

Widows
Maria Bartiromo/CNBC

Cantor Fitzgerald became a household name when, on September 11, the company lost 733 employees in the World Trade Center tragedy. CNBC's Maria Bartiromo had an opportunity to talk with Howard Lutnick the CEO of the company. He is a man who now finds himself in the difficult position of balancing the rebuilding of his company with the needs of the families who have lost their loved ones. He says he is a man with a plan.

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Howard Lutnick (HL):

What we are doing is we are taking 25% of the profits the company will earn, that would normally go to the partners because Cantor is a partnership, and we're using that money to take care of these families.

IT HAD BEEN ALMOST A MONTH SINCE HOWARD LUTNICK'S PAIN AND ANGUISH TRANSFIXED A NATION WHEN HE APPEARED ON NATIONAL TV

SOT: There's 700 of my families, I can't say it, 700 of my families, 700 families. Not just one, but 700. There's so many of them (crying).

AND WITH HIS OUTCRY OF PAIN CAME A MESSAGE OF HOPE, ESPECIALLY TO THE WIVES, HUSBANDS AND CHILDREN OF THOSE WHO PERISHED.

SOT: Everything is different. Everything is different. We're going to as a company - different business model - we're going to take care of the people and the families that we lost.

IT WAS A PLEDGE TAKEN LITERALLY BY MANY OF HIS EMPLOYEES' FAMILIES AND A PROMISE THAT IN THESE LAST WEEKS OF GRIEF AND MOURNING HAS GIVEN RISE TO MOUNTING CRITICISM FROM THE VERY PEOPLE WHICH HOWARD LUTNICK COMMITTED HIMSELF TO HELP.

NBC NEWS TALKED TO SEVERAL OF THEM ON THE DAY BEFORE OUR INTERVIEW WITH MR. LUTNICK.

Maria Bartiromo (MB):

Let's do a show of hands. Howard Lutnick went on this program and said that he was going to take care of his employees. How many of you feel that he has done that?

Group: (no one raises hands)

MB: How many feel that he has not done that?

Group: (everyone raises their hands)

Nathan Hirsh:

When you go on national television and say you're gonna do all these things for the families, everybody here is like a family member now; it's not about profits of Cantor Fitzgerald anymore. It's about the families that are part of this. And I don't see it. I don't see it in his deeds. I've heard the words, but I have not seen the deeds.

THERE WAS ONE DEED THOUGH, THESE FAMILIES SAY. BUT IT WASN'T ONE THAT MADE THEM BELIEVE IN THE CEO OF CANTOR FITZGERALD. ON SEPTEMBER 15TH, JUST 4 DAYS AFTER THE TRAGEDY, CANTOR FITZGERALD STOPPED PAYING THE SALARIES OF THEIR 733 MISSING EMPLOYEES.

Ilene:

The firefighters are still considering this a search and rescue and they had the hope. And they were there every day for hour upon hour trying to see if they can find someone alive. And for Mr. Lutnick to turn around and say, "Here's your last paycheck," was such a disgrace.

It was such a slap. It really was.

STAND-UP MB:

BUT AMID THIS MIXTURE OF EMOTIONAL TURMOIL, PUBLIC PROMISE AND HIGH EXPECTATIONS LIES THE BASIC QUESTION: GIVEN THE TRAGIC LOSSES OF SEPT 11 - BOTH HUMAN AND FINANCIAL - WHAT DOES A CEO LIKE HOWARD LUTNICK REALLY OWE TO THE FAMILIES OF HIS EMPLOYEES?

HL:

It's the hardest reality that anyone like me has ever had to face.

MB:

Do you think by your television appearance one-month ago and your promise to take care of all the families. That you set the bar too high for yourself and for your company?

HL:

That bar may be high but there is going to be one company that is going to jump over it and it is going to be Cantor Fitzgerald.

HOWARD LUTNICK WAS CONFIDENT THE CRITICISM HE'S BEEN SUBJECTED TO WILL DISAPPEAR WITH THE CONCRETE DETAILS OF HIS PLAN TO HELP.

A COMMITMENT OF OVER 150 MILLION DOLLARS. A PROMISE OF FREE HEALTH CARE FOR THE NEXT 10 YEARS AND AT LEAST \$100,000 DOLLARS IN CASH FOR EACH FAMILY OVER THE NEXT FIVE.

HL:

We were not in it for the short run. Lots of things I could have done would have been less expensive for the company, but that would just show a lack of understanding.

MB:

On September 13th - two days after the attack - you went on national television and effectively said to the families of your employees "don't worry I'm going to take care of you." And two days later you cut their paychecks. What kind of a reassurance is that?

HL:

I have been told by people I stole their hope. And the fact is my 300 survivors in America could not pay for this 733 people, pay, just pay their salaries. And God I wish I could have paid them. I wish I could. But I cannot. My company cannot.

MB:

What is the financial state of Cantor Fitzgerald right now?

HL:

Cantor Fitzgerald as a company has a capital which it uses to be in business. It has capital of about 350 million dollars.

MB:

Cantor Fitzgerald was a very rich company before September 11th. You yourself telling me 350 million of capital at Cantor right now. Couldn't you have kept the salaries for a little longer. Just to give some securities to these families?

HL:

(silence) The business difficulties and issues that I had to face not only are they the hardest personally, but they're the hardest professionally. No one has ever been in that situation. The fact is that with the hardest set of business decisions in front of me I made the choice right or wrong to say Cantor Fitzgerald must help for the long run and cannot just do it for the short run.

LUTNICK SAYS THAT THE LIFE INSURANCE AND RED CROSS CONTRIBUTIONS CAN TAKE CARE OF THE FAMILIES IMMEDIATE CONCERNS LIKE MORTGAGES AND OTHER BILLS.

HL:

Who's going to be there in the next quarter. Six-months from today. In a year from today. I tell you who's going to be here. Cantor Fitzgerald is going to be helping Cantor Fitzgerald families.

BUT IMMEDIATE HELP, HE SAYS, IS ON THE WAY. THE BONUSES - A NECESSITY FOR MANY OF THE FAMILIES WE TALKED TO - WILL ALL BE PAID OUT by THANKSGIVING, SOME AS EARLY AS IN TWO WEEKS.

HL:

People say why can't you pay it sooner. It's a hard thing to think about. Every single person involved in the bonus process we lost. They are dead. Our human resource department would have answered those phone calls. Gone. The bosses. Gone. The people who did the work. Gone. The records? Do we have the computer records. Yes. Do we have human beings who would normally have moved this and expedite it. Gone.

Kelly:

I can understand that they need time to regroup, and obviously find out what they have as far as the firm. But it would be nice to know what is going on.

MB:

If Howard Lutnick was sitting here across from you right now what would you tell him?

Ilene:

I just hope and pray that Mr. Lutnick is a man of his word. Because if he's not what are we left with? We're left with nothing. Right now we don't need another false hope. We need a definitive answer. Something that we can say okay, something is being done.

MB:

What is the legal binding on this promise, where is the document that insures you will in fact carry this out. They haven't heard from you in a month. Why should they believe you.

HL:

My view is our promise is deeper than any document, deeper than any reason. Whether we have a legal obligation or not, the obligation is ours. It's moral. It's inside. We are in it for the long run and I say no one is my judge but I'm happy to have everyone judge whether I deliver.

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