

CALIFORNIA COMPANIES SAY 'CAP AND TRADE' IS PREFERRED METHOD FOR EMISSIONS REDUCTION

Businesses Assess California's Global Warming Solutions Act

New York – December 4, 2006 – An overwhelming majority of respondents to a Cantor Fitzgerald Brokerage, L.P. survey of California businesses said the best way to meet California's greenhouse gas (GHG) reduction goal is through a cap and trade program. 91% percent of businesses that were surveyed said that California should develop a cap and trade program in order to meet the requirements of the Global Warming Solutions Act which was signed by Governor Schwarzenegger in September. The act requires Californians to reduce GHG emissions up to 25% by 2020.

Cap and trade is a market based policy tool that has successfully been used to make dramatic environmental gains in the U.S., Europe, and around the world. A cap and trade program sets an aggressive limit on emissions, allows businesses the freedom to choose exactly how they will comply, and requires regulators to ensure that the reductions are made. This approach is different than the traditional method, which requires the government to understand and describe in minute detail exactly how each and every business should reduce emissions.

Josh Margolis, Managing Director of Cantor Fitzgerald Brokerage said, "It is a bold new world out there. Helping save the environment and operating a successful and profitable business are very compatible objectives. Business leaders recognize that the Global Warming Solutions Act, if wisely implemented, can be a valuable solution to the greenhouse gas problem. Air quality entrepreneurs are lining up – competing with each other – to figure out how to turn waste streams into profit streams. Cantor Fitzgerald looks forward to providing market places where business can transact GHG reductions and do their part to get the job done."

Over half the survey participants who are likely to be affected by the new law said the management of GHG emissions is highly important to their company, and two-thirds indicated that the law will affect their California operations.

If a market-based approach to reducing emissions is implemented, 80% of companies surveyed by Cantor believe they will reduce emissions onsite and/or buy reductions

Respondents also estimated the value of GHG emission credits will increase significantly by 2020. On average, they thought that GHG allowances that are useable to satisfy California's prospective requirements may cost \$27 dollars/ton in 2012 and may increase to more than \$39 dollars/ton in 2020.

"Interestingly," Margolis commented, "there are plenty of reductions that may be useable for compliance purposes at prices well below the survey respondents' estimates."

The survey also underscored that a significant amount of uncertainty currently exists among California businesses about how the GHG law will be executed. The California Air Resources Board (CARB), which is responsible for implementing the new law, is holding a series of public hearings.

Do you have an opinion on how California should address its global warming challenge? Cantor Fitzgerald Brokerage encourages you to participate in their online GHG Survey by visiting www.emissionstrading.com.

About The Global Warming Solutions Act

California's Global Warming Solutions Act, is the nation's first economy-wide cap on Greenhouse Gas (GHG) emissions. Unlike the Regional Greenhouse Gas Initiative (RGGI) in the Northeast, which is aimed at purely Electric Generating Units (EGUs), California's new law will target all major emitters, and include all six gases associated with global warming, not just CO₂. For more information on the GHG law, the CARB website is <http://www.arb.ca.gov/cc/cc.htm>.

About Cantor Fitzgerald Brokerage, L.P.

Cantor Fitzgerald Brokerage, a division of Cantor Fitzgerald L.P., a leading financial services provider, provides a marketplace where industry, government, and the public can take full advantage of environmental credit and energy trading opportunities. Established in 1992, it is one of the oldest environmental brokerages in the United States. Cantor has brokered environmental credits in more than 30 markets valued at more than \$2.5 billion on behalf of thousands of clients. The recent addition of energy brokerage offers clients the opportunity to also transact crude oil products, natural gas, power, and related derivatives. For more information, please visit www.emissionstrading.com.

About Cantor Fitzgerald, L.P.

Cantor Fitzgerald, L.P. is a leading financial services provider to the institutional equity and fixed income markets, with products and services including sales and trading, investment banking, asset management, market data, and market commentary. For nearly 60 years, Cantor Fitzgerald, a proven and resilient leader, has been committed to delivering a unique brand of unparalleled trading and distribution services, product expertise, innovative technology and customer service to its clients around the world. This commitment also extends to numerous philanthropic endeavors, including the firm's pledge to donate for five years 25% of the profits it would otherwise distribute to its partners to benefit the families of the employees lost on September 11, 2001. For more information, please visit www.cantor.com.

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