

GLEACHER & COMPANY, INC.
Form PRER14A
April 24, 2013

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 2)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Gleacher & Company, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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PRELIMINARY COPY, SUBJECT TO COMPLETION, DATED APRIL 22, 2013

**Gleacher & Company, Inc.
1290 Avenue of the Americas
New York, NY 10104**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 23, 2013**

NOTICE IS HEREBY GIVEN that the 2013 annual meeting of the stockholders (the "Annual Meeting") of Gleacher & Company, Inc. (the "Company") will be held at the offices of the Company, located at 1290 Avenue of the Americas, New York, NY 10104, at 9:00 a.m., local time, on May 23, 2013, for the following purposes:

- (1) to elect nine individuals to the Board of Directors for a term of one year;
- (2) to consider and act upon a proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split;
- (3) to consider and act upon a proposal to amend, if and when the reverse stock split is approved and effected, the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock;
- (4) to approve, on an advisory basis, the compensation of our named executive officers as described herein;
- (5) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013; and
- (6) to consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

We ask that you give these matters your careful attention.

The Gleacher & Company, Inc. Board of Directors unanimously recommends that the stockholders vote: "FOR" the proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split; "FOR" the proposal to amend, if and when the reverse stock split is effected, the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock; "FOR" the approval, on an advisory basis, of the compensation of our named executive officers as described herein; and "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013.

Two of the Company's stockholders, MatlinPatterson FA Acquisition LLC and Clinton Relational Opportunity Master Fund, L.P., have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. The Board of Directors expects MatlinPatterson FA Acquisition LLC and/or Clinton Relational Opportunity Master Fund, L.P. to raise the election of directors as a matter to be voted on at the Annual Meeting. The Board of Directors makes no recommendation as to the persons nominated by either of MatlinPatterson FA Acquisition LLC or Clinton Relational Opportunity Master Fund, L.P. and is not soliciting proxy authority to vote for the election of directors.

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Your participation in the Annual Meeting, in person or by proxy, is important. For the election of directors, the nine nominees receiving the greatest number of votes cast shall be elected. For Proposal 2 or 3 to be approved, it must receive votes constituting a majority of the shares of common stock outstanding and entitled to vote thereon. For Proposal 4 or 5 to be approved, it must receive "FOR" votes constituting a majority of the votes cast at the Annual Meeting with respect to shares entitled to vote thereon. Proposals 4 and 5 are submitted to our stockholders on an advisory basis only. The outcome of voting on these proposals will be considered by our Board of Directors but will not be binding on the Company.

Holders of common stock of record as of the close of business on April 17, 2013 are entitled to receive notice of and vote at the Annual Meeting. A list of such stockholders may be examined at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials: The Company's Proxy Statement and the WHITE Proxy Card relating to the Annual Meeting and the Company's 2013 Annual Report, and any amendments to the foregoing materials that are required to be furnished to stockholders, are available for you to review online at www.gleacher.com under the heading "Investor Relations Annual Report and Proxy Statement."

The Company expects that you may receive a [Color] proxy card from MatlinPatterson FA Acquisition LLC and a green proxy card from Clinton Relational Opportunity Master Fund, L.P. The MatlinPatterson FA Acquisition LLC card is expected to request a vote for eight nominees for election to the Board of Directors, and the Clinton Relational Opportunity Master Fund, L.P. card is expected to request a vote for nine nominees for election to the Board of Directors. The Board of Directors makes no recommendation as to persons nominated by either of these stockholders and is not soliciting proxy authority to vote for the election of directors. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted.

Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors.

If you hold your shares through a broker or other nominee (that is, in "street name"), you cannot vote your shares directly but must instead instruct your broker or other nominee to vote your shares. If you do not give your broker or other nominee voting instructions, your shares will be voted only if your broker or other nominee is allowed to exercise voting discretion with respect to your shares. Under New York Stock Exchange rules, your broker or other nominee is permitted to exercise voting discretion only with respect to "routine" matters. There are no "routine" matters to be acted upon at our Annual Meeting. Accordingly, if your shares are held in street name and you do not submit voting instructions to your broker or other nominee, your shares will not be counted in determining the proposal to effect a reverse stock split, the proposal to proportionally reduce the number of authorized shares of common stock, the advisory vote to approve executive compensation or the proposal to ratify the appointment of PricewaterhouseCoopers LLP. We encourage you to provide voting instructions to your brokers or other nominees if you hold your shares in street name so that your voice is heard in these important matters.

We hope that you are planning to attend the Annual Meeting personally, and we look forward to seeing you there. Whether or not you are able to attend in person, it is important that your shares be represented at the Annual Meeting. For that reason we ask that you promptly sign, date, and mail the enclosed WHITE proxy card in the return envelope provided. Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted. In addition to using the traditional proxy card, you can also vote over the internet or by telephone. Please refer to your proxy materials or the

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information forwarded by your bank, broker or other holder of record for detailed information. Stockholders of record who attend the Annual Meeting may revoke any proxy previously given and vote in person.

By Order of the Board of Directors,

Patricia A. Arciero-Craig
Secretary

New York, New York
[], 2013

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PRELIMINARY COPY, SUBJECT TO COMPLETION, DATED APRIL 22, 2013

Gleacher & Company, Inc.
1290 Avenue of the Americas
New York, NY 10104

ANNUAL MEETING OF STOCKHOLDERS

Annual Meeting of Stockholders
May 23, 2013

This Proxy Statement is being furnished to the stockholders of Gleacher & Company, Inc. (the "Company") in connection with the solicitation by the board of directors (the "Board" or "Board of Directors") of proxies for use at the 2013 annual meeting of stockholders (the "Annual Meeting") to be held at the Company's offices, located at 1290 Avenue of the Americas, New York, NY 10104 at 9:00 a.m., local time, on May 23, 2013, and any postponements or adjournments thereof. The mailing address of the Company's principal offices is 1290 Avenue of the Americas, New York, NY 10104. The telephone number at that address is 212-273-7100. As used in this Proxy Statement, the terms "we," "our," and "us" refer to the Company and its subsidiaries.

At the Annual Meeting, you will be asked to vote on the following matters:

- (1) to elect nine individuals to the Board of Directors for a term of one year;
- (2) to consider and act upon a proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split;
- (3) to consider and act upon a proposal to amend, if and when the reverse stock split is approved and effected, the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock;
- (4) to approve, on an advisory basis, the compensation of our named executive officers as described herein;
- (5) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013; and
- (6) to consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

Two of the Company's stockholders, MatlinPatterson FA Acquisition LLC ("MatlinPatterson") and Clinton Relational Opportunity Master Fund, L.P. ("Clinton Group," and together with MatlinPatterson, the "Contesting Stockholders"), have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. The Board of Directors expects one or both of the Contesting Stockholders to raise the election of directors as a matter to be voted on at the Annual Meeting. The Board of Directors makes no recommendation as to the persons nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors.

Proxy Solicitation

This Proxy Statement and the enclosed form of proxy are expected to be mailed on or about [], 2013. In addition to these mailed proxy materials, our directors, officers and other employees may also solicit proxies in person, by telephone or by other means of communication. The Company will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record by such persons.

The distribution and solicitation of proxy materials will also be supplemented through the services of Georgeson Inc., a proxy solicitation firm we have engaged for this purpose.

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Voting by Proxy, Internet or Telephone

Stockholders who cannot attend the Annual Meeting in person can be represented by proxy. To vote by proxy, stockholders may complete the WHITE proxy card in the form enclosed and mail it in the envelope provided. Stockholders can also vote over the internet or by using a toll-free telephone number.

Any stockholder giving a proxy may revoke it at any time before it is exercised by giving notice of revocation to the Company's Corporate Secretary, by executing a later-dated proxy, by voting over the internet or by telephone or, for stockholders of record, by attending and voting in person at the Annual Meeting. The execution of a proxy will not affect a stockholder's right to attend the Annual Meeting in person, but attendance at the Annual Meeting will not, by itself, revoke a proxy. Proxies properly completed and received prior to the Annual Meeting and not revoked will be voted at the Annual Meeting.

Voting, Record Date and Quorum

Proxies solicited hereby will be voted as specified or, if no direction is indicated on a returned WHITE proxy card, will be voted: "FOR" the proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split; "FOR" the proposal to, if and when the reverse stock split is effected, proportionally decrease the number of authorized shares of our common stock; "FOR" the approval, on an advisory basis, of the compensation of our named executive officers as described herein; and "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013.

Two of the Company's stockholders, MatlinPatterson FA Acquisition LLC and Clinton Relational Opportunity Master Fund, L.P., have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. The Board of Directors expects one or both of the Contesting Stockholders to raise the election of directors as a matter to be voted on at the Annual Meeting. The Board of Directors makes no recommendation as to the persons nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors.

If you hold your shares through a broker or other nominee (that is, in "street name"), you cannot vote your shares directly but must instruct your broker or other nominee to vote your shares. If you do not give your broker or other nominee voting instructions, applicable rules prohibit the broker or other nominee from voting your shares. Thus, if you do not give your broker or nominee specific instructions, your shares will not be voted on any matters.

As to any other matter or business which may be brought before the Annual Meeting, including any adjournment(s) or postponement(s), a vote may be cast pursuant to the WHITE proxy solicited hereby in accordance with the judgment of the person or persons exercising the proxy. As of the date hereof, the Board does not know of any such other matter or business.

Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors.

We set forth below the votes required to approve each of the proposals to be submitted to our stockholders at the Annual Meeting.

For the election of directors, so long as more than nine individuals are nominated, the nine nominees to receive the most "FOR" votes (among votes properly cast in person or by proxy) will be elected. Only votes "FOR" or "AGAINST" will affect the outcome. Should nine or fewer individuals be nominated, a nominee must receive more "FOR" votes than "AGAINST" votes to be elected.

For Proposal 2 or 3 to be approved, it must receive "FOR" votes constituting a majority of the shares of common stock outstanding and entitled to vote thereon.

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For Proposals 4 or 5 to be approved, it must receive "FOR" votes constituting a majority of the votes cast.

Proposals 4 and 5 are submitted to our stockholders on an advisory basis only. The outcome of voting on these proposals will be considered by our Board of Directors but will not be binding on the Company.

The Board has fixed the close of business on April 17, 2013 as the record date for the determination of stockholders entitled to vote at the Annual Meeting. As of that date, 122,980,847 shares of common stock were outstanding. Each stockholder will be entitled to cast one vote, in person or by proxy, for each share of common stock held. Except for the common stock, the Company does not have any outstanding shares of any series or class of voting securities. The presence, in person or by proxy, of the holders of at least a majority of the shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. As a result, 61,490,424 shares must be represented by stockholders present at the meeting or by proxy to have a quorum. Abstentions and broker non-votes (as explained elsewhere) will be counted in determining whether a quorum has been reached.

The Gleacher & Company, Inc. Board of Directors unanimously recommends that the stockholders vote: "FOR" the proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split; "FOR" the proposal to, if and when the reverse stock split is approved and effected, amend the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock; "FOR" the approval, on an advisory basis, of the compensation of our named executive officers as described herein; and "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013.

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Questions and Answers about this Proxy Statement, the Enclosed WHITE Proxy Card and Voting

The following are some questions that you, as a stockholder of the Company, may have regarding the matters being considered at the Annual Meeting and the answers to those questions. We urge you to read carefully the remainder of this Proxy Statement because the information in this section does not provide all the information that might be important to you with respect to the matters being considered at the Annual Meeting.

Why am I receiving these materials?

We sent you this Proxy Statement and the enclosed WHITE proxy card because the Board of Directors of the Company is soliciting your proxy to vote at our Annual Meeting to be held on May 23, 2013. You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed WHITE proxy card. Telephone and internet voting is also available. If you are not a stockholder of record, to vote in person at the Annual Meeting you must obtain and present a valid proxy card from your broker or other nominee. The distinction between stockholders of record and beneficial owners is described below under the heading "Who can vote at the Annual Meeting?"

We intend to mail this Proxy Statement and accompanying WHITE proxy card on or about [], 2013 to all stockholders of record entitled to vote at the Annual Meeting.

What am I voting on?

At the Annual Meeting, you will be asked to vote on the following matters:

- (1) to elect nine individuals to the Board of Directors for a term of one year;
- (2) to consider and act upon a proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split;
- (3) to consider and act upon a proposal to amend, if and when the reverse stock split is approved and effected, the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock;
- (4) to approve, on an advisory basis, the compensation of our named executive officers as described herein; and
- (5) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013.

Any other matters that properly come before the meeting and any adjournment thereof will also be considered and acted upon.

With regard to the election of directors, two of the Company's stockholders, MatlinPatterson FA Acquisition LLC and Clinton Relational Opportunity Master Fund, L.P., have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. The Board of Directors expects MatlinPatterson FA Acquisition LLC and/or Clinton Relational Opportunity Master Fund, L.P. to raise the election of directors as a matter to be voted on at the Annual Meeting. The Board of Directors makes no recommendation as to the persons nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted. The nine nominees to receive the most "FOR" votes (among votes properly cast in person or by proxy) will be elected.

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Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 17, 2013 will be entitled to vote at the Annual Meeting.

Stockholders of Record: Shares Registered in Your Name

If, at the close of business on April 17, 2013, your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record.

Beneficial Owners: Shares Registered in the Name of a Broker or Bank

If, at the close of business on April 17, 2013, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization were not held directly by you but rather held at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares registered in the name of such organization as your nominee, or in "street name," and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting your shares at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other nominee as to how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you will not be able to vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other nominee.

How do I vote?

For each of the matters to be voted on the WHITE proxy card, you may vote "FOR" or "AGAINST" or abstain from voting. The procedures for voting are as follows:

Stockholders of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting, by proxy, over the internet or by telephone. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

To vote by proxy, you must complete the WHITE proxy card in the form enclosed and mail it in the envelope provided. You can also vote over the internet or by using a toll-free telephone number. Please refer to your proxy card for detailed information.

If you would like to vote in person, come to the Annual Meeting, and we will give you a ballot when you arrive.

Beneficial Owners: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in street name, you cannot vote your shares directly but must instruct your broker or other nominee to vote your shares. You should have received a WHITE proxy card and voting instructions with this Proxy Statement from your broker or other nominee rather than directly from us.

To vote by proxy, you must complete the WHITE proxy card in the form enclosed and mail it in the envelope provided. You can also vote over the internet or by using a toll-free telephone number.

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Please refer to your proxy card or the information forwarded by your broker or other nominee for detailed information.

To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker or other nominee. Follow the instructions from your broker or other nominee included with these proxy materials or contact your broker or other nominee to request a proxy form.

If you own your shares in street name, and do not give your broker or other nominee voting instructions, your shares will be voted only if your broker or other nominee is allowed to exercise voting discretion with respect to your shares. Under New York Stock Exchange rules, your broker or other nominee is permitted to exercise voting discretion only with respect to "routine" matters. There are no "routine" matters to be acted upon at our Annual Meeting. If you do not submit voting instructions to your broker or other nominee, your shares will not be voted for you. The aggregate number of shares held in street name that a broker or other nominee does not or cannot vote is reported as the "broker non-vote." We encourage you to provide voting instructions to your broker or nominee if you hold your shares in street name so that your voice is heard on all matters submitted to our stockholders.

If you have any questions or need assistance with voting your shares, please contact Georgeson Inc., the firm assisting us in this solicitation, toll-free at 800-868-1391.

How many votes can I cast?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of April 17, 2013.

What if I return a proxy card but do not make specific choices?

If you are a stockholder of record and you return a signed and dated WHITE proxy card without marking any voting selections, your shares will be voted: "FOR" the proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split; "FOR" the proposal to amend, if and when the reverse stock split is approved and effected, the Company's Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of our common stock; "FOR" the approval, on an advisory basis, of the compensation of our named executive officers as described herein; and "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013.

If you are the beneficial owner of shares held by a broker or other nominee, you can direct your broker or other nominee to vote as you like by completing the enclosed proxy card and returning it in the envelope provided. If you return a signed and dated proxy card but do not give instructions on how to vote on the proposals, your broker or other nominee cannot vote your shares on any matters. The remainder will be recorded as "broker non-votes." See the discussion under the heading "How do I vote?"

Please note that by returning the WHITE proxy card you will not have cast a vote in the election of directors.

What does it mean if I receive more than one proxy card?

If you receive more than one WHITE proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each WHITE proxy card to ensure that all of your shares are voted.

In addition, you may receive a [Color] proxy card from MatlinPatterson FA Acquisition LLC and/or a green proxy card from Clinton Relational Opportunity Master Fund, L.P. The MatlinPatterson FA Acquisition LLC card is expected to request a vote for eight nominees for election to the Board of

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Directors, and the Clinton Relational Opportunity Master Fund, L.P. card is expected to request a vote for nine nominees for election to the Board of Directors. If you receive a proxy card from one or both of these Contesting Stockholders, you should carefully examine the information provided to you by such Contesting Stockholder. The Company's Board of Directors expects one or both of the Contesting Stockholders to raise the election of directors as a matter to be voted on at the Annual Meeting. The Company's Board of Directors makes no recommendation with respect to the persons nominated by the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors. Please note that the Company is not responsible for the accuracy of any information provided by or relating to either of the Contesting Stockholders contained in any proxy solicitation materials filed or disseminated by either of the Contesting Stockholders, or any other statements that they may otherwise make. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted.

Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are a stockholder of record, you can revoke your proxy in any one of four ways:

You can submit another properly completed WHITE proxy card with a later date.

You can vote by internet or telephone.

You can send a written notice that you are revoking your proxy to Gleacher & Company, Inc., 1290 Avenue of the Americas, New York, NY 10104, Attn: Corporate Secretary.

You can attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If you are the beneficial owner of shares held by a broker or other nominee, you must contact your broker or other nominee in order to revoke your proxy. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the shares entitled to vote as of the record date are represented by stockholders present at the meeting or by proxy. On April 17, 2013, the record date, there were 122,980,847 shares outstanding and entitled to vote. As a result, 61,490,424 shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards a quorum if you submit a valid proxy vote or vote by internet or telephone or at the meeting. Abstentions and broker non-votes will also be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting can adjourn the meeting to another date.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count "FOR" and "AGAINST" votes and abstentions and broker non-votes. Abstentions and broker non-votes in respect of any proposal will be counted towards a quorum but will not be treated as votes cast. Accordingly, for Proposals 2 and 3, abstentions and broker non-votes will have the same effect as an "AGAINST" vote.

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How many votes are needed to approve each proposal?

The standards for determining the outcome of the vote for each of the proposals to be considered at the Annual Meeting are set forth below. As described under "How are votes counted?", abstentions and broker non-votes are counted towards a quorum but will not be treated as votes cast. Accordingly, for Proposals 2 and 3, abstentions and broker non-votes will have the same effect as an "AGAINST" vote.

For the election of directors, so long as more than nine individuals are nominated, the nine nominees to receive the most "FOR" votes (among votes properly cast in person or by proxy) will be elected. Only votes "FOR" or "AGAINST" will affect the outcome. Abstentions and broker non-votes will have no effect on the voting results. Two of the Company's stockholders, MatlinPatterson FA Acquisition LLC and Clinton Relational Opportunity Master Fund, L.P., have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. Should nine or fewer individuals be nominated, a nominee must receive more "FOR" votes than "AGAINST" votes to be elected. The Board expects one or both of the Contesting Stockholders to raise the election of directors as a matter of be voted on at the Annual Meeting. The Board makes no recommendation regarding any person nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors. Please note that by voting the WHITE proxy card you will not have cast a vote in the election of directors. You may change your vote at any time by delivering another proxy card. Only the latest dated proxy card you vote will be counted.

For Proposal 2 to be approved, it must receive votes constituting a majority of the shares of common stock outstanding and entitled to vote thereon.

For Proposal 3 to be approved, it must receive votes constituting a majority of the shares of common stock outstanding and entitled to vote thereon.

To be approved, Proposals 4 and 5 must receive "FOR" votes constituting a majority of the votes cast.

Proposals 4 and 5 are submitted to our stockholders on an advisory basis only. The outcome of voting on these proposals will be considered by our Board of Directors but will not be binding on the Company.

Internet and telephone votes count towards the quorum and towards the various proposals in the matter voted. **Note that to be counted, internet and telephone votes must be cast by 11:59 p.m. EDT on the day before the Annual Meeting.**

How can I find out the results of the voting at the Annual Meeting?

We will announce preliminary voting results as soon as practicable after the Annual Meeting, and if final voting results are available within four days of the Annual Meeting date, the results will be announced on a current report on Form 8-K that we will file with the Securities and Exchange Commission (the "SEC"). If final voting results are not available within four days of the Annual Meeting, preliminary voting results will be announced in a press release and a current report on Form 8-K, and final voting results will be announced when available in an amended report on Form 8-K.

Who is paying for this proxy solicitation?

All expenses of the Company in connection with this solicitation of proxies, including the preparation, assembly, printing and mailing of this Proxy Statement, the WHITE proxy card and any additional soliciting material furnished to stockholders, will be borne by the Company. In addition to these mailed proxy materials, our directors, officers and other employees may also solicit proxies in person, by telephone, by internet or by other means of communication. Directors, officers and other employees will not be paid any additional compensation for soliciting proxies. We will also request brokerage firms,

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nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record by such persons and will reimburse such persons and the Company's transfer agent for their reasonable out-of-pocket expenses in forwarding such materials to beneficial owners, but these individuals will receive no additional compensation for these solicitation services.

The distribution and solicitation of proxy materials will also be supplemented through the services of Georgeson Inc., a proxy solicitation firm. Georgeson Inc. will receive a customary fee, which we estimate will be approximately \$20,000. In addition, Georgeson may receive certain other fees for related services, will be reimbursed for its reasonable out-of-pocket expenses, and will be indemnified against certain liabilities and expenses. Georgeson expects that approximately 15 of their employees will assist in the solicitation of proxies. We estimate that the total expenditures relating to our current proxy solicitation (other than salaries and wages of officers and employees) will be between \$450,000 and \$650,000, of which at least \$300,000 has been incurred as of the date hereof.

The Company will not bear any of the expenses of proxy solicitation by either of the Contesting Stockholders.

IF YOU HAVE ANY QUESTIONS OR NEED ASSISTANCE WITH VOTING YOUR SHARES, PLEASE CALL GEORGESON INC., THE FIRM ASSISTING US IN THIS SOLICITATION, TOLL-FREE AT 800-868-1391.

When are stockholder proposals due for next year's annual meeting?

For a stockholder proposal to be included in our proxy statement and form of proxy for the 2014 annual meeting of stockholders, such stockholder proposal must be received by us no later than the close of business on December 27, 2013. Proposals should be addressed to the Corporate Secretary at the address set forth below. In addition, our bylaws require that we be given advance notice of stockholder nominations for election to the Board and of other business that stockholders wish to present at an annual meeting by February 23, 2014 and no earlier than January 24, 2014. In the event the 2014 annual meeting of stockholders is advanced by more than 20 days, or delayed by more than 70 days, from the first anniversary of our 2013 Annual Meeting, notice of stockholder nominees or proposals must be received no earlier than 120 days before the date of the 2014 annual meeting of stockholders and no later than the close of business on the later of the 70th day before the date of the 2014 annual meeting of stockholders or the 10th day following our first public announcement of the date of such meeting. Our bylaws also require that such notice contain certain additional information. Our current bylaws are available through the SEC's website, www.sec.gov, or upon written request to the Corporate Secretary at the address set forth below.

Proposals and notices mailed should be addressed to the Company at: Gleacher & Company, Inc., 1290 Avenue of the Americas, New York, NY 10104, Attn: Corporate Secretary.

Can I obtain copies of the proxy materials online?

The Company's proxy materials, including this Proxy Statement and the related form of proxy, as well as the Company's 2012 Annual Report, which takes the form of the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and any amendments to the foregoing materials that are required to be furnished to stockholders, are available for you to review online at www.gleacher.com under the heading "Investor Relations Annual Report & Proxy Statement."

How can I obtain directions to the Annual Meeting site?

For directions to the Annual Meeting site, please visit our website at www.gleacher.com under the heading "Investor Relations Annual Report & Proxy Statement."

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DISCUSSION OF PROPOSALS

AGENDA ITEM 1

ELECTION OF DIRECTORS

Our Board of Directors consists of nine seats, currently with one vacancy. Two of the Company's stockholders, MatlinPatterson FA Acquisition LLC ("MatlinPatterson") and Clinton Relational Opportunity Master Fund, L.P. ("Clinton Group", and together with MatlinPatterson, the "Contesting Stockholders"), have informed the Board that they intend to nominate eight and nine individuals, respectively, for election to the Board of Directors. The Board expects one or both of the Contesting Stockholders to raise the election of directors as a matter to be voted on at the Annual Meeting. The Board makes no recommendation as to the persons nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors. Because only four of our current directors are expected to be nominated for reelection at the Annual Meeting (as further described below), the Board of Directors will be largely reconstituted following the Annual Meeting.

Background about Contesting Stockholders

Introduction

By letter dated February 23, 2013, four of our independent directors informed us that they did not intend to stand for re-election at the Annual Meeting. The reason for their decision, as stated in their letter, was that partners of MatlinPatterson had advised them that this major stockholder opposed their re-election, and that together with information regarding the likely voting of another significant stockholder, and the intended nomination by MatlinPatterson of an alternative slate of directors, it would be a virtual certainty that these four directors would not be elected. MatlinPatterson has informed the Board that it intends to nominate a slate of eight individuals. Since then, Clinton Group has informed the Board that it intends to nominate a slate of nine individuals. Under these circumstances, the Company determined that it is not in the stockholders' best interest to propose a slate of director nominees to compete against the slate proposed by MatlinPatterson or Clinton Group and expend the financial resources necessary to contest either stockholder's slate.

MatlinPatterson FA Acquisition LLC

On February 23, 2013, the Company received a submission by MatlinPatterson, a significant holder of the Company's common stock, of a slate of eight nominees, including current directors Marshall Cohen, Mark R. Patterson and Christopher R. Pechock, for election to the Company's Board of Directors at the Annual Meeting.

Clinton Relational Opportunity Master Fund, L.P.

On March 20, 2013, the Company received a letter from Clinton Group, a stockholder of the Company, requesting that the Company reopen the period during which stockholders of the Company may submit proposals for nominations to the Board. The Company's bylaws required that stockholders provide advance notice of their intention to nominate directors to the Board by February 23, 2013. In light of recent developments that had occurred since that date, together with principles of corporate governance, the Board agreed to suspend the advance notice bylaw provision deadline for the purpose of allowing proposals for director nominations, effective at that time, as described herein. The Company agreed to accept proposals for nominations to the Board, made in a manner otherwise consistent with the Company's

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bylaws, from any stockholder of the Company until 5:00 p.m. EDT on April 8, 2013. On April 8, 2013, the Company received a submission by Clinton Group of a slate of individuals, including Thomas J. Hughes, the Company's Chief Executive Officer and a current director, for election to the Company's Board of Directors at the Annual Meeting. If elected, these nominees together would constitute the entirety of the Board.

Voting

So long as more than nine individuals are nominated, directors will be elected by a plurality of the votes present at the meeting or by proxy and entitled to vote at the meeting. The nine nominees receiving the most "FOR" votes (among votes properly cast in person or by proxy) will be elected. Should nine or fewer than nine individuals be nominated, a nominee must receive more "FOR" votes than "AGAINST" votes to be elected. Only the latest dated proxy card you vote will be counted. The Board makes no recommendation as to the persons nominated by either of the Contesting Stockholders and is not soliciting proxy authority to vote for the election of directors.

Please note that by voting the WHITE proxy card you will be not have cast a vote in the election of directors.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The information set forth below is required by the Securities and Exchange Commission. Because this information is largely historical, describing corporate governance and board practices adopted and followed by those persons who have been directors over the past several years, and because after the Annual Meeting our Board of Directors will be largely reconstituted, this information may not be representative of the corporate governance and board practices of the incoming board. You should keep this in mind when you consider the information below.

Introduction

Ultimate responsibility for management of the Company's business and affairs rests with the Board of Directors. Our by-laws call for nine directors. Currently, we have eight directors and one vacancy. We are not proposing to fill this vacancy prior to the Annual Meeting. We expect that this vacancy will be filled as a result of the election of directors at the Annual Meeting.

Each director serves for a term of one year. The Board has three standing committees, the Audit Committee, the Executive Compensation Committee and the Committee on Directors and Corporate Governance (the "Directors Committee"), and delegated specific governance responsibilities to them. In addition, in June 2012, the Board established an ad hoc special committee of the Board (the "Special Committee"). The Board charged the Special Committee with reviewing and evaluating the terms and conditions, and determining the advisability of, certain strategic alternatives with respect to the Company, and, if appropriate, negotiating any such strategic alternatives and recommending to the full Board any action to be taken by the Board and the Company with respect thereto. The Board of Directors held 23 meetings during the Company's fiscal year ended December 31, 2012. The committees of the Board each held the number of meetings noted in the table below under the heading "Committees of the Board of Directors." During 2012, each incumbent director attended in excess of 85% of the aggregate number of meetings of the Board and eight meetings of the committees on which he serves. Directors are encouraged to attend each annual meeting of stockholders, and all of our directors attended last year's meeting either in person or via teleconference.

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Voting

Each nominee for director in an uncontested election (that is, where there have been nominated only that number of individuals as there are director positions to be filled), will be elected if the votes cast "FOR" that nominee exceed the votes cast "AGAINST" that nominee. Our Corporate Governance Guidelines provide that an incumbent nominee who receives fewer votes "FOR" than "AGAINST" in an uncontested election is expected to promptly tender his or her resignation. The Committee on Directors and Corporate Governance will recommend, and our Board will ultimately determine, whether or not to accept the tendered resignation. The Board has discretion to determine whether to accept or reject any such resignation. We will publicly disclose the Board's decision within 90 days following the election.

In the event of a contested director election (that is, where there are more nominees than there are director positions to be filled, which is expected to be the case at the Annual Meeting), a plurality standard will apply, meaning that the nine nominees receiving the greatest number of votes shall be elected.

So long as more than nine individuals are nominated for election to the Board of Directors at the Annual Meeting, a plurality voting standard will apply. Should nine or fewer individuals be nominated, a nominee will need to receive more "FOR" votes than "AGAINST" votes to be elected.

Board Leadership Structure

The Board seeks to achieve a leadership structure that most efficiently addresses the purpose and mission of the Company and facilitates the oversight of management's implementation of the Company's plans. The Board strives for a structure that:

facilitates the organized flow of information among directors as well as between the Board and management;

encourages active participation by all directors, including the voicing of diverse opinions on important Company subjects;

allows decisive decision-making and implementation; and

enables unambiguous directions to management to carry out Board decisions.

The Company currently operates under a separate Chairman and Chief Executive Officer ("CEO") structure, although no director is currently designated as "Chairman."

Our Corporate Governance Guidelines provide that if the Chairman of the Board is an employee of the Company, the Board shall have a lead independent director, who will be elected by a majority of the independent directors of the Board. The lead independent director shall have the responsibilities designated by the independent directors. These currently include:

chairing executive session meetings of the independent directors;

leading the Board's processes for selecting and evaluating the Chief Executive Officer;

presiding at all meetings of the Board at which the Chairperson of the Board is not present;

serving as a liaison between the Chairman and the independent director; and

approving meeting agendas and schedules and information sent to the Board.

The Company does not have a fixed policy with respect to the separation of the roles of Chairman of the Board and CEO. In the past, the Company has operated under both the combined and separated Chairman/CEO structure. The Board believes that the optimal leadership structure in that regard will depend on the business needs of the Company at the time as well as the then-makeup of the Board of Directors. As a result, the Board believes that the Company's leadership structure is likely to evolve with

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the Company, and the Board intends to reassess and may modify the Company's leadership structure from time to time.

As stated above, none of our directors are currently designated as "Chairman."

Succession Planning

The Board recognizes the importance of effective executive leadership to the Company's success. Toward that end, the Board at least annually reviews and discusses executive capabilities and succession planning, principally with respect to the Company's Chief Executive Officer. The Board also plays a significant role in consulting with the CEO concerning succession planning for other executive positions. The process includes consideration of organizational and operational needs, competitive challenges, leadership/management potential and development, and emergency situations.

Director Independence

Two of our directors, Messrs. Patterson and Pechock, are affiliated with MatlinPatterson. As of February 28, 2013, MatlinPatterson controlled 28.9% of our common stock and was our largest stockholder.

The Board of Directors elected at the Annual Meeting will need to make determinations with respect to the "independence" of its members for purposes of applicable law and the rules of The NASDAQ Stock Market.

Committees of the Board of Directors

As described above, the Board of Directors currently has three standing committees: the Audit Committee, the Executive Compensation Committee and the Directors Committee, each of which operates under a written charter that has been approved by the Board. These charters, as well as our Corporate Governance Guidelines, are posted on our website at www.gleacher.com under the heading "Investor Relations Corporate Governance." Each of our committees in 2012 was comprised entirely of "independent directors" as defined in the NASDAQ listing standards, and each director was independent within the meaning of Rule 10A-3 of the rules promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Company's Corporate Governance Guidelines. In addition, the Board determined that all Audit Committee members in 2012 were financially literate in accordance with the NASDAQ listing standards. Messrs. Rohde and Yingling were each qualified as an audit committee financial expert within the meaning of Item 401(h) of Regulation S-K under the Exchange Act.

Set forth below is certain information with respect to our board committees. These committees will be reconstituted after the Annual Meeting by the incoming Board of Directors. The Board of Directors elected at the Annual Meeting will need to make determinations with respect to the "independence" of its members for purposes of applicable law and the rules of The NASDAQ Stock Market.

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Committee	Members*	Functions and Responsibilities of the Committee	Meetings
Name Audit	Robert S. Yingling (Chair) Marshall Cohen Bruce Rohde	Oversees the integrity of the Company's financial reporting process, including the financial reports and other financial information provided by the Company to its stockholders, any governmental or regulatory body and the public, or other uses thereof.	in 2012 15
		Assesses and, where necessary or desirable, provides for the improvement of the Company's systems of internal accounting and financial controls.	
		Provides for the annual audit of the Company's financial statements by its independent registered public accounting firm (the "Independent Auditor").	
		Evaluates the Independent Auditor's qualifications and independence.	
		Assesses and, where necessary or desirable, provides for the improvement of the Company's legal and regulatory compliance practices and policies;	
		Oversees the Company's management of market, credit, liquidity and other financial and operational risks.	
		Has the sole authority and responsibility to appoint, retain (subject to such stockholder ratification as the Company deems desirable), compensate, evaluate and, where appropriate, terminate the Independent Auditor.	
		Pre-approves all audit, audit-related, and non-audit services, if any, to be provided by the Independent Auditor and also prepares the Audit Committee report required by the rules of the SEC for inclusion in the Company's annual proxy statement. A description of the Audit Committee's procedures for the pre-approval of the audit and permitted non-audit services and the Audit Committee report can be found under the heading "Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm."	

Oversees the investigation of any reports made under the Company's Procedures for Reporting Violations of Compliance Standards (the "Reporting Policy"). The full text of the Reporting Policy is available on our website at www.gleacher.com under the heading "Investor Relations Corporate Governance."

*

For the reasons stated above, Messrs. Yingling and Rohde will not, and Mr. Cohen may not, be members of this committee after the Annual Meeting.

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Committee	Members*	Functions and Responsibilities of the Committee	Meetings in 2012
<p>Name Executive Compensation</p>	<p>Robert A. Gerard (Chair) Marshall Cohen Bruce Rohde</p>	<p>Implements and reviews executive compensation plans, policies and programs to ensure the attraction and retention of executive officers in a reasonable and cost-effective manner, to motivate their performance in the achievement of the Company's business objectives and to align the interests of executive officers with the long-term interests of our stockholders.</p>	8
		<p>Oversees generally any other material compensation arrangements applicable to key business employees who are not executive officers.</p>	
		<p>Develops and approves periodically general compensation policies and salary structures for our executive officers.</p>	
		<p>Reviews and approves base salaries, salary increases and incentive compensation for, and perquisites, if any, offered to, executive officers.</p>	
		<p>Reviews and approves all employment, retention and severance agreements for any executive officer.</p>	
		<p>Reviews and supervises cash-based, equity-based and other incentive compensation plans;</p>	
		<p>Reviews and supervises, in coordination with management, the overall compensation policies of the Company.</p>	
		<p>Prepares a report regarding the Compensation Discussion and Analysis included in our proxy statements or annual reports on Form 10-K as required by the rules and regulations of the SEC. The Executive Compensation Committee may form, and delegate authority to, subcommittees when it deems appropriate.</p>	
		<p>Has the authority to retain and terminate compensation consultants, legal counsel or other compensation adviser to assist in the evaluation of executive officer compensation, including sole authority to approve the consultants' fees and other retention terms. In making the decision to retain any compensation consultant,</p>	

legal counsel or other compensation adviser, the Executive Compensation Committee shall take into consideration certain factors relating to the independence of any such adviser, as set forth in its charter. The Executive Compensation Committee also has authority to obtain advice and assistance from any officer or employee of the Company or any outside legal expert or other adviser. In 2012, the Executive Compensation Committee retained an independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook & Co."), to assist the Executive Compensation Committee in fulfilling its responsibilities. At the Executive Compensation Committee's request, FW Cook & Co. assisted management in completing a compensation program risk assessment, assisted in the preparation of the Company's 2012 proxy statement compensation disclosures, advised with respect to the design and implementation of our Senior Management Compensation and Retention Plan and assisted us in addressing ongoing compensation matters. No other services were provided by FW Cook & Co. in 2012.

*

For the reasons stated above, Messrs. Gerard and Rohde will not, and Mr. Cohen may not, be members of this committee after the Annual Meeting.

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Committee	Members*	Functions and Responsibilities of the Committee	Meetings
Name	Members*	Functions and Responsibilities of the Committee	in 2012
Directors and Corporate Governance	Bruce Rohde (Chair) Henry S. Bienen Marshall Cohen Robert A. Gerard	<p>Assists the Board of Directors in developing and implementing policies and procedures intended to assure that the Board, including its standing committees, will be appropriately constituted and organized to meet its fiduciary obligations to the Company and its stockholders on an ongoing basis.</p> <p>Assists the Board in identifying individuals qualified to become Board members and to recommend director nominees for election. In identifying and recommending nominees for positions on the Board of Directors, the Directors Committee is guided by prescribed criteria set forth in the charter of the Directors Committee and in our Corporate Governance Guidelines. These criteria include, among other things, independence, judgment, business experience, skills and availability. The Directors Committee also takes into account diversity of viewpoints, backgrounds, experiences and other relevant information. In determining whether to recommend a director for reelection, the Directors Committee considers past attendance at meetings and contribution to the activities of the Board and its committees. The Directors Committee also takes into consideration annual self-assessments conducted by the Board and each of its committees to evaluate board performance and identify personal characteristics that could contribute to the Board's effectiveness. These criteria are not applied in a formulaic manner and are not necessarily given equal weight with respect to each candidate. Rather, the Directors Committee considers these criteria in the context of current board composition and the perceived needs of the Company at the time. The Company does not have a formal policy with respect to diversity.</p> <p>Periodically reviews the Company's Corporate Governance Guidelines. The Directors Committee does not have a separate policy for director recommendations by stockholders, as stockholder recommendations are reviewed in the same manner as those made by the Directors Committee. To recommend a prospective nominee for the Directors Committee's consideration, stockholders should submit the candidate's name and qualifications in writing to the following address: Gleacher & Company, Inc., 1290 Avenue of the Americas, New York, NY 10104, Attn: Corporate Secretary.</p>	6

*

For the reasons stated above, Messrs. Rohde and Gerard and Dr. Bienen will not, and Mr. Cohen may not, be members of this committee after the Annual Meeting.

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Committee	Members	Functions and Responsibilities of the Committee	Meetings in 2012
Special Committee	Robert S. Yingling (Chair) Henry S. Bienen Marshall Cohen* Robert A. Gerard Bruce Rohde	Review and evaluate the terms and conditions, and determine the advisability of certain strategic alternatives of the Company ("Strategic Alternatives").	32

If appropriate, negotiate any such Strategic Alternatives and consider the fairness of any such Strategic Alternatives to the Company and its stockholders.

Recommend to the full Board what action, if any, should be taken by the Board and the Company with respect to any Strategic Alternatives.

*

Mr. Cohen, former Chair of the Special Committee, resigned from the committee effective September 14, 2012.

Board Oversight of Risk Management

Management is responsible for the day-to-day management of risk, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management.

The Audit Committee has been designated to take primary responsibility at the board level for overseeing risk management and is responsible for overseeing the Company's management of market, credit, liquidity and other financial and operational risks (including risks arising from employee compensation policies). In this capacity, the Audit Committee defines and prioritizes risks and evaluates the adequacy of the Company's policies and procedures designed to respond to and mitigate risks. The Audit Committee also oversees risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements and discusses policies with respect to risk assessment and risk management. In this role, the Audit Committee receives reports from senior management and our Internal Audit, Compliance and Legal departments on a periodic basis. The Audit Committee receives these reports and reports to the full Board.

In addition, the Board, as a whole and through its committees, considers the risks within its areas of responsibilities. For example, the full Board is involved in any strategic, operational and reputational risks and exposures; major litigation and regulatory exposures and other matters that may present material risk to the Company's operations, plans, prospects or reputation, acquisitions and divestitures and senior management succession planning. The Directors Committee assesses risks and exposures related to corporate governance, director succession planning, board organization, membership and structure. The Executive Compensation Committee is also involved in assessing the risks associated with executive compensation programs and arrangements, including our incentive plans and compensation practices and policies generally.

Please see the discussion under the heading "Compensation Discussion and Analysis Risk Assessment in Compensation Programs" below for more information.

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Stock Ownership Guidelines

We believe that our ("NEOs") and directors should accumulate and hold a significant financial stake in the Company to ensure that their interests are aligned with those of our stockholders. To that end, in April 2012, the Board adopted stock ownership guidelines that define ownership expectations for our NEOs and directors.

Officers

Pursuant to the guidelines, covered officers have a target ownership level, set forth in the chart below. The guidelines apply to all NEOs.

Prior to attaining the target ownership level, covered officers are expected to retain 50% of the "profit shares" attributable to the exercise of options or vesting and settlement of restricted shares or RSUs. "Profit shares" are the shares remaining after withholding to cover taxes and, in the case of options, the exercise price. There is no time frame to reach the guidelines. Rather, covered officers are expected to accumulate ownership through the share retention requirement described above.

Shares counting towards ownership include those directly owned, those held in trust for direct family members, and those held in company-sponsored defined contribution plans (e.g., 401(k), deferred comp arrangements). Unvested restricted shares and RSUs and unexercised options are excluded.

Each year on January 1, the number of target shares is determined using the current salary and stock price. This number is communicated to the covered officers as their "target." If an officer's target is met at any time, the officer has no further retention requirement unless the officer sells any of the shares that were required to meet the target or is promoted into a higher ownership tier. This encourages officers to attain the target as quickly as possible, and to hold the shares perpetually while employed once the target is attained.

The required levels are as follows:

Officer Title	Share Requirement
Chairman	6x Base Salary
CEO	6x Base Salary
Chief Operating Officer	3x Base Salary
Other Officers	2x Base Salary

Directors

The guidelines for directors are the same as for the covered officers. The multiple is 5x the baseline annual cash Board retainer.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics (the "Code") applicable to our employees and members of the Board. The Code is available on our website at www.gleacher.com. We intend to satisfy the disclosure requirements regarding any amendments or waivers to the Code by filing Current Reports on Form 8-K with the SEC.

Stockholder Communication with Directors

Stockholders may send communications to one or more members of the Board of Directors by writing to such director(s) or to the whole Board of Directors at the following address: Gleacher & Company, Inc., 1290 Avenue of the Americas, New York, NY 10104, Attn: Corporate Secretary. Any such communications will be promptly distributed by the Corporate Secretary to such individual director(s) or to all directors if addressed to the whole Board of Directors.

Table of Contents**DIRECTOR COMPENSATION FOR FISCAL YEAR 2012**

The Company has historically compensated non-employee directors of the Company (a "Non-Employee Director") as follows:

annual retainer (all Non-Employee Directors): \$50,000 each;

annual retainer (Audit and Executive Compensation Committee Chairs): \$25,000 each;

annual retainer (Audit Committee members except Chair): \$15,000 each; and

annual discretionary equity grant (all Non-Employee Directors): \$50,000 each.

In addition, the Chairs of the Board's Special Committee each received \$25,000 retainer fees and each member of the Special Committee receives \$1,500 per meeting attended.

In order to promote equity ownership by our directors, we have historically offered them the opportunity to take their compensation in equity awards, as follows:

Non-Employee Directors may elect to receive their annual retainers in cash, stock options or restricted stock; and

annual equity grants may, at each director's election, be made in stock options or restricted stock.

Each of our directors receiving compensation elected to receive equity grants for some or all of their 2012 compensation. In addition, our directors are subject to stock ownership guidelines that encourage each director to accumulate direct ownership equal to at least 500% of the baseline annual cash Board retainer. The Directors Committee periodically assesses compensation levels for directors and may make changes to elements of the director compensation program in the future. These guidelines are discussed in detail under the heading "Board of Directors and Corporate Governance Stock Ownership Guidelines."

The following table sets forth, for the fiscal year ended December 31, 2012, certain information regarding the compensation awarded to each Non-Employee Director in 2012. Messrs. Patterson and Pechock, affiliates of MatlinPatterson, one of our principal stockholders, do not receive compensation for their services as directors. This information is provided as required by the Securities and Exchange Commission. These persons have **NOT** been nominated by the Board of Directors for election to the Board of Directors at the Annual Meeting.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Option Awards (\$)(1)(3)	All Other Compensation (\$)(4)	Total (\$)
Henry S. Bienen	\$ 50,000	\$ 50,000		\$ 48,000	\$ 148,000
Marshall Cohen			\$ 115,000	\$ 53,500	\$ 168,500
Robert A. Gerard	\$ 75,000		\$ 50,000	\$ 48,000	\$ 173,000
Mark R. Patterson					
Christopher R. Pechock					
Bruce Rohde			\$ 115,000	\$ 48,000	\$ 163,000
Robert S. Yingling	\$ 75,000	\$ 50,000		\$ 73,000	\$ 198,000

(1)

Amounts set forth in the Stock Awards and Option Awards columns represent the grant date fair value of awards made by the Company in fiscal year 2012. Grant date fair value has been determined in accordance with Financial Accounting Standards Board's Accounting Standards Codification Topic 718 "Compensation Stock Compensation" ("ASC 718"). A discussion of the assumptions

used in this valuation with respect to awards made in fiscal year 2011 may be found in Note 21 of the

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Company's consolidated financial statements for fiscal year 2012 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

- (2) The total stock awards outstanding for each director as of December 31, 2012 are as follows: Dr. Bienen, 24,225; and Mr. Yingling, 24,225.
- (3) The total option awards outstanding for each director as of December 31, 2012 are as follows: Mr. Cohen, 457,031; Mr. Gerard, 395,889; and Mr. Rohde, 461,225.
- (4) Amounts set forth in this column include compensation to members of the Special Committee for their services in 2012.

The Directors Committee periodically assesses compensation levels for directors and may make changes to elements of the director compensation program in the future.

Messrs. Hughes and Gleacher each served as a director of the Company in 2012. Compensation information with respect to Messrs. Hughes and Gleacher is discussed below under the heading "Compensation of Executive Officers."

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PROPOSAL 2

AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT

General

Our Board has declared advisable and approved, and is hereby soliciting stockholder approval of, an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split at a ratio of between one-for-ten and one-for-twenty, in the form set forth in Appendix B to this Proxy Statement (the "Reverse Stock Split Amendment"). A vote for Proposal 2 will constitute approval of the Reverse Stock Split Amendment, which provides for the combination of any whole number of shares of common stock between and including ten and twenty into one share of common stock, and will grant our Board the authority to select which ratio within that range to implement. If the stockholders approve this proposal, our Board will have the authority, but not the obligation, in its sole discretion, and without further action on the part of the stockholders, to select the reverse stock split ratio within the approved range and effect the reverse stock split by filing the Reverse Stock Split Amendment with the Delaware Secretary of State at any time after the approval of the Reverse Stock Split Amendment and prior to the close of business on September 30, 2013. If the reverse stock split is implemented, the number of authorized shares will be decreased in the same ratio as the reverse stock split, subject to stockholder approval. (See Proposal 3)

The Reverse Stock Split Amendment would have no effect on the par value of a share of common stock. Except for any changes as a result of the treatment of fractional shares, each stockholder will hold the same percentage of common stock outstanding immediately after the reverse stock split as such stockholder held immediately prior to the reverse stock split.

We believe that stockholder approval of a permissible reverse stock split ratio range (rather than an exact ratio) provides us with maximum flexibility to achieve the purposes of the reverse stock split. If the stockholders vote to approve Proposal 2, the reverse stock split will be effected, if at all, only upon a determination by our Board that the reverse stock split is in our and the stockholders' best interests at that time. In connection with any determination to effect the reverse stock split, our Board will set the time for such a split and select a specific ratio within the range. These determinations will be made by our Board and will be based on a number of factors, including market conditions, existing and expected trading prices for our common stock and the continued listing requirements of The NASDAQ Global Market. Our Board reserves the right to elect not to proceed with, and to abandon, the reverse stock split if it determines, in its sole discretion, that this proposal is no longer in our and our stockholders' best interests. The reverse stock split, if authorized pursuant to this resolution and if deemed by the Board to be in the best interests of the Company and its stockholders, will be effected, if at all, at a time that is not later than September 30, 2013. See "NASDAQ Requirements for Continued Listing" below.

NASDAQ Requirements for Continued Listing

On June 19, 2012, we received a letter from the listing qualifications department staff of The NASDAQ Stock Market LLC ("NASDAQ") notifying the Company that for the last 30 consecutive business days the bid price of the Company's common stock had closed below the \$1.00 minimum closing bid price per share required by the continued listing requirements set forth in NASDAQ Listing Rule 5450(a)(1) (the "Rule"). Per the letter received from NASDAQ on June 19, 2012, and in accordance with Listing Rule 5810(c)(3)(A), the Company had 180 calendar days, or until December 17, 2012, to regain compliance with the Rule. On December 18, 2012, the Company received a delisting letter from NASDAQ notifying the Company that it had not regained compliance with the Rule during the 180-day period and that the Company's common stock was therefore subject to delisting from The NASDAQ Global Market.

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The Company requested a hearing before the NASDAQ hearings panel (the "Panel") to appeal the decision, which request stayed the delisting of the Company's common stock pending a determination by the Panel following the hearing. At the hearing, held on February 21, 2013, the Company presented to the Panel its plan to regain compliance. This plan included effecting a reverse stock split of the Company's common stock. The Panel determined to allow the Company to remain listed on the NASDAQ Global Market until June 17, 2013. Our Board believes that effecting a reverse stock split will be an effective means of regaining compliance with the Rule. However, there can be no assurance that the reverse stock split will successfully allow the Company to regain compliance with the Rule. Our Board may also exercise its discretion not to implement a reverse stock split.

If we cannot regain compliance with the Rule through the reverse stock split or otherwise before June 17, 2013, we may be delisted. In addition, if our common stock were to be delisted from The NASDAQ Global Market and our trading price remained below \$5.00 per share, trading in our common stock also might become subject to the requirements of certain rules promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") which require broker-dealers to disclose additional information in connection with any trade involving a stock defined as a "penny stock." The delisting of our common stock could adversely affect the trading activity, liquidity and price of our common stock, decrease analyst coverage and investor demand and information available concerning trading prices and volume of our common stock and make it more difficult for investors to buy or sell shares of our common stock.

In light of the factors described above, the Board has authorized the submission of the proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split as a potential means of increasing the per share trading price of our stock and regaining compliance with the Rule.

Certain Risk Factors Associated with the Reverse Stock Split

We cannot assure you that the reverse stock split, if completed, will result in the intended benefit described above.

There can be no assurance that the market price per share of our common stock after a reverse stock split will increase in proportion to the reduction in the number of shares of our common stock outstanding before the reverse stock split. The market price of our common stock will also be based on performance and other factors unrelated to the number of shares outstanding. Accordingly, the total market capitalization of our common stock after the reverse stock split may be lower than the total market capitalization before the reverse stock split.

If the reverse stock split is effected and the market price of our common stock declines, the percentage decline may be greater than would occur in the absence of a reverse stock split.

The liquidity of our common stock could be adversely affected by the reduced number of shares that would be outstanding after the reverse stock split.

Impact of the Proposed Reverse Stock Split if Implemented

If approved and implemented, the reverse stock split will take effect simultaneously and in the same ratio for all outstanding shares of our common stock. The reverse stock split will affect all holders of our common stock uniformly and will not affect any stockholder's percentage ownership interest in us, except to the extent that the reverse stock split would result in any holder of our common stock receiving cash in lieu of fractional shares. As described below, holders of our common stock otherwise entitled to fractional shares as a result of the reverse stock split will receive a cash payment in lieu of such fractional shares. These cash payments will reduce the number of post-reverse stock split holders of our common stock to the extent there are stockholders who would otherwise receive less than one share of common stock after

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the reverse stock split. In addition, the reverse stock split will not affect any stockholder's proportionate voting power (subject to the treatment of fractional shares). The reverse stock split will have no effect on the par value of the common stock.

The principal effects of the reverse stock split will be that:

depending on the ratio for the reverse stock split selected by our Board, each ten or twenty shares of our common stock (or whole number of shares within that range) owned by a stockholder will be combined into one share of common stock;

based upon the reverse stock split ratio selected by our Board, proportionate adjustments will be made to the per-share exercise price and the number of shares issuable upon the exercise of outstanding stock options, as well as to the number of shares that would be owned upon vesting of restricted stock awards and restricted stock units, which will result in approximately the same aggregate price that would have been required to be paid upon exercise of such options, as well as the same number of shares that would have been owned upon vesting of such restricted stock awards or units, immediately preceding the reverse stock split; and