without limitation, a Prospectus that disclosed information previously omitted from a Prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any Prospectus supplement, with respect to the terms of the offering of any portion of the securities covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means (i) the Class A Common Stock issued or issuable at any time upon the exercise of the Warrants or Renewal Warrants (if Renewal Warrants are issued), and (ii) any securities issued or received in respect of, or in exchange or in substitution for any of the foregoing. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they (w) have been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, (x) may be sold pursuant to Rule 144 under the Securities Act without volume or manner of sale limitation (or any similar provisions then in force), (y) have been otherwise transferred and the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a restrictive legend and not subject to any stop order and such securities may be publicly resold by the Person receiving such certificate without complying with the registration requirements of the Securities Act, or (z) have ceased to be outstanding. In addition, upon the breach by an Investor or its Affiliate of the restrictions contained in Section 8.11, any Registrable Securities held by such Investor shall cease to be Registrable Securities.

"Registration Statement" means any Registration Statement of the Company which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"Securities Act" means the Securities Act of 1933, as amended, or any similar Federal statute then in effect, and any reference to a particular section thereof shall include a reference to a comparable section, if any, of any such similar Federal statute, and the rules and regulations thereunder.

7.2 Defined Terms in Corresponding Sections. The following defined terms, when used in this Agreement, shall have the meaning ascribed to them in the corresponding Sections of this Agreement listed below:

"Agreement"	--	Preamble
"Cantor"	--	Section 1.3
"Company"	--	Preamble
"Holder Indemnitees"	--	Section 6.1
"Investor"	--	Preamble
"Notice"	--	Section 1.1
"Piggyback Registration"	--	Section 2.1
"Registration Expenses"	--	Section 4.1
"Renewal Warrants"	--	Preamble
"Selling Holder"	--	Article III
"Warrants"	--	Recitals

ARTICLE VIII
MISCELLANEOUS

8.1 Amendments and Waivers. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement will be effective against the Company or any holder of Registrable Securities, unless such modification, amendment or waiver is approved in writing by the Company and the Investor. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

8.2 Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

8.3 Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission or mailed by

pre-paid registered or certified mail, return receipt requested or mailed by overnight courier prepaid to the parties at the following addresses or facsimile numbers:

If to the Company, to:

eSpeed, Inc.
135 East 57th Street, 3rd Floor
New York, New York 10022

Facsimile No.: (212) 829-4708
Attn.: General Counsel

with a copy to:

Swidler Berlin Shereff Friedman, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Facsimile No.: (212) 938-5000
Attn.: General Counsel

If to the Investor, to the address set forth on the signature page hereto.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 8.3, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section 8.3, be deemed given upon receipt of confirmation,
(iii) if delivered by mail in the manner described above to the address as provided in this Section 8.3, be deemed given on the earlier of the third full Business Day following the day of mailing or upon receipt, and (iv) if delivered by overnight courier to the address provided in this Section 8.3, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt. Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

8.4 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

8.5 Gender. Whenever the pronouns "he" or "his" are used herein they shall also be deemed to mean "she" or "hers" or "it" or "its" whenever applicable. Words in the singular shall be read and construed as though in the plural and words in the plural shall be construed as though in the singular in all cases where they would so apply.

8.6 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely

affected thereby, (i) such provision will be fully severable, (ii) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (iv) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

8.7 Governing Law; Forum; Process. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law. Each of the parties hereto hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any court of the State of New York or any federal court sitting in the State of New York for purposes of any suit, action or other proceeding arising out of this Agreement (and agrees not to commence any action, suit or proceedings relating hereto except in such courts). Each of the parties hereto agrees that service of any process, summons, notice or document by U.S. registered mail at its address set forth herein shall be effective service of process for any action, suit or proceeding brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, which is brought by or against it, in the courts of the State of New York or any federal court sitting in the State of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

8.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of a facsimile version of one or more signatures to this Agreement shall be deemed adequate delivery for purposes of this Agreement.

8.9 No Assignment; Binding Effect Neither this Agreement nor any right, interest or obligation hereunder may be assigned by the Investor without the prior written consent of the Company and any attempt to do so will be null and void. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

COMPANY:

eSpeed, Inc.

By: /s/ Lee Amaitis

Name: Lee Amaitis
Title: Global Chief Operating Officer

INVESTOR:

UBS USA Inc.

By: /s/ Per Dyrvik

Name: Per Dyrvik
Title: Managing Director
Address: 680 Washington Blvd., Stamford, CT

CO2E.COM/ESPEED SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this "Agreement") is made and entered into as of October 1, 2002, by and between eSpeed, Inc., a Delaware corporation ("eSpeed"), and CO2e.com, LLC, a Delaware limited liability company ("CO2e.com"). All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in Section 1 of this Agreement. eSpeed and CO2e.com are each referred to herein as a "Party" and collectively as the "Parties."

WITNESSETH

WHEREAS, CO2e.com intends to engage, inter alia, in the business of sponsoring an Electronic Trading System, which may be accessed directly through fully electronic means or through brokers via telephone, in and through which buyers and sellers of GHG Emission Reduction Units may effect transactions in those GHG Emission Reduction Units; and

WHEREAS, eSpeed wishes to provide to CO2e.com, and CO2e.com wishes to receive from eSpeed: (A) the development, launch, maintenance, refreshment and enhancement of the global technology infrastructure for the transactional elements of the Electronic Trading System; and (B) Additional IT Services pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises contained herein, the Parties hereby mutually agree as follows:

1. DEFINITIONS. For purposes of this Agreement the following capitalized terms shall have the following meanings.

1.1 "ADDITIONAL E-COMMERCE SERVICES" means services, other than those listed in the next sentence, using technology developed and/or provided by eSpeed. Additional E-Commerce Services do not include Wholly Electronic eSpeed Transaction Services, Broker Assisted Transaction Services, Information Services, Private Label Systems, Additional IT Services or Web Portal Transactions.

1.2 "ADDITIONAL E-COMMERCE SERVICES REVENUES" means the fees, commissions, spreads, markups, charges or other similar amounts received by CO2e.com in connection with Additional E-Commerce Services.

1.3 "ADDITIONAL IT SERVICES" means technology support services for CO2e.com not directly related to the operation of the Electronic Trading System, including, but not limited to: (A) systems administration and maintenance; (B) internal network support; (C) support, maintenance, procurement and refreshment for desktops of end-user equipment; and (D) voice and data communications.

1.4 "AFFILIATE" of any specified party shall mean any other person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified party or such specified party's parent. For the purposes of this definition, "control", when used with respect to any specified person or entity, means the power to direct the management and policies of such person or entity, directly or indirectly, whether through the

ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing.

1.5 "BROKER ASSISTED TRANSACTION SERVICES" means the effecting of transactions involving GHG Emission Reduction Units in or through a CO2e.com Broker, including Web Portal Transactions and the entry of an order by a CO2e.com Broker into the Electronic Trading System.

1.6 "BROKER ASSISTED TRANSACTION SERVICES REVENUES" means the revenues received by CO2e.com in connection with Broker Assisted Transaction Services, less any Government Taxes actually paid by CO2e.com, but increased by any rebates or refunds received by CO2e.com in respect of such Government Taxes.

1.7 "CO2E.COM BROKER" means an officer, director, agent, employee, service provider or representative of CO2e.com or its Affiliates or subsidiaries.

1.8 "CO2E.COM SERVICES" means the sponsoring of the Electronic Trading System and the provision (with the systems and technology support provided, or otherwise arranged, by eSpeed as contemplated hereby) of any one of, or any combination of, Broker Assisted Transaction Services, Clearance, Settlement and Fulfillment Services; Information Services; Additional E-Commerce Services; and Related Services.

1.9 "CLEARANCE, SETTLEMENT AND FULFILLMENT SERVICES" means all such services as are necessary to clear, settle and fulfill, or arrange settlement or fulfillment as a name give-up or other intermediary of, in accordance with customary market practice and in compliance with applicable regulatory requirements, a purchase and sale of a particular GHG Emission Reduction Unit, including, but not limited to, collection of money; arrangement of delivery of GHG Emission Reduction Units; receipt, delivery and maintenance of margin and collateral, if appropriate, dealing with issues relating to failures to receive or deliver payments or GHG Emission Reduction Units; and collection and payment of transfer or similar taxes, to the extent applicable to such GHG Emission Reduction Unit. Clearance, Settlement and Fulfillment Services may include, but are not limited to, acting as a riskless principal or other intermediary between the buyer and the seller of a GHG Emission Reduction Unit.

1.10 "CONVENTION" means the United Nations Framework Convention on Climate Change.

1.11 "DAMAGES" shall have the meaning ascribed to it in Section 7.1.

1.12 "ELECTRONIC ESPEED TRANSACTION SERVICES" means the effecting of transactions (other than Broker Assisted Transactions) involving a GHG Emission Reduction Unit in, on or through the Electronic Trading System. Electronic eSpeed Transaction Services do not include Clearance, Settlement and Fulfillment Services; Information Services (if any); Additional E-Commerce Services; Additional IT Services; Web Portal Transactions; or Related Services.

1.13 "ELECTRONIC TRADING SYSTEM" means the hardware, software, network infrastructure and other similar assets that are necessary or otherwise used to effect transactions on or through the electronic marketplace sponsored by CO2e.com, utilizing technology developed and provided by eSpeed, on or through which wholesale transactions in, and

purchases and sales of, GHG Emission Reduction Units, may be effected in whole or in part electronically.

1.14 "FORCE MAJEURE" shall have the meaning ascribed to it in Section 12.

1.15 "GHG EMISSIONS" means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perflurocarbons and any other gas substance that is the subject of the Convention and related protocols, treaties, agreements and instruments, or other gases, tradable renewable energy instruments, and other tradable environmental instruments subject to domestic, regional, or international regulation.

1.16 "GHG EMISSION REDUCTIONS" means a reduction in GHG Emissions.

1.17 "GHG EMISSION REDUCTION UNITS" means all rights, benefits, title and interest related, in whole or in part, to GHG Emission Reductions, or derivatives thereof, including futures contracts and options on futures contracts involving GHG Emission Reduction Units, whether in existence as of the date of this Agreement or arising in the future, without limitation:

1.17.1 any credit issued or granted by a Government Agency in connection with GHG Emission Reductions;

1.17.2 any tradable allowance or allocated pollution right issued or granted in connection with GHG Emission Reductions;

1.17.3 the sole right to claim credit in any reporting program established or maintained by any Government Agency for creation of GHG Emission Reductions;

1.17.4 the sole right to bank GHG Emission Reductions in any registry system established or maintained by any Government Agency or non-governmental organization or entity (a "GHG Emission Reductions Registry");

1.17.5 the sole right to any form of acknowledgment by a Governmental Agency that actions have been taken by a party or parties in connection with GHG Emission Reductions that result in the reduction, avoidance, sequestration or mitigation of GHG Emissions;

1.17.6 the sole right to use GHG Emission Reductions;

1.17.7 the sole right to any form of acknowledgment by a Government Agency to claim reduction from an emissions baseline when that baseline can be used for establishing a tradable GHG Emission allowance allocation, and that beneficial ownership in this reduction, avoidance, sequestration or mitigation or related tradable allowances can be;

1.17.8 banked for credit in the event of regulation requiring a party to reduce, avoid, compensate for or otherwise mitigate GHG Emissions;

1.17.9 claimed by a party for credit against that party's compliance requirement;

1.17.10 put to any other sanctioned use; or

1.17.11 transferred to another party for any reason;

1.17.12 the sole right to any form of acknowledgment by an International Agency in respect of GHG Emission Reductions including that the GHG Emission Reductions constitute tradable emissions reduction units; and

1.17.13 the sole right to any offset of anthropogenic GHG Emissions caused wholly or in part by the GHG Emission Reductions.

1.18 "GOVERNMENT AGENCY" means any national, international, federal, provincial, state, municipal, county, regional or local government or authority, and includes:

1.18.1 any department, commission, bureau, board, administrative agency or regulatory body of any government;

1.18.2 an International Agency;

1.18.3 any person or corporation acting as a Registrar in connection with a GHG Emission Reductions Registry; or

1.18.4 any person or corporation acting as an agent for a Governmental Agency.

1.19 "GOVERNMENT TAX" means the imposition of a special tax or surcharge by a Government Agency on the trading of GHG Emissions Reduction Units.

1.20 "GOVERNING LAW" shall have the meaning ascribed to it in Section 14.7.

1.21 "HOSTING SERVICES" means services provided by eSpeed to CO2e.com in the development, support and maintenance of CO2e.com's affiliated web portal.

1.22 "INDEMNIFIED PARTY" shall have the meaning ascribed to it in Section 7.3.

1.23 "INDEMNIFYING PARTY" shall have the meaning ascribed to it in Section 7.3.

1.24 "INFORMATION" means information relating to bids, offers or trades, or any other content, data or market information, that is input into, created by or otherwise resides on the Electronic Trading System.

1.25 "INFORMATION SERVICES" means the sale, license or other provision of Information to a Person with respect to the Electronic Trading System as a separate service not in connection with transactions by such Person on or through the Electronic Trading System.

1.26 "INFORMATION SERVICES REVENUES" means the revenues received by CO2e.com in connection with the sale of Information Services.

1.27 "INTELLECTUAL PROPERTY" means all patents, trademarks, trade secrets, service marks, trade names, labels, slogans, copyrights, drawings, designs, software, code, inventions, processes, procedures, research records, market surveys, and know-how, show-how and other intellectual property rights of the Person.

1.28 "INTERNATIONAL AGENCY" means any international commission, bureau, board, administrative agency or regulatory body responsible for measures to achieve objectives of the Convention.

1.29 "LOSS EVENT" shall have the meaning ascribed to it in Section 4.2.

1.30 "MATERIAL ADVERSE EFFECT" shall have the meaning ascribed to it in Section 6.3.

1.31 "NEW PRODUCTS" means any products that are not GHG Emission Reduction Unit, but which pursuant to the provisions of Section 3.3 the Parties agree will be treated as a GHG Emission Reduction Unit for purposes of this Agreement.

1.32 "PERSON" means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or governmental or regulatory authority or agency.

1.33 "PRICING DECISIONS" means the markups, markdowns, rates and schedules of commissions for Wholly Electronic eSpeed Transaction Services, Broker Assisted Transaction Services, Additional E-Commerce Services and Information Services discussed in Section 4.1(D)(iii), including any variation thereof, by way of rebate, discount or otherwise.

1.34 "PRIVATE LABEL SYSTEM" means the sale, license or other provision of eSpeed's Intellectual Property or Electronic Trading System for use by a person (other than eSpeed, CO2e.com or their Affiliates) for any purpose.

1.35 "PRIVATE LABEL SYSTEM REVENUES" means the revenues received in connection with the sale of a Private Label System.

1.36 "PRODUCT DECISIONS" means: (A) the definition of the GHG Emission Reduction Units; and (B) the rules relating to the mechanics of trading GHG Emission Reduction Units, and associated trading issues.

1.37 "PROPRIETARY INFORMATION" means any and all non-public information of a Person, whether in the form of, documents, software, reports, data, records, forms, or otherwise, including information relating to its market participants, trading information, financial data, statistical data, strategic business plans, services (or other proprietary data), pricing or pricing strategies, site usage, buyer and seller lists, buyer and seller information, information relating to governmental relations, discoveries, practices, processes, methods, trade secrets, marketing plans, technology, source codes, proprietary know-how, and other non-public confidential information of the Person or its Affiliates, customers, clients or suppliers that, in any case, is created, developed or discovered by and/or for a Person, or is acquired by a Person from others.

1.38 "PROVIDING PARTY" shall have the meaning ascribed to it in Section 13.1.

1.39 "RECEIVING PARTY" shall have the meaning ascribed to it in Section 13.1.

1.40 "RELATED SERVICES" means: (A) credit and risk management services; (B) services related to sales positioning of GHG Emission Reduction Units; (C) oversight of customer

suitability and regulatory compliance; and (D) such other services customary to brokerage operations.

1.41 "TRADING SIMULATION" means a fictional representation of existing, potential, or hypothetical GHG Emission Reduction Unit market(s) for use as an instructional, training, planning, or policy development tool to assist prospective market participants, developers, or policy makers to understand how GHG Emission Reduction Unit markets may operate.

1.42 "TRANSACTION REVENUES" means, collectively, Wholly Electronic eSpeed Transaction Services Revenues, Broker Assisted Transaction Services Revenues, Additional E-Commerce Services Revenues, Information Services Revenues, and other revenues, fees, commissions, spreads, markups, charges or similar amounts received, by eSpeed or CO2e.com in connection with effecting transactions on or through the Electronic Trading System.

1.43 "WEB PORTAL TRANSACTION" means any transaction involving GHG Emission Reduction Units or New Products which are not represented on the Electronic Trading System but are represented on CO2e.com's affiliated web portal.

1.44 "WHOLLY ELECTRONIC ESPEED TRANSACTION" means any Electronic eSpeed Transaction Service that is not a Broker Assisted Transaction.

1.45 "WHOLLY ELECTRONIC ESPEED TRANSACTION SERVICES REVENUES" means the fees, commissions, spreads, markups, charges or other similar amounts received by CO2e.com or eSpeed from a customer, directly or indirectly, in connection with Electronic eSpeed Transaction Services, less any Government Taxes actually paid by CO2e.com or eSpeed, but increased by any rebates or refunds received by CO2e.com or eSpeed in respect of such Government Taxes.

2. TERM. The term of this Agreement shall commence as of the date hereof and other than those provisions which by their express terms are terminable shall be perpetual (the "Term"). This Agreement, other than those provisions which expressly provide for termination, may not be terminated for any reason, except by the mutual agreement, in writing, of CO2e.com and eSpeed. The Parties hereby acknowledge that it is the express intent of each of the Parties hereto that the contractual obligations provided for herein shall be perpetual.

3. SERVICES AND RIGHTS TO INFORMATION.

3.1 eSPEED SERVICES.

3.1.1 eSpeed shall: (A) develop, own, operate and maintain the Electronic Trading System and other technology associated therewith and shall pay for and maintain control and ownership over all such technology and eSpeed's Intellectual Property and Proprietary Information related thereto; (B) be responsible for the provision of Electronic eSpeed Transaction Services to CO2e.com's customers; (C) provide Hosting Services to an affiliated web portal for CO2e.com; (D) provide, otherwise arrange for another entity or entities to provide, Additional IT Services to CO2e.com and the Electronic Trading System; (E) except to the extent eSpeed declines to provide Additional E-Commerce Services, be responsible for providing, or otherwise arrange for another entity or entities to provide, Additional E-Commerce Services to CO2e.com and the Electronic Trading System; (F) subject to Sections 3.3 and 3.4 below, have reasonable discretion as to the manner and means of operating the Electronic Trading System and providing Electronic eSpeed Transaction Services to CO2e.com's customers and brokers in connection therewith; (G) help develop, maintain and host Trading Simulations; and (H) for the avoidance of doubt, pay for and provide to CO2e.com those services indicated on Schedule A as being provided by eSpeed.

3.1.2 eSpeed shall provide CO2e.com with services at the same level as are provided by eSpeed to any other client or customer of eSpeed that utilizes the same hardware, software, network infrastructure and other similar assets that are utilized for the Electronic Trading System. In addition, at such time as GHG Emission Reduction Units are traded on the Electronic Trading System the Parties shall agree to appropriate qualitative service levels.

3.2 CO2E.COM SERVICES. CO2e.com shall: (A) be responsible for the provision of the Clearance, Settlement and Fulfillment Services and the Related Services as well as those portions of the Broker Assisted Transaction Services and Information Services not provided by eSpeed; (B) except as provided below with respect to Product Decisions and Pricing Decisions, have reasonable discretion as to the manner and means of providing the CO2e.com Services; (C) maintain its books and records; (D) retain all rights to data and information relating to its marketplace activities and (E) for the avoidance of doubt, pay for and provide at its own cost and expense those services indicated on Schedule A as being provided by CO2e.com. In that regard, CO2e.com will be the broker for all transactions in the matching systems and, in conjunction with eSpeed pursuant to Section 3.3, will determine the various non-discretionary parameters under which transactions match in the Electronic Trading System.

3.3 PRODUCT DECISIONS. Any Product Decision shall be made jointly by eSpeed and CO2e.com within 30 days. If the Parties are unable to agree on a particular Product Decision after good faith efforts to do so, then the final Product Decision shall be made by CO2e.com. Notwithstanding the foregoing, the definition and introduction of New Products shall require the prior written consent of eSpeed and CO2e.com.

3.4 PRICING DECISIONS. Any Pricing Decision shall be made jointly by eSpeed and CO2e.com; provided, however, after the initial Pricing Decisions are made, CO2e.com may increase or decrease the initial commission rates and data pricing by 10% (provided, however,

that in the event that, and for so long as, eSpeed is providing market hosting services to a third party that is a competitor of CO2e.com with respect to the trading of GHG Emissions Reduction Units CO2e.com may increase or decrease such rates and pricing by 40%). Notwithstanding the foregoing, CO2e.com shall have the right to decrease such commission rate and data pricing by greater than 40% to a level equal to the rates and pricing charged by such competitor (or by any Affiliate of eSpeed that is a competitor of CO2e.com with respect to the trading of GHG Emissions Reduction Units.)

3.5 JOINT COOPERATION. Without limiting the authority of the Parties in their respective areas of responsibility pursuant to Sections 3.1, 3.2, 3.3 and 3.4 above, the Parties recognize the importance of providing integrated and seamless service to CO2e.com's customers. Accordingly, the Parties shall consult diligently and in good faith, as and as often as necessary, to ensure that their respective services are properly integrated. Each Party agrees to comply in all material respects with all applicable laws, rates and regulations and each Party shall cooperate with the other in all regulatory compliance matters and in complying with applicable laws, rules and regulations.

3.6 RIGHTS TO INFORMATION. All Information shall be deemed Proprietary Information of CO2e.com and its sole property, which may be licensed by CO2e.com, in its discretion, to its customers solely for their internal use and not for distribution thereof, except as expressly provided herein.

3.7 REVIEW OF SERVICE LEVELS; BASKET.

3.7.1 eSpeed and CO2e.com shall establish a Compliance Committee (the "Compliance Committee") to be comprised of four members. eSpeed shall designate, in its sole discretion, two members to the Compliance Committee, and CO2e.com shall designate, in its sole discretion, two members to such Compliance Committee (provided that CO2e.com's designees shall be full-time employees of CO2e.com or of any of its wholly-owned subsidiaries, ultimate parent entities or wholly-owned subsidiaries of any of its ultimate parent entities). The act of a majority vote of the members of the Compliance Committee shall be the act of the Compliance Committee. The Compliance Committee shall meet promptly after notice is provided by CO2e.com to each member of the Compliance Committee of eSpeed's failure to meet a service level that are agreed to from time to time in accordance with Section 3.1.2 ("Service Level") by giving notice at least seven days prior to the meeting date. Any other meeting of the Compliance Committee may be called by any member of the Compliance Committee by giving notice to all of the members at least seven days prior to the meeting date. Members of the Compliance Committee may participate in a meeting by means of telephone if all persons participating in the meeting can hear each other at the same time. Written minutes shall be kept of all meetings of the Compliance Committee.

3.7.2 In the event that (i) eSpeed has failed to meet a Service Level (other than a failure resulting from force majeure) and (ii) such failure, either individually or together with other Service Level failures, is material to the operation of the Electronic Trading System (a "CO2e.com Technology Request Event"), CO2e.com shall be entitled to direct eSpeed to expend an amount reasonably commensurate with the Service Level failure giving rise to such direction, up to an amount equal to 10% of the Transaction Revenues

received by CO2e.com in the aggregate, for the preceding 12 month period (the "Basket"); provided, however, that at no time shall the Basket equal an amount in excess of $10 million or equal an amount less than $1 million for any and all Service Level failures during the Term of this Agreement on technology upgrades to the Electronic Trading System. Any such expenditures must be devoted to technology upgrades by eSpeed to the Electronic Trading System designed to address such Service Level failure. If CO2e.com shall have directed eSpeed to expend an amount from the Basket in order to address the Service Level failure, the Compliance Committee shall determine, by majority vote, the amount of funds which are appropriate for expenditure to rectify a Service Level failure and the nature of the technology upgrades that the funds are to be expended upon. The Compliance Committee shall further direct and instruct the spending of such amounts from the Basket, including the timing of such expenditures. The sole remedy for an eSpeed Service Level failure or a CO2e.com Technology Request Event shall be the ability of CO2e.com, as set forth above, to direct and instruct the spending of amounts from the Basket.

3.7.3 In the event that the Compliance Committee cannot agree as to eSpeed's performance of the Service Levels, the appropriate amount to be withdrawn from the Basket, and/or the nature or timing of the upgrades on which such amount is to be spent, as contemplated by subsection 3.7.2 above or on performance standards or expenditures required by this section, then the Compliance Committee shall submit such dispute to be resolved by binding arbitration. If there is a dispute as to the appropriate amount to withdraw from the Basket to correct a Service Level failure, then the Compliance Committee shall submit such dispute to binding arbitration as set forth below, but eSpeed shall nevertheless promptly spend the amount from the Basket which eSpeed deems appropriate to address the Service Level failure pending arbitration with respect to the balance which is under dispute.

(i) Conduct Of Arbitration, Authority Of The Arbitrators: Any such arbitration shall be governed by the Federal Arbitration Act and conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The construction, and interpretation of this Agreement, and all procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitrators. In deciding the substance of the Parties' dispute, the arbitrators shall refer to the Governing Law. It is agreed that the arbitrators shall have no authority to award treble, exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under state or federal law, or under the Federal Arbitration Act, or under the Commercial Arbitration Rules of the American Arbitration Association, and the Parties hereby waive their right, if any, to recover any such damages.

(ii) Forum For Arbitration And Selection Of Arbitrators: The arbitration proceeding shall be conducted in New York. Within 30 days of the notice of initiation of the arbitration procedure, each Party shall select one arbitrator. The two arbitrators shall each be a person who has over eight years professional experience and who has not previously been employed

by either Party and does not have a direct or indirect interest in either Party or the subject matter of the arbitration. The two arbitrators shall select a third arbitrator. If the two arbitrators can not agree upon a third arbitrator within thirty (30) days, then the third arbitrator shall be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The costs of arbitration shall be divided equally and each Party shall bear the costs of its own counsel fees with respect to such arbitration.

(iii) Confidentiality: To the fullest extent permitted by law, any arbitration proceeding and the arbitrators' award shall be maintained in confidence by the Parties.

3.8 LOCATION OF SYSTEM OPERATIONS. The Parties understand and agree that CO2e.com's system operations supported by eSpeed shall be conducted at a location mutually agreed upon by eSpeed and CO2e.com.

4. SHARING AND ALLOCATION OF REVENUES; PAYMENT FOR CERTAIN SERVICES.

4.1 REVENUES AND PAYMENTS.

(A) WHOLLY ELECTRONIC ESPEED TRANSACTIONS. Subject to Section 4.1(H) below, if a transaction is a Wholly Electronic eSpeed Transaction, then eSpeed will be entitled to 100% of the Wholly Electronic eSpeed Transaction Services Revenues and will pay to CO2e.com a fee of 50% of the Wholly Electronic eSpeed Transaction Services Revenues for providing Clearance, Settlement and Fulfillment Services; provided, however, that to the extent that exchange and third party fees are incurred with respect to a Wholly Electronic eSpeed Transaction, such fees shall be deducted from the determination of Wholly Electronic eSpeed Transaction Services Revenues.

(B) BROKER ASSISTED TRANSACTION SERVICES. Subject to Section 4.1(H) below, if a transaction is a Broker Assisted Transaction Services transaction, then CO2e.com will be entitled to 100% of the Broker Assisted Transaction Services Revenues and will pay to eSpeed a fee of (a) 15% of the Broker Assisted Transaction Services Revenues for transactions entered into on or prior to December 31, 2003 and (b) 20% of the Broker Assisted Transaction Services Revenues for transactions entered into on or after January 1, 2004 for the utilization of the Electronic Trading Systems in support of Broker Assisted Transaction Services, as well as for Hosting Services and Additional IT Services.

(C) ADDITIONAL E-COMMERCE SERVICES REVENUES. If a transaction is an Additional E-Commerce Services transaction, then CO2e.com will be entitled to 100% of the Additional E-Commerce Services Revenues and, if eSpeed has provided the Additional E-Commerce Services, will pay to eSpeed a fee of (a) 15% of the Additional E-Commerce Services Revenues if the Additional E-Commerce Services Transaction is entered into on or prior to December 31, 2002 and (b)) 20% of the Additional E-Commerce Services Revenue if the Additional E-Commerce Services Transaction is entered into on or after January 1, 2004 for the utilization of the Electronic Trading System in support of Additional E-Commerce Services.

(D) INFORMATION SERVICES REVENUES.

(i) If the Information Services transaction is the provision of Information to CO2e.com solely for it internal use, eSpeed shall not be entitled to a fee.

(ii) If the Information Services transaction is the sale by CO2e.com of Information to which CO2e.com has added value then CO2e.com will pay eSpeed an amount that is mutually agreed by the parties.

(iii) If the Information Services transaction is the sale by CO2e.com of Information in substantially the same form provided by eSpeed to CO2e.com, then CO2e.com will pay to eSpeed a fee of 50% of the revenues from such sale.

(E) PRIVATE LABEL SYSTEM. If a transaction is a Private Label System transaction, then eSpeed will be entitled to a fee, in an amount to be mutually agreed upon by the Parties, for the utilization of eSpeed's services in support of Private Label System Services; provided, however, that in the instance where the client requests additional product upgrades, or customization beyond that provided in standard Private Label Systems, eSpeed shall provide a price quotation to CO2e.com for such customization, which shall be added to that portion of the Private Label Revenues due eSpeed upon consummation of the sale. Pricing for any such customization shall be estimated in a manner at least as favorable to CO2e.com as eSpeed utilizes in pricing its analogous Private Label Services to third party purchasers.

(F) ADDITIONAL IT SERVICES. eSpeed shall provide Additional IT Services to CO2e.com hereunder at no additional cost or expense to CO2e.com. eSpeed may arrange for another entity or entities (subject to CO2e.com's reasonable approval) to provide Additional IT Services, eSpeed will be responsible for all fees, expenses and taxes, if any, payable to such other entity or entities for such services and CO2e.com shall be made a third-party beneficiary of any agreement between eSpeed and such other entity. In the event that (after consulting with eSpeed) CO2e.com arranges for another entity or entities to provide Additional IT Services, CO2e.com will be responsible for all fees, expenses and taxes, if any, payable to such entity or entities. CO2e.com or its designee shall be the lessee or owner of any equipment and hardware, and the licensee of any software, provided by a third party with respect to Additional IT Services.

(G) HOSTING SERVICE. eSpeed shall provide Hosting Services to CO2e.com hereunder at no additional cost or expense to CO2e.com. eSpeed may arrange for another entity or entities (subject to CO2e.com's reasonable approval) to provide Hosting Services, eSpeed will be responsible for all fees, expenses and taxes, if any, payable to such other entity or entities for such services and CO2e.com shall be made a third-party beneficiary of any agreement between eSpeed and such other entity. In the event that (after consulting with eSpeed) CO2e.com arranges for another entity or entities to provide Hosting Services, CO2e.com will be responsible for all fees, expenses and taxes, if any, payable to such entity or entities. CO2e.com or its designee shall be the lessee or owner of any equipment and hardware, and the licensee of any software, provided by a third party with respect to Hosting Services.

(H) ADJUSTMENTS TO REVENUE ALLOCATIONS. For any month, for any GHG Emission Reduction Units for which transactions during such month are effected both as Wholly

Electronic eSpeed Transactions and Broker Assisted Transactions and where Transaction Revenues are paid which are not specifically identifiable as either Wholly Electronic eSpeed Transaction Services Revenues or Broker Assisted Transaction Services Revenues (e.g. a fixed price arrangement with a CO2e.com customer covering both Electronic eSpeed Transaction Services and Broker Assisted Transaction Services), Transaction Revenues earned with respect to such GHG Emission Reduction Units shall be allocated between Wholly Electronic eSpeed transactions and Broker Assisted transactions as follows: the amount of Transaction Revenues attributable to Wholly Electronic eSpeed transactions or Broker Assisted transactions, as the case may be, for such GHG Emission Reduction Units during such month shall be equal to (i) total Transaction Revenues attributable to Wholly Electronic eSpeed transactions or Broker Assisted transactions, for such GHG Emission Reduction Units for such month multiplied by (ii) a fraction, the numerator of which is the notional volume (by currency) of all transactions in such specific GHG Emission Reduction Unit type for such month effected by Wholly Electronic eSpeed transactions or Broker Assisted transactions, as the case may be, and the denominator of which is the notional volume (by currency) of all transactions in such specific GHG Emission Reduction Unit type for such month.

4.2 CUSTOMER NON-PAYMENTS. In the event that a customer does not pay, or pays only a portion of, the Transaction Revenues relating to a transaction described in Section 4.1(A), (B), (C) and (D) above (each a "Loss Event" and collectively, the "Loss Events"), then CO2e.com shall bear the loss arising from the Loss Event and CO2e.com shall ensure (by way of direct payment or otherwise) that eSpeed receive its full share of the Transaction Revenues specified in
Section 4.1(A), (B), (C) and (D) for such transaction notwithstanding any such customer failure to pay. CO2e.com shall be provided with a grace period of up to 90 days for late payments by customers after which a Loss Event will be deemed to have occurred. CO2e.com shall use commercially reasonable efforts to diligently collect Transaction Revenues, and if Cantor Fitzgerald, L.P. or its affiliates are not then providing collection services for CO2e.com, eSpeed shall have the right to review, upon reasonable prior notice and during normal business hours, any outstanding accounts.

4.3 PAYMENT PROCEDURE. All amounts due and payable pursuant to this
Section 4 shall be paid in the manner specified in Section 9 below.

4.4 TAXES.

(A) Each Party shall be fully responsible for the payment of any and all taxes required by law to be paid by that Party, except for taxes on the other Party's net income.

(B) In the event that any tax is imposed on Transaction Revenues with respect to a transaction described in this Section 4 (other than a tax on net income), the cost of such tax shall be borne by the applicable Party in the same proportion as the applicable Transaction Revenues for such transaction are to be shared.

4.5 TERMINATION OF CERTAIN SERVICES.

(A) CO2e.com may, upon providing eSpeed with 180 days' prior written notice and granting eSpeed with an initial opportunity to provide Additional IT Services and eSpeed's rejection of such opportunity, arrange for another entity or entities to provide all of the Additional IT Services for CO2e.com. In the event that CO2e.com arranges for such other entity

or entities to provide Additional IT Services, CO2e.com will be responsible for all fees, expenses and taxes, if any, payable to such entity or entities. CO2e.com or its designee shall be the lessee or owner of any equipment and hardware, and the licensee of any software, provided by a third party with respect to Additional IT Services.

(B) CO2e.com may request that eSpeed provide Additional E-Commerce Services, as provided for hereunder, eSpeed may, within 30 days, refuse to provide such Additional E-Commerce Services. Upon such refusal by eSpeed, CO2e.com may arrange for another entity or entities to provide such Additional E-Commerce Services. In the event that CO2e.com arranges for another entity to provide Additional E-Commerce Services, CO2e.com will be responsible for all fees, expenses and taxes, if any, payable to such entity or entities. CO2e.com or its designee shall be the lessee or owner of any equipment and hardware, and the licensee of any software, provided by a third party with respect to Additional E-Commerce Services.

(C) CO2e.com may, upon approval of its board or other governance body and upon providing eSpeed with 180 days' prior written notice, arrange for another entity or entities to provide Hosting Services, either in whole or part for CO2e.com, provided that such arrangement will not in eSpeed's reasonable determination interfere with its Service Levels. In the event that CO2e.com arranges for such other entity or entities to provide Hosting Services, CO2e.com will be responsible for all fees, expenses and taxes, if any, payable to such entity or entities. CO2e.com or its designee shall be the lessee or owner of any equipment and hardware, and the licensee of any software, provided by a third party with respect to Hosting Services.

(D) Notwithstanding the foregoing, eSpeed shall continue to provide any services subject to such termination at the Service Levels provided herein until the effective date of such termination.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CO2E.COM. CO2e.com represents, warrants and covenants to eSpeed that:

5.1 ORGANIZATION. CO2e.com is duly organized, validly existing and in good standing under the laws of the state of its organization and has all requisite power and authority to carry on its business as now being conducted or proposed to be conducted.

5.2 AUTHORITY; BINDING EFFECT. CO2e.com has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary and appropriate action on the part of CO2e.com. This Agreement has been duly executed and delivered by CO2e.com and constitutes the legal, valid and binding obligation of CO2e.com, enforceable against it in accordance with its terms, except as such enforceability may be limited by or subject to any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity.

5.3 NO CONFLICTS. The execution and delivery of this Agreement by CO2e.com does not, and the consummation of the transactions contemplated hereby will not, (A) conflict with, or result in any violation or breach of, any provision of the Limited Liability Company Operating Agreement or the Certificate of Formation of CO2e.com, (B) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of

termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which CO2e.com is a party or by which it or any of its properties or assets may be bound (except for any such violations, breaches, defaults, conflicts or violations that, singly or in the aggregate would not have a material adverse effect on CO2e.com, eSpeed, or their properties, assets or their ability to perform their obligations under this Agreement ("Material Adverse Effect")), or (C) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to CO2e.com or any of its properties or assets (except for any such conflicts or violations as, singly or in the aggregate, would not have a Material Adverse Effect).

5.4 LITIGATION; NO UNDISCLOSED LIABILITIES. There is no litigation pending or, to CO2e.com's knowledge, threatened, which questions the validity or enforceability of this Agreement or seeks to enjoin the consummation of any of the transactions contemplated hereby.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF ESPEED. eSpeed represents, warrants and covenants to CO2e.com that:

6.1 ORGANIZATION. eSpeed is duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all requisite corporate power and authority to carry on its business as now being conducted or proposed to be conducted.

6.2 AUTHORITY; BINDING EFFECT. eSpeed has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary and appropriate corporate action on the part of eSpeed. This Agreement has been duly executed and delivered by eSpeed and constitutes the legal, valid and binding obligation of eSpeed, enforceable against it in accordance with its terms, except as such enforceability may be limited by or subject to any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity.

6.3 NO CONFLICTS. The execution and delivery of this Agreement by eSpeed does not, and the consummation of the transactions contemplated hereby will not, (A) conflict with, or result in any violation or breach of, any provision of the Certificate of Incorporation or Bylaws of eSpeed, (B) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which eSpeed is a party or by which it or any of its properties or assets may be bound (except for any such violations, breaches, defaults, conflicts or violations that, singly or in the aggregate would not have a Material Adverse Effect), or (C) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to eSpeed or any of its properties or assets (except for any such conflicts or violations as, singly or in the aggregate, would not have a Material Adverse Effect).

6.4 LITIGATION; NO UNDISCLOSED LIABILITIES. There is no litigation pending or, to eSpeed's knowledge, threatened, which questions the validity or enforceability of this Agreement or seeks to enjoin the consummation of any of the transactions contemplated hereby.

7. INDEMNIFICATION.

7.1 CO2E.COM'S INDEMNIFICATION OBLIGATIONS. Subject to the terms and conditions of this Section 7, CO2e.com agrees to defend, indemnify and hold eSpeed and eSpeed's stockholders, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees and representatives harmless from and against any and all third party claims, demands, actions, causes of actions, judgments, liabilities, losses, damages, expenses, penalties, fines, taxes, and reasonable expenses and costs (including reasonable attorneys' fees) (collectively, "Damages"), directly or indirectly arising out of, resulting from or relating to:

(A) Any unauthorized modification, misuse or other improper or unauthorized actions taken by CO2e.com, or any of CO2e.com's members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives, or any CO2e.com customers, with respect to the technologies of eSpeed and its subsidiaries and Affiliates;

(B) The negligence or willful misconduct of CO2e.com or its members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives or customers;

(C) CO2e.com's customers' claims and disputes;

(D) services, systems and technology support not provided, or otherwise arranged, by eSpeed; and

(E) any breach of any representation or warranty by CO2e.com under this Agreement.

7.2 eSpeed's Indemnification Obligations.

(A) Subject to the terms and conditions of this Section 7, eSpeed agrees to defend, indemnify and hold CO2e.com and CO2e.com's members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives and customers harmless from and against any and all Damages, directly or indirectly arising out of, resulting from or relating to:

(i) Any infringement of the Intellectual Property of any third party by eSpeed and its subsidiaries and Affiliates.

(B) Notwithstanding the foregoing, the indemnification provided in subsection (A) above shall not apply to any Damages, directly or indirectly arising out of, resulting from or relating to:

(i) Any unauthorized modification, misuse or other improper or unauthorized actions taken by CO2e.com, CO2e.com's members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives, or customers with respect to the systems or technology support provided by eSpeed and its Affiliates under this Agreement; and

(ii) The negligence or willful misconduct of CO2e.com or its members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives, or customers.

(C) Except as expressly provided herein, eSpeed shall exercise no control over, and accepts no responsibility for, the content of the Information passing through the Electronic Trading System. Use of any Information obtained via the Electronic Trading System shall be at CO2e.com's customers own risk. eSpeed specifically denies any responsibility for the accuracy or quality of Information obtained through its services. CO2e.com shall obtain, maintain, update and enforce such agreements with its customers, as are reasonably requested by eSpeed, to ensure that eSpeed is fully protected against liabilities arising from customer claims and disputes.

(D) Access to the Electronic Trading System will be provided by eSpeed on an "as is" basis, except as otherwise provided in Section 3.1.2. Except as expressly provided herein, eSpeed makes no warranties, representations, or guarantees as to merchantability, fitness for any particular purpose or otherwise with respect to the Electronic Trading System, its content, any hardware or software provided by eSpeed, the Additional IT Services being provided or arranged by eSpeed hereunder, or any other matter. Technical difficulties could be encountered in connection with the Electronic Trading System and/or the Additional IT Services. These difficulties could involve, among others, failures, delays, malfunctions, software erosion or hardware damage, which difficulties could be the result of hardware, software or communication link inadequacies or other causes. Such difficulties could lead to possible economic and/or data loss. Neither eSpeed nor its Affiliates or any of their respective employees shall be liable for any direct or indirect Damages of whatsoever nature or have any other liability to CO2e.com, including, without limitation, any such Damages for loss resulting or arising from delays, non-deliveries, misdeliveries or service interruptions or resulting or arising from using, accessing, installing, maintaining, modifying, deactivating or attempting to access the Electronic Trading System, providing Additional IT Services or otherwise.

(E) In case any one or more of the covenants and/or agreements of eSpeed set forth in this Agreement shall have been breached by eSpeed, CO2e.com's sole remedy shall be to protect and enforce its rights by proceeding in equity in an action for specific performance of any such covenant or agreement contained in this Agreement, and/or a temporary or permanent injunction. CO2e.com shall have no right to terminate this Agreement (other than those provisions which expressly provide for termination) or to pursue a claim for Damages in the event of any such breach or otherwise without the express written consent of eSpeed.

7.3 RISK ALLOCATION.

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY (NOR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER PARTY'S RIGHTS) FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND -- INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS OR LOSS OF DATA -- ARISING OUT OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION AS A RESULT OF ANY BREACH OF ANY WARRANTY OR OTHER TERM OF THIS AGREEMENT), REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

7.4 CLAIMS FOR INDEMNIFICATION; DEFENSE OF INDEMNIFIED CLAIMS. A Party entitled to indemnification pursuant to this Section 7 (an "Indemnified Party") shall provide written notice to the indemnifying party (the "Indemnifying Party") of any claim of such Indemnified Party for indemnification under this Agreement promptly after the date on which such Indemnified Party has actual knowledge of the existence of such claim. Such notice shall specify the nature of such claim in reasonable detail and the Indemnifying Party shall be given reasonable access to any documents or properties within the control of the Indemnified Party as may be useful or necessary in the investigation of the basis for such claim. The failure to so notify the Indemnifying Party shall not constitute a waiver of such claim except to the extent that the Indemnifying Party is materially prejudiced by such failure. If any Indemnified Party seeks indemnification hereunder based upon a claim asserted by a third party, then the Indemnifying Party shall have the right (without prejudice to the right of any Indemnified Party to participate at its expense through counsel of its own choosing) to defend such claim at its expense and through counsel of its own choosing (and reasonably acceptable to the Indemnified Party) if it gives written notice of its intention to do so no later than 20 days following notice thereof by an Indemnified Party; provided, however, that, if, in the reasonable opinion of counsel to the Indemnified Party, separate counsel is required because a conflict of interest would otherwise exist, the Indemnified Party shall have the right to select separate counsel to participate in the defense of such action on its behalf, at the expense of the Indemnifying Party; provided further, however, that the Indemnified Party shall always have the right to select one separate counsel to participate in the defense of such action on its behalf, at its own expense. If the Indemnifying Party does not so choose to defend any such claim asserted by a third party for which any Indemnified Party would be entitled to indemnification hereunder, then the Indemnified Party shall be entitled to recover from the Indemnifying Party all of the reasonable attorney's fees and other costs and expenses of litigation incurred in the defense of such claim. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, in any case be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Parties. Notwithstanding the assumption of the defense of any claim by an Indemnifying Party, the Indemnified Party shall have the right to approve the terms of any settlement of a claim (which approval shall not be unreasonably withheld or delayed) if such settlement (A) does not include as an unconditional term the giving by the claimant or the plaintiff to the Indemnified Party a release from all liability in respect to such claim or (B) requires anything from the Indemnified Party other than the payment of money damages which the Indemnifying Party has agreed to pay in full. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its prior written consent (not to be unreasonably withheld or delayed).

8. RELATIONSHIP OF THE PARTIES. The relationship of CO2e.com and eSpeed is that of independent contractors. Pursuant to this Agreement, CO2e.com and eSpeed intend to render separate but related services to customers and to divide certain of the revenues arising from those services, but the Parties do not intend to share profits or losses (except as expressly provided in Sections 4.1 and 4.2 above and including with respect to a Loss Event as set forth in Section 4.2) or to enter into or create any partnership, and no partnership or other like arrangement shall be deemed to be created hereby. Neither CO2e.com nor eSpeed shall have any claim against the other or right of contribution with respect to any uninsured loss incurred by the other nor shall either Party have a claim or right against the other with respect to any loss that is deemed to be included within the deductible, retention or self-insured portion of any insured risk.

9. INVOICING AND BILLING.

9.1 CO2e.com shall pay to eSpeed, within 5 business days of collection, the amounts due and owing to eSpeed (determined in the manner provided in
Section 4 above).

9.2 eSpeed shall invoice CO2e.com for charges for services rendered pursuant to Section 4.1(E) above on a monthly basis as incurred, such invoices to be delivered to CO2e.com by eSpeed within 15 days after the end of each calendar month. CO2e.com shall pay to eSpeed the respective amounts owing for such services provided under this Agreement within 30 days after receipt of invoice.

9.3 CO2e.com agrees that time shall be of the essence with respect to any payments due under this Section 9.

10. DOCUMENTATION. All Transaction Revenues and other benefits hereunder shall be substantiated by and payments thereof shall be preceded or accompanied by, as applicable, appropriate schedules, invoices or other documentation.

11. FORCE MAJEURE. If either Party is rendered unable, wholly or in part, by force majeure not reasonably within its control, to perform or comply with any obligation of this Agreement, upon giving notice and reasonably full particulars to the other Party, such obligation shall be suspended during the continuance and to the extent of the inability so caused (and any such failure to perform or comply shall not be deemed to constitute a breach of any kind whatsoever), provided obligations to make payments then due hereunder shall not be suspended, and provided further that the cause of suspension shall be remedied so far as possible with reasonable dispatch.

The term "force majeure" shall include, without limitation, acts of God; hurricanes, tornadoes or like adverse weather of unusual amount, intensity or duration; fire; accidents; equipment failures; utility or transportation interruptions; labor disputes, lockouts, strikes and other industrial, civil or public disturbance; war and war-like operations; invasions; rebellions; hostilities; sabotage; obtaining of required permits or approvals (provided prompt and proper application there for is made); compliance with any laws, orders, rules, or regulations; inability to obtain third-party cooperation; acts of restraints of government or governmental bodies, courts or authorities, civil or military; and other matters beyond the reasonable control of the applicable party.

12. PROPRIETARY INFORMATION.

12.1 In consideration of a Party furnishing (the "Providing Party") Proprietary Information (as defined below) to the other Party (the "Receiving Party"), CO2e.com and eSpeed agree that the Providing Party's Proprietary Information will be kept confidential by the Receiving Party, will not be disclosed to any other person, and will be used by the Receiving Party only for purposes consistent with the performance of this Agreement. The Receiving Party shall use the same care and discretion to avoid disclosure, publication or dissemination as it uses with its own similar information that it does not wish to disclose, publish or disseminate, and in any case no less than reasonable care, to safeguard the Providing Party's Proprietary Information from unauthorized disclosure. The Receiving Party shall inform each of its Representatives receiving the Proprietary Information of the confidential nature of the Proprietary Information and shall direct such Representatives to treat the Proprietary Information confidentially in

accordance with each of the terms and conditions of this Agreement, and the Receiving Party shall be responsible for any use of the Proprietary Information by its Representatives inconsistent with this Agreement. Without the prior written consent of the Providing Party and subject to the other provisions of this Agreement, the Receiving Party will not, and will direct its Representatives not to, disclose to any third person that any Proprietary Information has been made available from the Providing Party.

12.2 If the Receiving Party is required pursuant to legal process to disclose any of the Providing Party's Proprietary Information or any discussions between the Parties, the Receiving Party will promptly notify the Providing Party to permit it to seek a protective order or take other appropriate action. The Receiving Party will cooperate in the Providing Party's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the Proprietary Information or discussions between the Parties. If, in the absence of a protective order, the Receiving Party or any of its Representatives is, in the written opinion of counsel addressed to it, compelled as a matter of law to disclose the Proprietary Information or the discussions between the Parties, the Receiving Party may disclose to the Person compelling disclosure only that part of the Proprietary Information or the discussions as is required by law to be disclosed.

12.3 The Receiving Party will promptly notify the Providing Party in writing if any information comes to the attention of any of its Representatives, which information may indicate there was or is likely to be a loss of confidentiality of any portion of the Providing Party's Proprietary Information. The Receiving Party shall, at the Providing Party's expense, use reasonable efforts to retrieve the lost or wrongfully disclosed Proprietary Information and to prevent further unauthorized disclosure or loss of any Proprietary Information.

12.4 Notwithstanding the foregoing, it is understood that any information known or available in the trade or otherwise in the public domain, through no act or failure to act by the Receiving Party or its Representative(s), or previously and lawfully known to the Receiving Party or subsequently lawfully acquired by the Receiving Party from third parties not under any obligation of confidentiality or secrecy to the Providing Party, will not be deemed to be Proprietary Information.

12.5 The Parties acknowledge and understand that this Agreement does not limit or restrict the ability of either Party to engage in its respective business, nor does it limit either Party's use or application of any information or knowledge acquired or developed independently without breach of this Agreement in the course of such business.

12.6 Each Party acknowledges that any breach or violation of this Section 12 cannot be sufficiently remedied by money damages alone and, accordingly, the Providing Party will be entitled, in addition to damages and any other remedies provided by law, to seek specific performance, injunctive and other equitable relief respecting any such violation.

12.7 For purposes of this Agreement, "Representatives" shall include each of the Parties and their respective members, subsidiaries, officers, directors, Affiliates, agents, attorneys, employees, representatives, or customers.

12.8 Each Party agrees that each of the covenants regarding Proprietary Information contained in this Section 12 is a reasonable covenant under the circumstances, and further agrees

that if, in the opinion of any court of competent jurisdiction, any such covenant is not reasonable in any respect, such court shall have the right, power and authority to excise or modify such provision or provisions of such covenant as to the court shall appear not reasonable and to enforce the remainder of the covenants in this Section 12 as so amended.

12.9 Neither Party will possess or assert any lien or security interest against or in the other Party's Proprietary Information. No licenses are granted in either Party's Proprietary Information except as expressly set forth in this Agreement. Each Party will return the other Party's Proprietary Information promptly upon request.

12.10 The provisions of this Section 12 shall survive the expiration or termination of this Agreement for a period of three years.

13. MISCELLANEOUS.

13.1 EXCLUSIVITY. During the Term, eSpeed shall be the sole and exclusive provider of Electronic Transaction Services to CO2e.com. Nothing in this Agreement shall prevent eSpeed from participating in other markets (whether non-electronic, fully-electronic or partially-electronic) or providing services similar or comparable to the Electronic Transaction Services provided by eSpeed hereunder to any other market (whether non-electronic, fully-electronic or partially-electronic).

13.2 BINDING NATURE; ASSIGNMENT. This Agreement and all the covenants herein contained shall be binding upon the Parties, their respective successors and permitted assigns. No Party shall have the right to assign all or any portion of its rights, obligations or interests in this Agreement or any monies which may be due pursuant hereto without the prior written consent of the other Party, which consent may not be unreasonably withheld except as provided below:

13.2.1 eSpeed may assign its rights, obligations or interests under this Agreement, in whole or in part, to a 90%-owned subsidiary of eSpeed or its Affiliate; provided, further, however, that such assignment shall not relieve eSpeed from its obligations hereunder.

13.2.2 CO2e.com may assign its rights, obligations or interests under this Agreement, in whole or in part, to a trading subsidiary that may be established in the future, and that may have a different ownership than CO2e.com. In addition CO2e.com may assign its rights, obligations and interests under this Agreement to a successor that is effectuating an initial Public Offering.

13.3 WAIVER; AMENDMENTS. This Agreement may be amended, modified, superseded, canceled or renewed, and the terms or covenants hereof may be waived, only by a written instrument executed by all of the Parties hereto or, in the case of a waiver, by the Party waiving compliance. Except as otherwise specifically provided in this Agreement, no waiver by either Party hereto of any breach by the other Party of any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of a similar or dissimilar provision or condition at the same or at any prior or subsequent time.

13.4 ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement of the Parties with respect to the services and benefits described herein, and cancels and supersedes any

and all prior written or oral contracts or negotiations between the Parties with respect to the subject matter hereof.

13.5 SEVERABILITY. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement.

13.6 CONSTRUCTION. This Agreement shall be strictly construed as independent from any other agreement or relationship between the Parties.

13.7 GOVERNING LAW. This Agreement is made pursuant to and shall be governed and construed in accordance with the laws of the State of New York, without regard to the principles of conflict of laws thereof. Each Party hereto (A) hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any court of the State of New York or any federal court sitting in the State of New York for purposes of any suit, action or other proceeding arising out of this Agreement or the subject matter hereof brought by any Party, (B) hereby waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (C) hereby waives in any such action, suit, or proceeding any offsets or counterclaims or any right to a jury trial. Each Party hereby consents to service of process by certified mail at the address set forth in Section 14.10 below and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party hereto. Final judgment against any party, in any action, suit or proceeding shall be conclusive, and may be enforced in other jurisdictions (A) by suit, action or proceeding on the conclusive evidence of the fact and of the amount of any indebtedness or liability of the party therein described or (B) in any other manner provided by or pursuant to the laws of such other jurisdiction.

13.8 HEADINGS. The descriptive headings in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

13.9 FURTHER ASSURANCES. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intended purposes of this Agreement.

13.10 NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered personally or sent by facsimile transmission, overnight courier, or certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission (provided that a confirmation copy is sent by overnight courier), two days after deposit with an overnight courier, or if mailed, five days after the date of deposit in the United States mails, as follows:

If to eSpeed:

135 East 57th Street
New York, New York 10022
Attention: General Counsel
Facsimile: (212) 829-4708

If to CO2e.com:

One America Square
London EC3N 2LS
Attention: Steve Drummond
Facsimile: +44 20 7894 8334

The address of any Party may be changed on notice to the other Party duly served in accordance with the foregoing provisions.

13.11 NOTIFICATION FAILURE. The failure of either Party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not be considered a waiver of any other term or condition of this Agreement.

13.12 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of a telecopied version of one or more signatures on this Agreement shall be deemed adequate delivery for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names by their respective officers duly authorized, as of the date first written above.

ESPEED, INC.

By: /s/ Howard Lutnick

Name: Howard Lutnick
Title: President

CO2E.COM, LLC

By: /s/ Steve Drummond

Name: Steve Drummond
Title: CEO

SCHEDULE A

Allocation of Costs

	CO2e.com	eSpeed
Development of systems based on eSpeed proprietary technology		X
Web based technology:		
o build, programming, functionality, useability testing		X
o branding & design	X	
o content, including e.g. media subscriptions, etc.	X	
o database technologies		X
o images		X
o webtrends, search engine technology research		X
o subscription search engine positioning services	X	
o content management systems		X
Hosting, including all hardware and software, red-alert & keynote monitoring		X
Backups and backup systems		X
24 hour by 7 days a week management of all security, infrastructure and monitoring of critical network and communication services, including regular security audits of all CO2e.com applications		X
Bandwidth for connecting CO2e.com offices at Cantor/eSpeed locations plus other CO2e.com office locations by prior agreement; dial-ups; software licensing for website development and other CO2e.com applications (e.g. Perforce, Visual Studio)		X
Enterprise software licensing (eg. All that that is already covered by eSpeed site license agreements)		X
Software licensing for administration and sales (e.g. Act).	X	

AMENDMENT NO. 2 TO THE
AMENDED AND RESTATED JOINT SERVICES AGREEMENT

This Amendment No. 2 to the Amended and Restated Joint Services Agreement between Cantor Fitzgerald, L.P., on behalf of itself and its direct and indirect, current and future, subsidiaries, other than eSpeed, Inc. and its direct and indirect, current and future, subsidiaries, and eSpeed, Inc., on behalf of itself and its direct and indirect, current and future subsidiaries, dated as of April 1, 2001 (the "JSA"), as amended by Amendment No.1, dated January 30, 2002, is made as of this 11th day of October 2002. Capitalized terms used herein and not defined herein shall have the meanings ascribed in the JSA.

W I T N E S S E T H:

WHEREAS, pursuant to the JSA, the eSpeed Parties and the Cantor Parties agreed, among other things, to collaborate in providing brokerage services to customers through the then existing Electronic Marketplaces, and in creating and developing Electronic Marketplaces for new Financial Products and other Products;

WHEREAS, CFLP has formed CO2e.com, LLC, a Delaware limited liability company ("CO2e"), which engages in the business of sponsoring a real-time Electronic Emissions Marketplace (as defined below) and affiliated web portal, which may be accessed directly through fully electronic means or through brokers via telephone, in and through which buyers and sellers of GHG Emission Reduction Units (as defined below) may effect transactions in those GHG Emission Reduction Units;

WHEREAS, in connection with the formation of CO2e, concurrently with the execution of this Amendment, eSpeed will enter into a Services Agreement with CO2e pursuant to which eSpeed will generally provide, among other things, the global technology infrastructure for the transaction elements of the Electronic Emissions Marketplace;

WHEREAS, concurrently with the execution of this Amendment, CFLP will enter into an Administrative Services Agreement with CO2e pursuant to which CFLP will generally provide CO2e with certain services, including, without limitation, office space, personnel and corporate services, such as cash management, internal audit, facilities management, promotional sales and marketing, legal, payroll, benefits administration and other administrative services;

WHEREAS, in accordance with the terms and conditions of the JSA, eSpeed's and CFLP's provision of services to CO2e is subject to the terms and conditions of the JSA; and

WHEREAS, the parties to the JSA desire to amend the JSA to allow for such provision of services.

NOW THEREFORE, in consideration of the premises, mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Cantor Parties and the eSpeed Parties hereby agree as follows:

1. Section 1 of the JSA hereby is amended to incorporate the following Defined Terms in their appropriate alphabetical order:

"CO2e" means CO2e.com, LLC and its subsidiaries.

"Convention" means the United Nations Framework Convention on Climate Change.

"Electronic Emissions Marketplace" means the marketplace and affiliated web portal sponsored by CO2e on or through which wholesale transactions in, and purchases and sales of, GHG Emission Reduction Units and derivatives thereof, including futures contracts and options on futures contracts involving GHG Emission Reduction Units (and related services) may be effected in whole or in part electronically.

"Emissions Government Agency" means any national, international, federal, provincial, state, municipal, county, regional or local government or authority, and includes: (i) any department, commission, bureau, board, administrative agency or regulatory body of any government; (ii) an Emissions International Agency; (iii) any person or corporation acting as a Registrar in connection with a GHG Emission Reductions Registry; or (iv) any person or corporation acting as an agent for an Emissions Governmental Agency.

"Emissions International Agency" means any international commission, bureau, board, administrative agency or regulatory body responsible for measures to achieve objectives of the Convention.

"GHG Emissions" means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perflurocarbons and any other gas substance that is the subject of the Convention and related protocols, treaties, agreements and instruments, or other gases, tradable renewable energy instruments, and other tradable environmental instruments subject to domestic, regional, or international regulation.

"GHG Emission Reductions" means a reduction in GHG Emissions.

"GHG Emission Reduction Units" means all rights, benefits, title and interest related, in whole or in part, to GHG Emission Reductions, or derivatives thereof, including futures contracts and options on futures contracts involving GHG Emission Reduction Units, whether in existence as of the date of this Agreement or arising in the future, without limitation: (i) any credit issued or granted by an Emissions Government Agency in connection with GHG Emission Reductions; (ii) any tradable allowance or allocated pollution right issued or granted in connection with GHG Emission Reductions; (iii) the sole right to claim credit in any reporting program established or maintained by any Emissions Government Agency for creation of GHG Emission Reductions;
(iv) the sole right to bank GHG Emission Reductions in any registry system established or maintained by any Emissions Government Agency or non-governmental organization or entity (a "GHG Emission Reductions Registry"); (v) the sole right to any form of acknowledgment by an Emissions Governmental Agency that actions have been taken by a party or parties in connection with GHG Emission Reductions that result in the reduction, avoidance, sequestration or mitigation of GHG Emissions; (vi) the sole right to use GHG Emission

Reductions; (vii) the sole right to any form of acknowledgment by an Emissions Government Agency to claim reduction from an emissions baseline when that baseline can be used for establishing a tradable GHG Emission allowance allocation, and that beneficial ownership in this reduction, avoidance, sequestration or mitigation or related tradable allowances can be; (viii) banked for credit in the event of regulation requiring a party to reduce, avoid, compensate for or otherwise mitigate GHG Emissions; (ix) claimed by a party for credit against that party's compliance requirement; (x) put to any other sanctioned use; or (xi) transferred to another party for any reason;
(xii) the sole right to any form of acknowledgment by an Emissions International Agency in respect of GHG Emission Reductions including that the GHG Emission Reductions constitute tradable emissions reduction units; and (xiii) the sole right to any offset of anthropogenic GHG Emissions caused wholly or in part by the GHG Emission Reductions.

"TradeSpark" means TradeSpark, L.P.

2. The following Defined Terms in Section 1 of the JSA hereby are amended and replaced in their entirety with the following:

"Ancillary IT Services" means technology support services (other than in respect of the Electronic Energy Marketplace and the Electronic Emissions Marketplace), including, but not limited to, (i) systems administration, (ii) internal network support, (iii) support and procurement for desktops of Cantor Party end-user equipment, (iv) operations and disaster recovery services, (v) voice communications,
(vi) support and development of systems for Clearance, Settlement and Fulfillment Services, (vii) systems support for Cantor Party brokers, and (viii) electronic applications systems and network support and development for Unrelated Dealer Businesses; provided that Ancillary IT Services does not include the provision of desktop hardware for use by Cantor Party employees.

"Collaborative Marketplace" means an Electronic Marketplace that is operated by a Cantor Party and an eSpeed Party in collaboration pursuant to Section 3 of this Agreement. All Marketplaces shall be Collaborative Marketplaces, unless otherwise determined in accordance with this Agreement. In no event shall the Electronic Energy Marketplace, the Electronic Emissions Marketplace or a marketplace involved in a Gaming Business or an Unrelated Dealer Business be deemed to be a Collaborative Marketplace for purposes of this Agreement.

"Electronic Marketplace" means a Marketplace on which transactions in, and purchases and sales of, Products may be effected in whole or in part electronically, but does not include a Marketplace that is merely electronically assisted, such as screen assisted open outcry. In no event shall the Electronic Energy Marketplace, the Electronic Emissions Marketplace or a marketplace involved in a Gaming Business or an Unrelated Dealer Business be deemed to be an Electronic Marketplace for purposes of this Agreement.

"Financial Product" means any financial asset or financial instrument, any intangible commodity or any tangible fungible commodity, including, but not limited to, any security, futures contract, foreign exchange transaction, swap transaction, credit derivative, repurchase or reverse repurchase obligation, currency or swap (as currently

defined in the Federal Bankruptcy Code of 1978) or any option or derivative on any of the foregoing; provided that in no event shall (x) any Energy Product traded on the Electronic Energy Marketplace or any derivative thereof, including futures contracts and options on futures contracts involving Energy Products traded on the Electronic Energy Marketplace or (y) any GHG Emission Reduction Unit traded on the Electronic Emissions Marketplace or any derivative thereof, including futures contracts and options on futures contracts involving GHG Emission Reduction Units traded on the Electronic Emissions Marketplace, be considered a Financial Product, or (z) any product traded in a marketplace involving a Gaming Business or an Unrelated Dealer Business be considered a Financial Product.

"Marketplace" means a marketplace operated or to be operated by the Cantor Parties and/or the eSpeed Parties in and through which buyers and sellers of a Product may effect transactions in the Product. In no event shall the Electronic Energy Marketplace, the Electronic Emissions Marketplace or a marketplace involved in a Gaming Business or an Unrelated Dealer Business be deemed to be a Marketplace for purposes of this Agreement.

"Product" means any tangible or intangible asset or good, other than (x) an Energy Product traded on the Electronic Energy Marketplace or any derivative thereof, including futures contracts and options on futures contracts involving Energy Products traded on the Electronic Energy Marketplace, (y) a GHG Emission Reduction Unit traded on the Electronic Emissions Marketplace or any derivative thereof, including futures contracts and options on futures contracts involving GHG Emission Reduction Units traded on the Electronic Emissions Marketplace or (z) a product traded in a marketplace involving a Gaming Business or an Unrelated Dealer Business.

3. Section 7(f) of the JSA hereby is amended and replaced in its entirety with the following:

No eSpeed Party shall, directly, indirectly or in connection with a third Person, engage in any activities competitive with a business activity now or hereafter conducted by a Cantor Party or provide or assist any other Person in providing any Cantor Service, other than (i) in collaboration with a Cantor Party pursuant to Section 3 of this Agreement, (ii) with respect to a new Marketplace involving a Financial Product, after CFLP (x) has indicated that it is unable or unwilling to provide such Cantor Service or (y) fails to indicate to the eSpeed Party within the prescribed 30-day period that it does wish to provide such Cantor Service with respect to that Marketplace in accordance with paragraph (d) of this Section 7, (iii) with respect to a new Marketplace involving a Product that is not a Financial Product, an Energy Product traded on the Electronic Energy Marketplace or a GHG Emission Reduction Unit traded on the Electronic Emissions Marketplace in accordance with paragraph (c) or paragraph (e) of this Section 7, (iv) with respect to an Unrelated Dealer Business in which an eSpeed Party develops and operates a fully electronic Marketplace, (v) with respect to the Electronic Energy Marketplace, or (vi) with respect to the Electronic Emissions Marketplace. No eSpeed Party shall, directly, indirectly or in connection with a third Person, engage in or otherwise provide services for any Gaming Business, or engage in or otherwise provide

services for any activities that are not within the definition of Gaming Business but would be if so designated by a Cantor Party, as set forth in the definition of Gaming Business herein, without the prior written consent of CFLP.

4. Section 7(g) of the JSA hereby is amended and replaced in its entirety with the following:

No Cantor Party shall, directly, indirectly or in connection with a third Person, provide or assist any other Person in providing Electronic Brokerage Services, other than (i) in collaboration with eSpeed pursuant to Section 3 of this Agreement, (ii) with respect to a new Marketplace, after eSpeed (x) has indicated that it is unable to develop and put into operation an Electronic Trading System with respect to that new Marketplace in accordance with paragraph (a) of this Section 7 or (y) has declined to exercise its right of first refusal or is unable to develop and put into operation an Electronic Trading System with respect to that new Marketplace in accordance with paragraph (b) of this Section 7, including, without limitation, the time period specified therein, (iii) with respect to an Unrelated Dealer Business, (iv) with respect to the Electronic Energy Marketplace, (v) with respect to the Electronic Emissions Marketplace or (vi) with respect to a Gaming Business.

5. Section 7(i) of the JSA hereby is amended and replaced in its entirety with the following:

The Cantor Parties and the eSpeed Parties shall be entitled to and may enter into strategic alliances, joint ventures, partnerships or similar arrangements with Persons and consummate Business Combinations with Persons (all of the foregoing, collectively, "Alliance Opportunities") on the following basis only. If an Alliance Opportunity (i) relates to a Person that directly or indirectly provides Cantor Services and engages in business operations that do not involve Electronic Brokerage Services, then any Cantor Party shall be entitled to consummate a transaction with respect to such an Alliance Opportunity, (ii) relates to a Person that directly or indirectly provides Electronic Brokerage Services and engages in business operations that do not involve any Cantor Service, then any eSpeed Party shall be entitled to consummate a transaction with respect to such an Alliance Opportunity and (iii) is an Alliance Opportunity with respect to a Person other than those described in clauses (i) and (ii) above, then the Cantor Parties and the eSpeed Parties shall cooperate to jointly pursue and consummate a transaction with respect to such Alliance Opportunity on mutually agreeable terms, provided, however that any Alliance Opportunity with TradeSpark with respect to the Electronic Energy Marketplace shall not be considered an Alliance Opportunity and any such Alliance Opportunity with TradeSpark with respect to the Electronic Energy Marketplace shall be specifically permitted in accordance with the terms and conditions agreed to by any eSpeed Party or any Cantor Party, and any Alliance Opportunity with CO2e with respect to the Electronic Emissions Marketplace shall not be considered an Alliance Opportunity and any such Alliance Opportunity with CO2e with respect to the Electronic Emissions Marketplace shall be specifically permitted in accordance with the terms and conditions agreed to by any eSpeed Party or any Cantor Party. For purposes of this paragraph, a "Business Combination" shall mean, with respect to any Person (other than TradeSpark

with respect to the Electronic Energy Marketplace and other than CO2e with respect to the Electronic Emissions Marketplace), a transaction initiated by and/or in which a Cantor Party or an eSpeed Party is the acquiror involving (i) a merger, consolidation, amalgamation or combination, (ii) any sale, dividend, split or other disposition of any capital stock or other equity interests (or securities convertible into or exchangeable for or options or warrants to purchase any capital stock or other equity equivalents) of the Person, (iii) any tender offer (including without limitation a self-tender), exchange offer, recapitalization, liquidation, dissolution or similar transaction, (iv) any sale, dividend or other disposition of a significant portion of the assets and properties of the Person (even if less than all or substantially all of such assets or properties), and (v) entering into of any agreement or understanding, or the granting of any rights or options, with respect to any of the foregoing.

6. Notwithstanding anything else contained herein or in the JSA to the contrary, in no event shall eSpeed's or CFLP's direct or indirect relationship with CO2e with respect to the Electronic Emissions Marketplace be deemed to be a violation of the JSA.

7. Except as expressly set forth herein, the JSA shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Amendment No. 2 to be executed in their respective names by their respective officers thereunto duly authorized, as of the date first written above.

CANTOR FITZGERALD, L.P.,
on behalf of itself and its direct and
indirect, current and future,
subsidiaries, other than eSpeed, Inc.
and its current and future, subsidiaries

By: CF Group Management, Inc.,
its Managing General Partner

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: President

ESPEED, INC.,
on behalf of itself and its direct and
indirect, current and future,
subsidiaries

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman, Chief Executive Officer and President

INTELLECTUAL PROPERTY RIGHTS FURTHER ASSURANCES AGREEMENT

WHEREAS, eSpeed, Inc., a Delaware corporation, located at 135 East 57th Street, New York, NY 10022 ("eSpeed"), acting as an administrative agent in accordance with that certain Administrative Services Agreement between eSpeed and Cantor Fitzgerald, L.P., obtained on behalf of CO2e.com (as defined below) and currently holds legal title to the trademarks both common and registered, domain names and other property listed on Exhibit A annexed hereto;

WHEREAS, CO2e.com, LLC, a Delaware Limited Liability Company, located at 135 East 57th Street, New York, NY 10022 ("CO2e.com") desires to acquire said legal title to all of the items listed on Exhibit A; and

WHEREAS, eSpeed is prepared to transfer legal title to all of the items listed on Exhibit A to CO2e.com as soon as it is practicable for it to do so, and is hereby providing assurance to CO2e.com that it shall transfer said legal title.

NOW THEREFORE:

1. Upon request, but in any event as soon as is reasonably practicable, eSpeed agrees that it will execute or arrange for execution of such assignment document or documents as may be required, if any, from eSpeed and its predecessors (or predecessors in title) to enable CO2e.com to record the assignment to CO2e.com of the property listed on Exhibit A.

2. CO2e.com agrees to pay or reimburse eSpeed for all administrative costs and necessary expenses and filing fees required in order to effectuate such transfer, and eSpeed is not seeking payment of any other fee by CO2e.com for the transfer from eSpeed to CO2e.com or for the use by CO2e.com of the property on Exhibit A prior to transfer.

3. eSpeed and CO2e.com each acknowledges that MB Emission Trading, Inc. and Mitsui & Co. (U.S.A.), Inc. are intended third party beneficiaries of this agreement and that no modification or waiver of or to any provision of this agreement shall be valid unless eSpeed and CO2e.com shall have obtained the prior written consent of both MB Emission Trading, Inc. and Mitsui & Co. (U.S.A.), Inc., which consent shall not be unreasonably withheld.

4. This agreement is made pursuant to and shall be governed and construed in accordance with the laws of the State of New York.

IN TESTIMONY WHEREOF, the parties caused this Agreement to be executed by its duly authorized officers this 11th day of October 2002.

eSpeed, Inc.	*CO2e.com, LLC*
/s/ Howard W. Lutnick	*/s/ Steve Drummond*
Name: Howard W. Lutnick	*Name: Steve Drummond*
Title: President	*Title: CEO*
Date: October 11, 2002	*Date: October 11, 2002*

EXHIBIT A

TRADEMARK	APPLICATION/REG. NO.	LOCATION
CO2E	849407	AUSTRALIA
CO2E	76/088,002	UNITED STATES
CO2E	001878834	CTM*
CO2E		JAPAN

DOMAIN NAMES

CO2E.BIZ

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* CTM INCLUDES AUSTRIA, BENELUX, DENMARK, FINLAND, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN, SWEDEN AND UNITED KINGDOM.

WARRANT AGREEMENT

between

eSpeed, Inc.

and

Exchange Brokerage Systems Corp.

Dated as of September 13, 2001

WARRANT AGREEMENT

This Warrant Agreement (this "Agreement") is entered into as of September 13, 2001 between eSpeed, Inc., a Delaware corporation ("eSpeed"), and Exchange Brokerage Systems Corp., a New York corporation ("EBS").

W I T N E S S E T H

WHEREAS eSpeed has entered into a Purchase Agreement, dated as ofAugust 7, 2001, with EBS (the "Purchase Agreement"), providing for the purchase by eSpeed of certain intellectual property rights owned by EBS;

WHEREAS the Purchase Agreement provides that eSpeed will issue to EBS 15,000 warrants (the "Warrants"), each Warrant entitling the holder to purchase initially one share of eSpeed Class A Common Stock (as hereinafter defined) subject to adjustment, upon the terms and subject to the conditions hereinafter set forth; and

WHEREAS eSpeed is duly authorized to create and issue the Warrants as herein provided;

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth, the parties hereby agree as follows:

Section 1. Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated.

(a) "Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person at the time at which the determination of affiliation is made.

(b) "Business Day" means any day other than a Saturday, Sunday or a day on which banks are generally not open for business in the City of New York.

(c) "Close of Business" on any given date shall mean 5:00 P.M., New York City time, on such date; provided, however, that if such date is not a Business Day, it shall mean 5:00 P.M., New York City time, on the next succeeding Business Day.

(d) "Closing Date" means the date hereof.

(e) "Closing Price" with respect to a share of eSpeed Class A Common Stock on any day means the last reported sale price on that day during regular trading hours or, in case no reported sale takes place on such day, the average of the last reported bid and asked prices, regular way, on that day during regular trading hours, in either case, as reported in the consolidated transaction reporting system with respect to securities reported on Nasdaq or, if the

shares of eSpeed Class A Common Stock are not then quoted on Nasdaq, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares of eSpeed Class A Common Stock are then listed or admitted to trading or, if the shares of eSpeed Class A Common Stock are not quoted on Nasdaq and then not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices during regular trading hours on such other nationally recognized quotation system then in use, or, if on any such day the shares of eSpeed Class A Common Stock are not quoted on any such quotation system, the average of the closing bid and asked prices as furnished by a professional market maker selected by the Board of Directors of eSpeed making a market in the shares of eSpeed Class A Common Stock. If the shares of eSpeed Class A Common Stock are not then publicly held or so listed, quoted or publicly traded, the term "Closing Price" means the fair market value of a share of eSpeed Class A Common Stock, as determined in good faith by the Board of Directors of eSpeed.

(f) "Current Market Price" has the meaning set forth in Section 10(a).

(g) "Dollars" and "$" mean U.S. dollars.

(h) "eSpeed Class A Common Stock" means the Class A common stock, par value $0.01 per share, of eSpeed.

(i) "Exercise Period" means the period at any time after the Closing Date and ending at the Close of Business on the 10 year anniversary of the Closing Date.

(j) "Purchase Agreement" has the meaning set forth in the recitals hereto.

(k) "Nasdaq" means The Nasdaq Stock Market.

(l) "Person" means any corporation (including a limited or unlimited liability company), general or limited partnership, joint venture, estate, trust, association, organization or other entity or governmental or regulatory authority or agency.

(m) "Securities Act" means the U.S. Securities Act of 1933 or any successor U.S. federal statute, and the rules and regulations of the U.S. Securities Exchange Commission or any successor authority promulgated thereunder, all as the same shall be in effect from time to time.

(n) "Share Rate" has the meaning set forth in Section 2(a).

(o) "Trading Day " means any day on which Nasdaq is open for the transaction of business.

(p) "Warrant Certificate" has the meaning set forth in Section 2(b).

(q) "Warrantholder" means a holder of a Warrant Certificate.

(r) "Warrants" has the meaning set forth in the recitals hereto.

Section 2. Issue of Warrants and Form of Warrant Certificates

(a) A total of 15,000 Warrants are hereby created and authorized to be issued hereunder upon the terms and conditions herein set forth, and shall be executed by eSpeed, each Warrant entitling the registered holder thereof to acquire a number of shares of eSpeed Class A Common Stock for each such Warrant (the "Share Rate"), subject to adjustment as provided herein, at an initial Share Rate of one share of eSpeed Class A Common Stock for each Warrant.

(b) The certificate representing the Warrants, including the form of election to purchase eSpeed Class A Common Stock (the "Warrant Certificate"), shall be substantially in the form of Exhibit I hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as eSpeed may deem appropriate and as are not inconsistent with the provisions of this Agreement or as may be required to comply with any law or with any rule or regulation made pursuant thereto, or to conform to usage. Subject to the provisions of Section 14, the Warrant Certificate, when issued, shall be dated the Closing Date and on its face shall entitle the holders thereof to purchase such number of shares of eSpeed Class A Common Stock at an initial price per share of $10.83 (the "Exercise Price"), payable in cash; provided that such number of shares and the Exercise Price shall be subject to the adjustments provided in this Agreement.

Section 3. Signature and Registration

The Warrant Certificate shall be executed on behalf of eSpeed by its Chief Executive Officer, Vice Chairman or President, either manually or by facsimile signature, and have affixed thereto eSpeed's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of eSpeed, either manually or by facsimile signature.

Section 4. Transfer; Mutilated, Destroyed, Lost or Stolen Warrant Certificate

(a) EBS shall not sell, transfer, assign, hypothecate, pledge, hedge or otherwise convey the Warrants or any portion thereof issued, whether by dividend, distribution or otherwise, except in accordance with the terms hereof.

(b) Upon receipt by eSpeed of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of a Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security satisfactory to eSpeed, and reimbursement to eSpeed of all reasonable expenses incidental thereto, and upon surrender to eSpeed and cancellation of the Warrant Certificate if mutilated, eSpeed shall make and deliver a new Warrant Certificate of like tenor to the registered holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated.

Section 5. Exercise of Warrants; Exercise Price; Expiration Date of Warrants

(a) On the Closing Date, 15,000 Warrants represented by a Warrant Certificate will be issued and registered in the name of EBS.

(b) A Warrant may be exercised only during the Exercise Period.

(c) During the Exercise Period and subject to paragraph (d) below, the registered holder of any Warrant Certificate may exercise the Warrants evidenced thereby in whole or in part upon surrender of the Warrant Certificate, with the form of election to purchase thereof duly executed, to eSpeed at its principal office, together with payment of the Exercise Price in immediately available funds for each share of eSpeed Class A Common Stock for which the Warrants are exercised. Each Warrant not exercised during the Exercise Period shall become void, and all rights under the applicable unexercised Warrant Certificates and all rights under this Agreement shall cease as of such time.

(d) Upon receipt of a Warrant Certificate, with the form of election to purchase duly executed, accompanied by payment of the Exercise Price for the shares of eSpeed Class A Common Stock to be purchased and an amount equal to any applicable tax or governmental charges referred to in Section 16 in cash, or by certified check or bank draft payable to the order of eSpeed, eSpeed shall thereupon promptly (i) requisition from any transfer agent of the eSpeed Class A Common Stock certificates for the number of whole shares of eSpeed Class A Common Stock to be purchased, (ii) pay an amount of cash required to be paid in lieu of the issuance of fractional shares and (iii) after receipt of such certificates, cause the same to be delivered to or upon the order of the registered Warrantholder, registered in such name or names as may be designated by such Warrantholder, and when appropriate, after receipt promptly deliver such cash to or upon the order of the registered Warrantholder.

(e) In case any registered Warrantholder exercises less than all Warrants evidenced by a Warrant Certificate, a new Warrant Certificate evidencing the Warrants equivalent to the Warrants remaining unexercised shall be issued by eSpeed to such registered Warrantholder or to his or her duly authorized assigns, subject to the provisions of Section 10.

Section 6. eSpeed Class A Common Stock Record Date

Each Person in whose name any certificate for shares of eSpeed Class A Common Stock is issued upon the exercise of Warrants shall for all purposes be deemed to have become the holder of record for the eSpeed Class A Common Stock represented thereby on, and such certificate shall be dated the date upon which the Warrant Certificate evidencing such Warrants was duly surrendered and payment of the Exercise Price (and any applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the eSpeed Class A Common Stock transfer books of eSpeed are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the eSpeed Class A Common Stock transfer books of eSpeed are open.

Section 7. Adjustments

The number and kind of securities purchasable upon the exercise of the Warrants and the Exercise Price thereof shall be subject to adjustment from time to time after the date hereof as follows:

(a) Stock Dividends. In case shares of eSpeed Class A Common Stock are issued as a dividend or other distribution on the eSpeed Class A Common Stock (or such

dividend is declared), then the Exercise Price shall be adjusted, as of the date a record is taken of the holders of eSpeed Class A Common Stock for the purpose of receiving such dividend or distribution (or if no such record is taken, as at the earliest of the date of such declaration, payment or other distribution), to that price determined by multiplying the per share Exercise Price in effect immediately prior to such declaration, payment or other distribution by a fraction of which (i) the numerator shall be the number of shares of eSpeed Class A Common Stock outstanding immediately prior to the declaration or payment of such dividend or other distribution, and (ii) the denominator shall be the total number of shares of eSpeed Class A Common Stock outstanding immediately after the declaration or payment of such dividend or other distribution.

(b) Adjustment of Aggregate Number of Shares Issuable. Upon each adjustment of the per share Exercise Price under the provisions of this Section 7, the Share Rate shall be adjusted to the nearest whole number to an amount determined by multiplying the number of eSpeed Class A Common Stock issuable prior to such adjustment by a fraction (i) the numerator of which is the per share Exercise Price in effect immediately prior to the event causing such adjustment and (ii) the denominator of which is the adjusted per share Exercise Price.

(c) For purposes of this Section 7, the number of shares of Class A Common Stock at any time outstanding shall not include any shares thereof then directly or indirectly owned or held by or for the account of eSpeed.

(d) Notwithstanding anything in this Section 7 to the contrary, no adjustment in the Exercise Price or number of shares of eSpeed Class A Common Stock issuable upon exercise of a Warrant shall be required unless such adjustment would require an increase or decrease in the Exercise Price then in effect of at least 1%; provided, however, that any such amount shall be carried forward and an adjustment in respect thereof shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amounts so carried forward, shall aggregate an increase or decrease of 1% or more.

(e) All Warrants originally issued by eSpeed prior to any adjustment made to the Exercise Price pursuant to this Section 7 shall evidence the right to purchase, at the adjusted Exercise Price, the number of shares of eSpeed Class A Common Stock purchasable from time to time hereunder upon exercise of the Warrants, all subject to further adjustment as provided herein.

(f) Irrespective of any adjustment or change in the Exercise Price or the number of shares of eSpeed Class A Common Stock issuable upon the exercise of the Warrants, the Warrant Certificates theretofore issued may continue to express the Exercise Price per share and the number of shares which were expressed upon the initial Warrant Certificates issued under this Agreement.

(g) In any case in which this Section 7 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, eSpeed may elect to defer until the occurrence of such event the issuance to the holder of any Warrant exercised after such record date of the shares of eSpeed Class A Common Stock; provided, however, that

eSpeed shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(h) eSpeed shall be entitled, but not required, to make such reductions in the Exercise Price, in addition to those expressly required by this Section 7, as and to the extent that it in its sole discretion may determine to be advisable in order that any event treated for Federal income tax purposes as a distribution of stock or stock rights shall not be taxable to the recipients.

(i) eSpeed shall be entitled, but not required, to make such reductions in the Exercise Price, in addition to those expressly required by this Section 7, as and to the extent that it in its sole discretion shall determine to be advisable, including, without limitation, in order that any dividend in or distribution of shares of eSpeed Class A Common Stock or shares of capital stock of any class other than eSpeed Class A Common Stock, subdivision, reclassification or combination of shares of eSpeed Class A Common Stock, issuance of rights or warrants, or any other transaction having a similar effect, shall not be treated as a distribution of property by eSpeed to its stockholders under Section 305 of the Internal Revenue Code of 1986, as amended, or any successor provision and shall not be taxable to them.

Section 8. Adjusted Exercise Price or Share Rate

With respect to adjustments in the Exercise Price or the Share Rate as provided in Section 7 or 9:

(a) eSpeed shall (i) prepare a certificate setting forth the Exercise Price as so adjusted or the number of shares of eSpeed Class A Common Stock issuable upon exercise of each Warrant as so adjusted, and a brief statement of the facts accounting for such adjustment and (ii) mail a brief summary thereof to each holder of Warrants.

(b) The adjustments shall, in the case of any adjustment to the Share Rate, be computed to the nearest one one-hundredth of a share of eSpeed Class A Common Stock, and in the case of any adjustments in the Share Rate and/or Exercise Price, apply cumulatively to successive subdivisions, consolidations, distributions, issuances or other events resulting in any adjustment.

(c) In the event of any question arising with respect to adjustments to the number and kind of securities purchasable upon the exercise of the Warrants or the Exercise Price, or any other adjustments applicable to the Warrants contemplated by the Warrant Agreement, such question shall be conclusively determined by eSpeed's auditors or, if they are unable or unwilling to act, by such firm of chartered accountants as is appointed by eSpeed and acceptable to EBS. Such accountants shall have access to all necessary records of eSpeed and such determination shall be binding upon eSpeed and the Warrantholders absent manifest error.

(d) If and whenever eSpeed shall take any action affecting or relating to the eSpeed Class A Common Stock, other than any action described in Section 7 or
Section 9, which in the opinion of the directors would prejudicially affect the rights of any holders of Warrants,

the Share Rate and/or Exercise Price will be adjusted by the Board of Directors in such manner, if any, and at such time, as the Board of Directors may in its sole discretion determine to be equitable in the circumstances to such holders.

Section 9. Reclassification, Consolidation, Merger, Combination, Sale or Conveyance

(a) In the event of a reorganization, share exchange or reclassification in which the holders of eSpeed Class A Common Stock are entitled to receive stock, securities or property with respect to or in exchange of eSpeed Class A Common Stock, other than a change in the par value, or from par value to no par value, or from no par value to par value of eSpeed Class A Common Stock or a transaction described in subsection (b) or (c) below, the Warrants shall thereafter be exercisable into the kind and number of shares of stock or other securities or other property of eSpeed which EBS would have been entitled to receive if EBS had held the eSpeed Class A Common Stock issuable upon the exercise of the Warrants immediately prior to such reorganization, share exchange or reclassification. The provisions of this Section 9 shall similarly apply to successive reorganizations and reclassifications.

(b) In the event of a merger or consolidation to which eSpeed is a party or the sale of all or substantially all of the assets of eSpeed, the Warrants shall, after such merger, consolidation or sale, be exercisable for the kind and number of shares of stock and/or other securities, cash or other property which EBS would have been entitled to receive if EBS had held the eSpeed Class A Common Stock issuable upon exercise of the Warrants immediately prior to such merger, consolidation or sale. The provisions of this Section 9 shall similarly apply to successive mergers and transfers.

(c) In case outstanding shares of eSpeed Class A Common Stock shall be subdivided, the per share warrant price shall be proportionately reduced as of the effective date of such subdivision, or as of the date a record is taken of the holders of eSpeed Class A Common Stock for the purpose of so subdividing, whichever is earlier. In case outstanding shares of eSpeed Class A Common Stock shall be combined, the per share warrant price shall be proportionately increased as of the effective date of such combination, or as of the date a record is taken of the holders of eSpeed Class A Common Stock for the purpose of so combining, whichever is earlier.

Section 10. Fractional Warrants and Fractional Shares of eSpeed Class A Common Stock

(a) eSpeed shall not be required to issue fractions of Warrants or to distribute Warrant Certificates which evidence fractional Warrants. In lieu of such fractional Warrants, there shall be paid to the Persons to whom Warrant Certificates representing such fractional Warrants would otherwise be issuable an amount in cash (without interest) equal to the product of such fraction of a Warrant multiplied by the Current Market Price per whole Warrant. The "Current Market Price" per share of eSpeed Class A Common Stock (or per Warrant) on any date shall be deemed to be the average of the daily Closing Prices per share of eSpeed Class A Common Stock for the 10 consecutive Trading Days immediately prior to such date.

(b) eSpeed shall not be required to issue fractions of shares of eSpeed Class A Common Stock upon exercise of Warrants or to distribute stock certificates that evidence fractional shares of eSpeed Class A Common Stock. In lieu of fractional shares, there shall be paid to the registered holders of Warrant Certificates at the time such Warrant Certificates are exercised as herein provided an amount in cash (without interest) equal to the product of such fractional part of a share of eSpeed Class A Common Stock multiplied by the Current Market Price per share of eSpeed Class A Common Stock.

(c) Each holder of a Warrant Certificate, by accepting the same, shall be deemed to waive his or her right to receive any fractional Warrant or any fractional share of eSpeed Class A Common Stock upon exercise of a Warrant.

Section 11. Right of Action

Rights of action in respect of this Agreement are vested in any registered Warrantholder, and any registered Warrantholder may enforce, and may institute and maintain any suit, action or proceeding against eSpeed to enforce, or otherwise act in respect of, such rights of such Warrantholder.

Section 12. Agreement of Warrant Certificate Holders

The holder of the Warrant Certificate, by accepting the same, shall be deemed to consent and agree with eSpeed that:

(a) the Warrant Certificate is not transferable without the consent of eSpeed; the Warrant Certificate is transferable only on the registry books of eSpeed if surrendered at the principal office of eSpeed, duly endorsed or accompanied by a proper instrument of transfer, and only in accordance with this Agreement; and

(b) eSpeed may deem and treat the Person in whose name the Warrant Certificate is registered as the absolute owner thereof and of the Warrants evidenced thereby (notwithstanding any notations of ownership or writing on the Warrant Certificate made by anyone other than eSpeed) for all purposes whatsoever, and eSpeed shall not be affected by any notice to the contrary.

Section 13. Warrant Certificate Holder Not Deemed a Stockholder

No holder, as such, of the Warrant Certificate shall be entitled to vote, receive dividends or distributions on, or be deemed for any purpose the holder of, eSpeed Class A Common Stock or any other securities of eSpeed which may at any time be issuable on the exercise or conversion of the Warrants represented thereby, nor shall anything contained in this Agreement or in the Warrant Certificate be construed to confer upon the holder of the Warrant Certificate, as such, any of the rights of a stockholder of eSpeed or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 15), or to receive dividends or distributions

or subscription rights, or otherwise, until the Warrant or Warrants evidenced by the Warrant Certificate shall have been exercised in accordance with the provisions of this Agreement.

Section 14. Issuance of New Warrant Certificates

Notwithstanding any of the provisions of this Agreement or of the Warrants to the contrary, eSpeed may, at its option, issue a new Warrant Certificate or Warrant Certificates evidencing Warrants in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price in accordance with this Agreement and the number or kind or class of shares of stock or other securities or property purchasable under the Warrant Certificate made in accordance with the provisions of this Agreement.

Section 15. Notice of Proposed Actions

If at any time, (i) eSpeed shall declare a stock dividend (or any other distribution except for cash dividends) on eSpeed Class A Common Stock; (ii) there shall be any capital reorganization or reclassification of eSpeed Class A Common Stock, or any consolidation or merger to which eSpeed is a party, or any sale or transfer of all or substantially all of the assets of eSpeed; or (iii) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of eSpeed; then in any one or more of such cases, eSpeed shall give written notice to EBS, not less than 10 days before any record date or other date set for definitive action, or of the date on which such reorganization, reclassification, sale, consolidation, merger, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall also set forth such facts as shall indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the current per share warrant price and the kind and amount of eSpeed Class A Common Stock and other securities and property deliverable upon exercise of the Warrants. Such notice shall also specify the date (to the extent known) as of which the holders of eSpeed Class A Common Stock or record shall be entitiled to exchange their eSpeed Class A Common Stock for securities or the property deliverable upon such reorganization, reclassification, sale, consolidation, merger, dissolution, liquidation or winding up, as the case may be.

Section 16. Reservation and Availability of Shares of eSpeed Class A Common Stock or Cash; Taxes

(a) eSpeed hereby covenants and agrees that, from and after the Closing Date until the termination of the Exercise Period, it shall cause to be reserved and kept available out of its authorized and unissued shares of eSpeed Class A Common Stock or its authorized and issued shares of eSpeed Class A Common Stock held in its treasury, free from preemptive rights, the number of shares of eSpeed Class A Common Stock that will be sufficient to permit the exercise in full of all outstanding Warrants.

(b) eSpeed shall not be responsible for any tax or governmental charge that may be payable in connection with the issuance or delivery of the Warrant Certificate, the transfer of the Warrant Certificate or the issuance or delivery of certificates for eSpeed Class A Common Stock to a Warrantholder. In addition, eSpeed shall not be required to issue or deliver any certificate for shares of eSpeed Class A Common Stock upon the exercise of any Warrant until any such tax or governmental charge shall have been paid (any such tax or governmental

charge being payable by the holder of such Warrant Certificate at the time of surrender) or until it has been established to eSpeed's satisfaction that no such tax or governmental charge is due.

Section 17. Notices

Notices or demands authorized by this Agreement to be given or made by either party to this Agreement shall be deemed given (x) on the date delivered, if delivered personally, (y) on the second Trading Day following the deposit thereof with Federal Express or another recognized overnight courier, if sent by Federal Express or another recognized overnight courier, and (z) on the sixth Trading Day following the mailing thereof with postage prepaid, if mailed by registered or certified mail (return receipt requested), in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) If to eSpeed, to:

eSpeed, Inc. 135 East 57th Street New York, NY 10022

Attention: President
fax: (212) 829-4708

and to

Attention: General Counsel
fax: (212) 829-4708

(ii) If to EBS, to the address of EBS as shown on the registry books of eSpeed.

Section 18. Supplements and Amendments

(a) eSpeed may from time to time supplement or amend this Agreement without the approval of EBS in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or to make any other provisions with regard to matters or questions arising hereunder which eSpeed may deem necessary or desirable, all of which shall not adversely affect the interests of EBS.

(b) Except as otherwise provided herein, the provisions of this Agreement may be amended and eSpeed may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if eSpeed has obtained the prior written consent of EBS.

Section 19. Successors

All covenants and provisions of this Agreement by or for the benefit of eSpeed shall bind and inure to the benefit of its respective successors and assigns.

Section 20. Benefits of this Agreement

Nothing in this Agreement shall be construed to give any Person other than eSpeed and the registered Warrantholder any legal or equitable right, remedy or claim under this Agreement.

Section 21. Governing Law

This Agreement and the Warrant Certificate issued hereunder shall be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that any matters herein within the purview of the General Corporation Law of the State of Delaware shall be governed by, and construed in accordance with, that law.

Section 22. Captions

The captions of the sections of this Agreement have been inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 23. Termination

This Agreement shall terminate on the fifteenth day following the earlier to occur of (i) the end of the Exercise Period and (ii) the date on which there remains no Warrant outstanding.

Section 24. Counterparts

This Agreement may be executed in counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ESPEED, INC.

By: /s/ Howard W. Lutnick

Authorized Officer

EXCHANGE BROKERAGE SYSTEMS CORP.

By: /s/ David Lawrence

Authorized Officer

Exhibit I

FORM OF WARRANT CERTIFICATE

Certificate No. 1 15,000 Warrants

NOT EXERCISABLE AFTER September 13, 2011

Warrant Certificate

eSPEED, INC.

NEITHER THESE WARRANTS NOR THE SHARES OF CLASS A COMMON STOCK ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND NEITHER THESE WARRANTS NOR SUCH SHARES MAY BE SOLD, ENCUMBERED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT, AND, IF AN EXEMPTION SHALL BE APPLICABLE, THE HOLDER SHALL HAVE DELIVERED AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

This certifies that Exchange Brokerage Systems Corp. ("EBS") or its registered assigns, is the registered owner of the number of Warrants set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Warrant Agreement, dated as of September 13, 2001 (the "Warrant Agreement"), between eSpeed, Inc., a Delaware corporation ("eSpeed"), and EBS to purchase from eSpeed during the Exercise Period at the principal office of eSpeed in New York City, during regular business hours, the number of shares of Class A common stock, par value $0.01 per share, of eSpeed ("eSpeed Class A Common Stock") represented hereby at a price per share of eSpeed Class A Common Stock, payable in cash only, equal to Ten Dollars and Eighty Three Cents (US $10.83) (the "Exercise Price"), in each case upon presentation and surrender of this Warrant Certificate with the Form of Election to Purchase duly executed. The number of Warrants evidenced by this Warrant Certificate (and the number of shares of eSpeed Class A Common Stock which may be purchased upon exercise thereof) set forth above and the Exercise Price set forth above are the number and Exercise Price based on the shares of eSpeed Class A Common Stock as constituted at such date. As provided in the Warrant Agreement, the Exercise Price and the number of shares of eSpeed Class A Common Stock which may be purchased upon the exercise of the Warrants evidenced by this Warrant Certificate are subject to modification and adjustment upon the occurrence of certain events.

Terms defined in the Warrant Agreement, and not otherwise defined herein, shall have, for the purposes of this Warrant Certificate, the meanings ascribed to them in the Warrant Agreement. This Warrant Certificate is subject to all of the terms, provisions and conditions of

the Warrant Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Warrant Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of eSpeed and the holders of the Warrant Certificates. Copies of the Warrant Agreement are on file at the above-mentioned office of eSpeed. After 5:00 P.M., New York City time, on the last Business Day of the Exercise Period, all Warrants evidenced by this Warrant Certificate shall become null and void and of no value.

Neither this Warrant Certificate nor any of the Warrants represented by this Warrant Certificate may be sold, transferred, assigned, hypothecated, pledged or otherwise conveyed by EBS or its registered assigns, except as expressly permitted in the Warrant Agreement.

If this Warrant Certificate shall be exercised in part, the holder hereof shall be entitled to receive upon surrender hereof another Warrant Certificate or Warrant Certificates for the number of Warrants not exercised.

eSpeed shall make a cash payment in lieu of issuing fractional Warrants or fractional shares of eSpeed Class A Common Stock, as provided in the Warrant Agreement.

No holder of this Warrant Certificate, as such, shall be entitled to vote, receive dividends or distributions on, or be deemed for any purpose the holder of eSpeed Class A Common Stock or of any other securities of eSpeed which may at any time be issuable on the exercise hereof, nor shall anything contained in the Warrant Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of eSpeed or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as expressly provided in the Warrant Agreement), or to receive dividends or subscription rights, or otherwise, until the Warrant or Warrants evidenced by this Warrant Certificate shall have been exercised as provided in the Warrant Agreement.

WITNESS the facsimile signatures of the proper officers of eSpeed. Dated as of September 13, 2001.

ATTEST:	ESPEED, INC.
	By:
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Secretary	President

Exhibit II

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to
exercise the Warrant Certificate.)

To: eSpeed, Inc.,

The undersigned hereby irrevocably elects to exercise _____ Warrants represented by this Warrant Certificate to purchase the shares of eSpeed Class A Common Stock issuable upon the exercise of such Warrants and requests that Certificates for such shares of eSpeed Class A Common Stock be issued in the name of and delivered to:

Please insert Social Security
or other identifying number

(Please print name and address)

If such number of Warrants shall not be all the Warrants evidenced by this Warrant Certificate, a new Warrant Certificate for the balance remaining of such Warrants shall be registered in the name of and delivered to:

(Please print name and address)

Dated:

Signature
(Signature must conform in all
respects to name of holder as
specified on the face of this
Warrant Certificate)

Signature Guaranteed:

Exhibit 99

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RELATING TO A PERIODIC REPORT CONTAINING FINANCIAL STATEMENTS

Each of Howard W. Lutnick, Chief Executive Officer, and Jeffrey M. Chertoff, Chief Financial Officer, of eSpeed, Inc., a Delaware corporation (the "Company"), hereby certifies that:

(1) The Company's periodic report on Form 10-Q for the period ended September 30, 2002 (the "Form 10-Q") fully complies with the requirements of
Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

CHIEF EXECUTIVE OFFICER	*CHIEF FINANCIAL OFFICER*
/s/ Howard W. Lutnick	*/s/ Jeffrey M. Chertoff*
Howard W. Lutnick	*Jeffrey M. Chertoff*
Date: November 13, 2002	*Date: November 13, 2002*
