

Hearing Date: January 31, 2013 at 3:00 pm (prevailing Eastern Time)  
Objection Deadline: January 22, 2013 at 4:00 pm (prevailing Eastern Time)

James B. Kobak, Jr.  
Christopher K. Kiplok  
Sarah L. Cave  
HUGHES HUBBARD & REED LLP  
One Battery Park Plaza  
New York, New York 10004  
Telephone: (212) 837-6000  
Facsimile: (212) 422-4726

Attorneys for James W. Giddens,  
Trustee for the SIPA Liquidation of MF Global Inc.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

MF GLOBAL INC.,

Debtor.

Case No. 11-2790 (MG) SIPA

**NOTICE OF TRUSTEE'S MOTION PURSUANT TO FED. R. BANKR. P. 9019(a) FOR  
ENTRY OF AN ORDER APPROVING SETTLEMENT AGREEMENT**

PLEASE TAKE NOTICE that James W. Giddens (the "Trustee"), as Trustee for the SIPA liquidation of MF Global Inc. ("MFGI"), by and through his undersigned counsel, filed a motion (the "Motion") for entry of an order (the "Order"), pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for approval of a settlement and compromise among the Trustee and MFGI, on the one hand, and MF Global UK Limited (in special administration) and the MF Global Joint Special Administrators Richard Heis, Richard Fleming and Michael Pink, on the other.

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held before the Honorable Martin Glenn, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 501, One Bowling Green,

New York, New York 10004 (the “Bankruptcy Court”), on **January 31, 2013 at 3:00 p.m.** (prevailing Eastern time) or as soon thereafter as counsel may be heard (the “Hearing”).

PLEASE TAKE FURTHER NOTICE THAT responses, if any, to entry of the Order must (i) be in writing; (ii) state the name and address of the objecting party and nature of the claim or interest of such party; (iii) state with particularity the legal and factual bases of such objection; (iv) conform to the Bankruptcy Rules and Local Bankruptcy Rules; (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with General Order M-399 (available at the Court’s website, [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) by registered users of the Court’s Electronic Case Files system, and by all other parties in interest, on a 3.5 inch disk or CD-ROM, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word proceeding format no later than **January 22, 2013 at 4:00 p.m.** (the “Objection Deadline”); and (vi) served on (a) Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York, 10004, Attn: Christopher K. Kiplok, Esq. and Jeffrey S. Margolin, Esq.; (b) Securities Investor Protection Corporation, 805 Fifteenth Street, N.W., Suite 800, Washington, DC 20005, Attn: Josephine Wang, Esq. and Christopher H. LaRosa, Esq.; (c) the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street N.W., Washington, D.C., 20581, Attn: Martin B. White, Esq.; and (d) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York, 10153, Attn: Marcia L. Goldstein, Esq. and Debra A. Dandeneau, Esq., with a courtesy copy to the chambers of the Honorable Martin Glenn, Alexander Hamilton Customs House, Courtroom 501, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: New York, New York  
December 21, 2012

HUGHES HUBBARD & REED LLP

By: /s/ James B. Kobak, Jr.  
James B. Kobak, Jr.  
Christopher K. Kiplok  
Sarah L. Cave  
One Battery Park Plaza  
New York, New York 10004  
Telephone: (212) 837-6000  
Facsimile: (212) 422-4726  
Email: [kobak@hugheshubbard.com](mailto:kobak@hugheshubbard.com)

Attorneys for James W. Giddens, Trustee for  
the SIPA Liquidation of MF Global Inc.

**Hearing Date:** January 31, 2013 at 3:00 p.m. (prevailing Eastern Time)  
**Response Deadline:** January 22, 2013 at 4:00 p.m. (prevailing Eastern Time)

James B. Kobak, Jr.  
Christopher K. Kiplok  
Sarah L. Cave  
HUGHES HUBBARD & REED LLP  
One Battery Park Plaza  
New York, New York 10004  
Telephone: (212) 837-6000  
Facsimile: (212) 422-4726

*Attorneys for James W. Giddens,  
Trustee for the SIPA Liquidation of MF Global Inc.*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

MF GLOBAL INC.,

Debtor.

Case No. 11-2790 (MG) SIPA

**MOTION PURSUANT TO FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 9019 FOR ENTRY OF ORDER APPROVING SETTLEMENT  
AGREEMENT BETWEEN THE DEBTOR, THE TRUSTEE,  
MF GLOBAL UK LIMITED (IN SPECIAL ADMINISTRATION) AND  
MFGUK JOINT SPECIAL ADMINISTRATORS**

James W. Giddens (the “Trustee”), as Trustee for the liquidation of MF Global Inc. (“MFGI” or the “Debtor”) under the Securities Investor Protection Act, 15 U.S.C. § 78aaa, *et seq.* (“SIPA”),<sup>1</sup> by and through his undersigned counsel, hereby files this motion (the “Motion”) pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for approval of a settlement and compromise (the “Settlement Agreement,” attached hereto as Exhibit 1) between MFGI and the Trustee, on the one hand, and MF Global UK Limited (in special administration) (“MFGUK”) and the MFGUK Joint Special

---

1. SIPA appears at 15 U.S.C. § 78aaa. For convenience, subsequent references to SIPA will omit “15 U.S.C.”

Administrators Richard Heis, Richard Fleming and Michael Pink (the “JSAs”), on the other (collectively with MFGI, the Trustee and MFGUK, the “Parties”).<sup>2</sup>

## **I. PRELIMINARY STATEMENT**

1. The Trustee seeks the Court’s approval to enter into a Settlement Agreement with the JSAs to resolve—on a global basis—the issues and disputes between the Parties and, following the Effective Date, allow for a prompt influx of several hundred million dollars to the MFGI estate primarily for the benefit of MFGI’s former commodities customers who traded on foreign exchanges. Once effective, the Settlement Agreement would also guarantee a mutual certainty to the resolution of the disputes between the two estates, the value of which exceeds one billion dollars, and which are currently the subject of costly and time-consuming litigation or would require additional costly and time-consuming litigation with uncertain outcome.

2. Coupled with the agreement that the Trustee has entered into with Louis J. Freeh (the “Chapter 11 Trustee”), Trustee for MF Global Holdings Ltd. (“MFG Holdings”), the former parent company of MFGUK and MFGI, and affiliates, globally resolving the mutual claims between the MFGI and MFG Holdings estates (the “MFG Holdings Agreement”), the Trustee will also be in a position to release considerable reserved amounts that were being maintained for the disputed claims of these former affiliates of MFGI.<sup>3</sup> If the conditions (discussed further below) are satisfied, the Settlement Agreement will allow, with the Court’s

- 
2. Capitalized terms not otherwise defined in this Motion shall have the same meaning as the definitions in the Settlement Agreement.
  3. The MFG Holdings Agreement, while not the subject of this Motion, is attached hereto as Exhibit 2 for the Court’s reference.

authority, the Trustee to make significant additional distributions to MFGI's former commodities and securities customers.

3. As described in this Motion, the extensive and detailed discussions and negotiations between the Trustee and the JSAs and their professionals have allowed the Parties to arrive at this mutually beneficial agreement. If the Conditions of the Settlement Agreement are satisfied, the result will be the influx of approximately \$230 million to the MFGI estate from MFGUK, plus a further \$60 million to follow shortly thereafter, which will be part of an overall recovery to the MFGI estate from MFGUK estimated to be approximately \$500 million to \$600 million (after offset). The Settlement Agreement also gives certainty to the valuations of MFGUK's claims into the MFGI estate, which allows the Trustee to release millions of additional dollars currently being reserved for the MFGUK claims.

## **II. JURISDICTION AND VENUE**

4. On October 31, 2011 (the "Filing Date"), the Hon. Paul A. Engelmayer, United States District Judge for the Southern District of New York, entered an Order Commencing Liquidation (the "MFGI Liquidation Order," Docket No. 1) pursuant to the provisions of SIPA in the case captioned *Securities Investor Protection Corp. v. MF Global Inc.*, Case No. 11-cv-07750 (PAE).

5. The MFGI Liquidation Order, *inter alia*, (i) appointed the Trustee for the liquidation of the business of MFGI pursuant to SIPA § 78eee(b)(3); and (ii) removed this case to this Court pursuant to SIPA § 78eee(b)(4), in the case captioned *In re MF Global Inc.*, Case No. 11-2790 (MG).

6. Following removal to this Court for all purposes as required for SIPA cases by § 78eee(b)(4), this Court has "all of the jurisdiction, powers, and duties conferred by

[SIPA] upon the court to which application for the issuance of the protective decree was made.”

SIPA § 78eee(b)(4).

7. Venue is proper in this Court pursuant to SIPA § 78eee(a)(3) and 15 U.S.C. § 78aa.

### **III. BACKGROUND**

8. MFGI and MFGUK were subsidiaries of MFG Holdings, a Delaware corporation, which was the parent of nearly fifty direct or indirect subsidiaries (collectively, “MF Global”). MFG Holdings filed for protection under Chapter 11 of the Bankruptcy Code on the morning of October 31, 2011, which was followed that day by the directors of MFGUK petitioning the High Court of England and Wales (the “High Court”) to place MFGUK in special administration and the Securities Investor Protection Corporation (“SIPC”) commencing proceedings to liquidate MFGI under SIPA. The High Court appointed Richard Heis, Richard Fleming, and Michael Pink of KPMG LLP as the JSAs. The United States District Court for the Southern District of New York appointed the Trustee for the SIPA liquidation of MFGI.

9. MFGI was MF Global’s principal U.S. broker-dealer and futures commission merchant (“FCM”). MFGI traded through more than seventy exchanges globally, including through affiliates in the United Kingdom, Australia, Singapore, India, Canada, Hong Kong and Japan, both on its own behalf and on behalf of customers. A number of affiliates of MFGI in turn traded through accounts with MFGI as their FCM or broker-dealer in the United States.

10. MFGUK, based in London, was MF Global’s principal European broker-dealer and dealt in commodities, fixed income, equities, foreign exchange, and futures and options. MFGUK is authorized and regulated by the Financial Services Authority (“FSA”) in the

U.K., and traded and settled securities on European and other foreign exchanges for its customers, affiliates (including MFGI), and itself.

11. Prior to the Filing Date, there were extensive dealings between MFGI and MFGUK. The Parties have expended significant effort in investigating these dealings, as a result of which the Trustee and the JSAs have identified and brought claims against each other's respective estates. The Trustee and the JSAs, together with their professionals, have worked extensively together to develop and share information about MFGI and MFGUK. The Trustee and the JSAs have exchanged tens of thousands of pages of documents and many gigabytes of information concerning their respective claims and other matters. The Trustee's professionals regularly corresponded and met with the JSAs' professionals with the aim of an efficient and expeditious resolution of the Parties' claims. Despite these efforts to work cooperatively, the Parties identified significant disputes, some of which have led to litigation.

12. The necessary process of investigating, conducting litigation, and preparing for further litigation of these claims has already cost substantial sums. If the Parties were to continue to advance the litigation between them, significantly more expense would be incurred. Substantial briefing has already occurred before the High Court for issues related to the MFGI 30.7 Client Asset Claim and the RTM collateral, together with substantial discovery in relation to the MFGI 30.7 Client Asset Claim, which are discussed below. Despite the time and effort already expended, moving forward with litigation of the claims would require substantially more time and expense, as complex issues remain unresolved.

13. One of the key legal issues originally underlying the Trustee's claim into the MFGUK special administration was the determination of the priority at which the funds and assets that the Trustee sought to reclaim on behalf of MFGI's former customers could be recovered under English law. Given the potentially significant differences in the estimated



recovery rates for the categories of property, this determination would have a significant impact on the amount the Trustee could expect to recover from the MFGUK special administration.

14. As recoveries were obtained in the special administration and after extensive discussion and diligence between the Parties, including a review of projected recoveries for the MFGUK estate prepared by the JSAs, the Parties came to realize that very significant and similar percentage distributions would likely be made to the Trustee no matter how the claims were categorized. Thus, the legal characterization of the 30.7 Funds, a question that would be costly and time-consuming to continue to litigate, would not in fact significantly impact the Trustee's overall recoveries. In that connection, nothing in the Settlement Agreement or in this Motion reflects any admission of liability by any Party in relation to the 30.7 Application, nor any comment on the merits of the 30.7 Application or the legal issues that arise in relation to it (including in relation to the effect of CFTC Rule 30.7).

15. As a result, the Trustee believes that the Settlement Agreement reaches a practical and economically sound resolution to an undoubtedly costly and protracted legal battle, the outcome of which is uncertain, and the Trustee respectfully submits that the Settlement Agreement is therefore beneficial to the MFGI estate, its customers, and other creditors.

#### **IV. THE PARTIES' CLAIMS**

##### **A. MFGI's Claims**

16. On March 30, 2012, the Trustee submitted the MFGI Client Money and MFGI Client Asset Claim forms to the JSAs. On May 25, 2012, the Trustee submitted MFGI's creditor claim form to the JSAs. The MFGI Claims against MFGUK amount to a total of approximately \$910 million of Client Money and Client Assets and nearly \$500 million of unsecured creditor claims, as follows.

- i. The MFGI 30.7 Client Asset Claim of approximately \$640 million in property that the Trustee believed was or should have been secured for former MFGI 30.7 Customers.
- ii. The MFGI Client Money Claim of approximately \$270 million, which was comprised of approximately \$95 million in respect of MFGI's open positions held with MFGUK as of October 31, 2011. The MFGI Client Money Claim also includes the \$175 million wire transfer from MFGI to MFGUK on October 28, 2011.
- iii. Unsecured creditor claims of approximately \$465 million relating to collateral posted with respect to RTM transactions, intercompany repurchase transactions, and other miscellaneous items.

**1. 30.7 Funds**

17. MFGI's U.S. futures and options customers who wished to trade on non-U.S. exchanges ("30.7 Customers") deposited cash for margin requirements for these trades into MFGI's segregated 30.7 accounts held with Harris Bank.<sup>4</sup> MFGI, which was not authorized to trade on non-U.S. exchanges, conducted its trading on foreign exchanges (with the exception of Canadian exchanges), through MFGUK. Where MFGUK was to act as carrying broker for such trades, MFGI transferred the margin to MFGUK (the "30.7 Funds"). Although MFGUK was aware that MFGI was acting on behalf of its underlying 30.7 Customers, the JSAs' position is that MFGUK did not consistently hold the 30.7 Funds—transferred primarily in the form of U.S. Treasury Bills ("T-Bills")—on a secured basis.

---

4. The Commodities Futures Trading Commission's ("CFTC") Regulation 30.7 provides that an FCM "must maintain in a separate account or accounts money, securities and property in an amount at least sufficient to cover or satisfy all of its current obligations to foreign futures or foreign options customers denominated as the foreign futures or foreign options secured amount. Such money, securities and property may not be commingled with the money, securities or property of such futures commission merchant, with any proprietary account of such futures commission merchant, or used to secure or guarantee the obligations of, or extend credit to, such futures commission merchant or any proprietary accounts of such futures commission merchant." 17 C.F.R. § 30.7(a) (2012).

18. As of October 31, 2011, MFGI's records show that the value of the margin posted to the relevant secured 30.7 account was \$639,918,174. The amount of 30.7 Funds represents a sizeable portion of the total shortfall in the 30.7 estate property available for distribution to 30.7 Customers.

19. On May 3, 2012, the JSAs made an application to the High Court seeking directions concerning whether MFGI has a client asset, client money, or other proprietary claim over the customer property that is the subject of the MFGI 30.7 Client Asset Claim (the "30.7 Application"). The 30.7 Application concerned the 30.7 Funds that had been transferred from MFGI to MFGUK. The Trustee's position is that MFGI has an exclusive and priority claim over all 30.7 Funds, whether on the grounds that the 30.7 Funds were client money or client assets, or on some other proprietary basis. The JSAs' position is that absolute title was transferred to MFGUK, which became the legal and beneficial owner of the 30.7 Funds, and that accordingly MFGI only has an unsecured creditor claim in relation to the 30.7 Funds. At a directions hearing on June 1, 2012, the High Court, at the Trustee's urging for an early date, set the trial to begin on April 9, 2013.

20. The Parties engaged in extensive pleading of the details of their position over a period of months. The proceedings then moved to a discovery phase, which involved gathering, searching, and reviewing hundreds of thousands of documents to cull the population of relevant documents for actual production. The Parties have now exchanged disclosure of tens of thousands of documents and significant volumes of financial data from MFGI's and MFGUK's former operating systems. The Parties had only just begun to review each other's document productions, a process that would have to be quickly completed in early 2013 if the case proceeded to witness statements, expert reports and an April trial date. Substantial and

intensive work would be required by both Parties between now and April in order to prepare for what is expected to be a multi-week trial, the outcome of which is uncertain. The outcome of the trial will not necessarily bring certainty either, as appeals may follow thereafter. Accordingly, were the 30.7 Application to continue, any final decision on the appropriate treatment of the 30.7 Funds could be years away for what now appears to be, as noted above, a non-material difference in rate of recovery on MFGI's Claims. As part of the Settlement Agreement, the Parties have agreed to seek a stay of the litigation in the 30.7 Application.

21. For the purposes of the Settlement Agreement, the JSAs have agreed to accept the full value of all claims in respect of the 30.7 Funds, \$639,918,174, with a portion (approximately \$196 million) being returned as a client asset, and the balance being returned as an unsecured creditor claim.

### **2. \$175 Million Transfer**

22. On October 28, 2011, MFGI transferred \$175 million from an MFGI Treasury house account to an MFGUK account in satisfaction of an MFGUK overdraft balance in that account at JPMorgan Chase in London. These funds ultimately appear to have come from an MFGI segregated customer account and the transfer appears to have been made at the direction of MFG Holdings' senior management (the "Wire Transfer").

23. The Trustee is seeking the return of these funds as part of the MFGI Client Money Claim against MFGUK. However, the Trustee and the JSAs have agreed for the purposes of the Settlement Agreement that the claim will be accepted in full by MFGUK as a general unsecured creditor claim.

### **3. RTM**

24. Starting in about 2010, MF Global began a policy of accumulating a portfolio of European sovereign debt securities. These were primarily bonds issued by European

states experiencing severe financial pressures. Investment in these securities peaked at nearly \$7 billion in October 2011. MFGUK was the MF Global entity with the authority to trade on the relevant European exchanges, so all such trades necessarily went through MFGUK.

25. Generally, MFGUK purchased the securities on the market and then MFGI and MFGUK entered into repurchase transactions (“repos”) with each other, whereby the securities were sold at fixed prices on the terms that equivalent securities would be repurchased at a later date.<sup>5</sup> These transactions were known as repos to maturity (“RTM”), since the repurchase date under the repos would match the maturity date of the securities, which was generally 12 to 18 months from the beginning of the transaction.

26. These repos were governed by a standard Global Master Repurchase Agreement (“GMRA”), which provided that upon termination of the GMRA by default of one of the parties, it is the “non-Defaulting Party” who values, pursuant to the terms of the GMRA, the net close-out amount payable, a right with potentially significant financial effect. Each of MFGI and MFGUK viewed itself as the non-Defaulting Party.

27. On July 4, 2012, the JSAs sought directions from the High Court to resolve the dispute over which entity, MFGI or MFGUK, was the “non-Defaulting Party” under the GMRA. A hearing on the dispute was held on October 23, 2012, and on November 1, 2012, the High Court issued a judgment in favor of the JSAs, finding that MFGUK was the non-Defaulting Party and ordered that the Trustee pay the JSAs’ costs of the litigation of the application, a standard order in English litigation. The Trustee considered the judgment and

---

5. The transactions were generally structured as follows: (1) MFGUK purchased the securities for cash from the market; (2) MFGUK sold the securities to MFGI for cash; (3) MFGI repo’d the securities to MFGUK in exchange for cash; and (4) MFGUK repo’d the securities to a Clearing House for cash.

potential grounds for appeal, and determined that further litigation of this issue would not be in the best interests of MFGI's customers and creditors. As a result, the Trustee did not apply for permission to appeal the November 1, 2012, judgment, and has paid, to the satisfaction of the JSAs, the order of costs. Although the issue of the non-defaulting party has been determined, there are potentially a number of other grounds for dispute in relation to the valuation of the RTM claim, which could potentially involve litigation both in England and in the United States. For the purposes of entering the Settlement Agreement, the JSAs and the Trustee agreed on a closeout valuation for the RTM claim.

#### **4. Hindsight Proceeding**

28. On May 3, 2012, the JSAs filed an application with the High Court seeking directions on the appropriate valuation methodology for client money claims in which the clients held open positions as of the date MFGUK entered special administration (the "Hindsight Proceeding").<sup>6</sup> The High Court appointed two representative clients of MFGUK to argue the two sides of the case. The Trustee was not a party to the Hindsight Proceeding but, because the relevant part of the MFGI Client Money Claim was prepared on the basis of values as at October 31, 2011, the outcome could impact the MFGI Client Money Claim. Accordingly, the Trustee's counsel monitored the submissions of evidence, expert testimony, and argument. A hearing on the application was held on October 30–31, 2012, and a decision by the High Court remains pending.

---

6. The basic issue is whether the valuation should be based on market value or mark-to-market value as of the time of the "primary pooling event" (being October 31, 2011, the date on which MFGUK entered into special administration) or on the actual value at which the position was subsequently closed out. These two values can, and do, vary significantly.

## **B. MFGUK's Claims**

29. The JSAs have also filed claims against MFGI, which, net of duplicate claims, asserts approximately \$410 million in claims: \$258 million in commodities claims (the MFGUK 4(d) Commodities Claim and the MFGUK 30.7 Commodities Claim) and \$147 million in securities claims (the MFGUK Securities Claim and MFGUK DTC Box 7423 Claim). The JSAs have also filed the MFGUK Unsecured General Creditor Claims in the amount of approximately \$5 million.

30. The Trustee has issued letters of determination (“LODs”) to the JSAs concerning the MFGUK 4(d) Commodities Claim, the MFGUK 30.7 Commodities Claim, the MFGUK Securities Claim and MFGUK DTC Box 7423 Claim. A summary of the claims filed by the JSAs follows:

- Commodities Customer Claims
  - o Amount claimed by MFGUK: \$257,576,041
  - o Amount reclassified by Trustee to Securities Customer Claims: \$15,606,895
  - o Amount reclassified by Trustee to General Creditor Claims: \$2,234,846
  - o Amount allowed in Trustee’s LOD: \$244,131,936 (of this, \$12.8 million was allowed as a non-public customer claim) with the following breakdown:
    - o MFGUK 4(d) Commodities Claim: \$231,510,091
    - o MFGUK 30.7 Commodities Claim: \$11,076,285
    - o Deliveries: \$1,545,560
- Securities Customer Claims
  - o Amount claimed by MFGUK: \$147,296,833
  - o Amount reclassified by Trustee from Commodities Customer Claims: \$15,606,895
  - o Amount allowed in Trustee’s LOD: \$15,796,402
  - o The Trustee also made the following determinations and reclassifications on amounts claimed:
    - o DTC Securities: \$85,720,480 (both customer and MFGUK proprietary) – Trustee issued a deficiency letter, which has led to the further exchange of information and analysis

- o Failed Trades: \$6,029,004 – reclassified to a general creditor claim
- o Stock Loan: \$737,485 – reclassified to a general creditor claim
- o Foreign Exchange: \$54,809,864 – reclassified to a general creditor claim
- General Creditor Claims
  - o Amount claimed by MFGUK: \$4,609,966 intercompany non-trading activity
  - o Amount reclassified by Trustee from Commodities Customer Claims: \$2,234,846
  - o Amount reclassified by Trustee from Securities Claims
    - o Failed Trades: \$6,029,994
    - o Stock Loan: \$737,485
    - o Foreign Exchange: \$54,809,864

### **C. Duplicative Claims**

31. Certain of the 30.7 Customers of MFGI have submitted or may submit claims against MFGUK in respect of the MFGUK/MFGI Futures and Options Business (“Duplicative Claims” and “Duplicative Claimants”). Duplicative Claims compete with the claims submitted by the SIPA Trustee against MFGUK. At present, there are approximately 116 known Duplicative Claims.

32. The Duplicative Claimants appear on MFGI books and records as MFGI 30.7 Customers. Any of the 30.7 Funds that the Duplicative Claimants are or may be seeking are being held at MFGUK only as a result of the contractual arrangement between MFGI and MFGUK pursuant to which MFGI traded on foreign exchanges by and through MFGUK for the account of these and other former customers. These Duplicative Claimants had no independent relationship with MFGUK with respect to the 30.7 Funds or related trading activity—all such transactions were conducted between these former customers and MFGI only, and then between MFGI and MFGUK for the account of these and other former customers.



33. The Parties agree that the Trustee is the proper and exclusive claimant against MFGUK for the 30.7 Funds, and that the right to recover the 30.7 Funds rests properly and exclusively in the Trustee. The 30.7 Customers of MFGI therefore should not be permitted to attempt to commence or continue the assertion of Duplicative Claims against MFGUK, as these would prevent the achievement of the certainty that the Settlement Agreement now makes possible.

34. The Settlement Agreement before the Court seeks to achieve certainty that existing Duplicative Claims (other than certain de minimis claims) will not be continued against MFGUK, and that further Duplicative Claims will be barred by order of this Court. This is a condition of the JSAs giving effect to the Settlement Agreement. Accordingly, as a condition to the Settlement Agreement becoming effective, the Order sought by this Motion must provide (among other things) that (i) the customers and creditors of MFGI are prohibited from making or continuing any claim directly against MFGUK that is a Duplicative Claim or any Claim that, when made, would be a Duplicative Claim, and (ii) future payments by the SIPA Trustee from the MFGI 30.7 commodities estate to any customer with an allowed claim with a value greater than \$12,000 is conditional on an appropriate release of all Claims that are Duplicative Claims or that, when made, would be Duplicative Claims, being given by such customer in favor of MFGUK and the JSAs.

## **V. THE SETTLEMENT AGREEMENT**

35. The Settlement Agreement will, on the Effective Date, bring increased certainty to the MFGI estate and permit the Trustee to make substantial progress toward completion of the SIPA liquidation proceedings of MFGI. It is in the best interests of the MFGI estate, its customers, and its creditors for the Trustee to complete distributions and the SIPA liquidation proceedings of MFGI as promptly as possible. *See* SIPA § 78fff(a)(1) and (a)(4). To

this end, it is in the best interests of the MFGI Estate, its customers, and its creditors for the Trustee to resolve MFGI and MFGUK's respective claims against each other as promptly as practicable and in a consensual manner.

36. The Settlement Agreement reflects an integrated, commercially reasonable and comprehensive settlement of MFGI's and MFGUK's claims against each other, and each component and protection contained therein and in the proposed Order, including the releases and injunctions, are an integral part of the Settlement Agreement.

37. By settling MFGUK's claims against MFGI, the Trustee will be able to avoid the expense, delay and uncertainty associated with continuing litigation.

38. One of the conditions of the Settlement Agreement that will allow the JSAs to make the distributions that the Parties contemplate is the removal of the competing claims of the Duplicative Claimants and the withdrawal of certain claims of MFG Holdings and related Chapter 11 debtors. As part of the MFG Holdings Agreement, the Chapter 11 Trustee agrees, on certain conditions having been met, to withdraw the competing claims into the MFGUK special administration. Therefore, approval of the Settlement Agreement—together with the MFG Holdings Agreement and the satisfaction of all other conditions to the effectiveness of the Settlement Agreement—means that, subject to the satisfaction of all Conditions, in addition to substantial funds being reserved by the MFGI estate, substantial reserved funds in securities customer property and the domestic futures ("4d") class of commodity customer property estates will no longer need to be reserved. Together, the two agreements will allow for significant distributions to MFGI's former customers, with the expectation that MFGI's former securities customer claimants can be paid in full and further

significant distributions can be made to both the domestic and foreign classes of commodity customer claimants.

**A. The Principal Terms Of The Settlement Agreement**

39. Because of the complex nature of the relationship between MFGUK and MFGI, the Settlement Agreement is comprised of a number of different agreed claim amounts, which include various provisions for setoffs and shortfalls. (For the specific provisions, *see* the Settlement Agreement, Ex. 1, Sections 3-5.) Although subject to subsequent adjustments in certain cases, the agreed amounts under the Settlement Agreement are as follows:

- MFGI Client Asset Claim: \$192 million (net of expenses);
- MFGI Client Money Claim: \$54 million (a conservative estimate pending resolution of Hindsight Proceeding), to be paid at an estimated initial dividend rate of 60 cents;
- MFGI Unsecured Creditor Claim: approximately \$323 million (subject to further adjustment due to a variety of factors following the Settlement Agreement becoming effective), to be paid at an estimated initial dividend rate of 20 cents; and
- The total approximate initial distribution from MFGUK (in special administration) to the MFGI estate following the Effective Date: \$291 million.

40. Therefore, the total combined recovery will be approximately \$500 million to \$600 million, net of offsets of MFGUK's claims into the MFGI estate.

**B. Conditions To Effectiveness Of The Settlement Agreement**

41. The result that the Settlement Agreement will achieve is conditioned upon a number of interrelated prerequisites, each of which is critical to the fair and equitable distribution to customers and creditors that the Parties desire. As described below, these conditions are essential parts of the resolution that the Settlement Agreement achieves. (The proposed Order is attached hereto as Exhibit 3.)

42. The Parties have agreed that the effectiveness of the Settlement

Agreement is conditional on, among other things, the following terms:

- Entry by this Court, in a form and substance reasonably acceptable to the Parties, of an order:
  - o authorizing the Trustee to implement the Settlement Agreement, perform fully his obligations in respect to the Settlement Agreement, and take all actions reasonably necessary to consummate the Settlement Agreement;
  - o prohibiting the customers and creditors of MFGI from making or continuing any claim directly against MFGUK which is a Duplicative Claim; and
  - o providing that prior to making any further distribution from the MFGI 30.7 commodities estate to a customer (with an allowed claim with a value greater than \$12,000 (US)) in MFGI's SIPA proceeding, the Trustee will obtain an appropriate release of all Duplicative Claims in favor of MFGUK and the JSAs.
- JPMorgan Chase withdraws certain claims filed against MFGUK, signs appropriate release documents and returns certain account balances and amounts to MFGUK.
- Claims in any proceedings by MFG Holdings and MF Global Finance USA Inc. ("FinCo.") (collectively, the "Holdings/FinCo. Proceedings") have been withdrawn and MFG Holdings and FinCo. have signed releases in favor of MFGUK, save with respect to certain agreed claims.

## **VI. RELIEF REQUESTED**

43. The Trustee has determined, on the basis of the Settlement Agreement, that protracted litigation over the foregoing events, with its attendant costs and risks, would not be in the best interest of the MFGI estate. By this Motion, the Trustee requests approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019(a).

### **A. Basis For Relief**

44. Bankruptcy Rule 9019(a) provides, in relevant part, that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement."

Bankruptcy Rule 9019(a) “empowers the Bankruptcy Court to approve compromises and settlements if they are in the best interests of the estate.” *Vaughn v. Drexel Burnham Lambert Grp., Inc. (In re Drexel Burnham Lambert Grp., Inc.)*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991). Accordingly, the Court is authorized to approve the settlement, on the terms set forth in the Settlement Agreement.

45. In determining whether to approve a proposed settlement pursuant to Bankruptcy Rule 9019(a), a court must find that the proposed settlement is fair and equitable, reasonable, and in the best interests of the debtor’s estate. *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *Air Line Pilots Ass’n v. Am. Nat’l Bank and Trust Co. of Chicago (In re Ionosphere Clubs, Inc.)*, 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff’d*, 17 F.3d 600 (2d Cir. 1994). A decision to approve a particular compromise or settlement is within the sound discretion of the bankruptcy court. *In re Drexel Burnham*, 134 B.R. at 505. It is appropriate for the court to consider the opinions of the trustee or debtor in possession that a settlement is fair and equitable. *Nellis v. Shugrue*, 165 B.R. 115, 122 (S.D.N.Y. 1994). In addition, the bankruptcy court should exercise its discretion “in light of the general public policy favoring settlements.” *In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); *see also Shugrue*, 165 B.R. at 123 (“[T]he general rule [is] that settlements are favored and, in fact, encouraged by the approval process outlined above.”).

46. In determining whether to approve a proposed settlement, a bankruptcy court need not decide the numerous issues of law and fact raised by the settlement, but rather should “canvas the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.’” *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (quoting *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972)); *In re Purofied Down Prods.*

*Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993) (in making the determination of reasonableness, the court need not conduct a “mini-trial” on the merits). “All that [the proponent of the settlement] must do is establish [that] it is prudent to eliminate the risks of litigation to achieve specific certainty though admittedly [the settlement] might be considerably less (or more) than were the case fought to the bitter end.” *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 573 (5th Cir. 1960) (citation omitted).

**B. The Settlement Falls Within the Range of Reasonableness**

47. In the instant case, weighing the reasonableness factors for purposes of Bankruptcy Rule 9019, the Trustee has concluded that the Settlement Agreement should be approved.

48. First, litigation based on the Parties’ claims against one another would be expensive and protracted, and would divert significant resources and attention of the Trustee, his counsel, and his staff. Litigation ongoing in the U.K. has already illustrated the complexity of the disputed issues, and the time and effort that would be necessary to fully litigate them. Moreover, given MFGUK’s defenses with respect to the Trustee’s claims and the inherent uncertainties of litigation, the Trustee cannot be certain of the results of any such litigation.

49. Second, the proposed settlement, once effective, is expected to result ultimately in the return of over \$500 million in customer property to the MFGI estate and otherwise make substantial funds available for distribution to customer claimants. The Settlement Agreement, together with the agreement with the Chapter 11 Debtors, would substantially increase the fund of customer property for distribution to all classes of commodities and securities customers and facilitate distribution consistent with the mandate of the statute without the uncertainty and delay of litigating disputed claims.

50. Third, the proposed settlement is the product of significant effort to reconcile MFGUK and MFGI's substantial and complicated claims against one another. If approved, the Settlement Agreement would resolve these claims, permitting the Trustee, his counsel, and his staff to refocus resources and attention on other claims and claimants and to move toward final distributions to customers and creditors. The netting and release of claims will enable the Trustee to release substantial reserves that the Trustee maintains and will free up funds for returning to former commodity customers.

51. Fourth, the Parties are represented by sophisticated and experienced professionals. The Parties are represented by highly regarded law firms and financial advisors with significant relevant experience in broker-dealer insolvency. The Parties' professionals also fully understand the difficulties of successfully concluding a SIPA liquidation of this size and complexity and the potential consequences to customers and general creditors and the estate if this Settlement Agreement is not consummated.

52. Fifth, the Parties grant general releases of claims against each other (including with respect to the Parties' administrators, members, partners, directors, officers, employees, agents, advisors, or representatives). These releases are reasonable in scope and necessary to accomplish the certain resolution of the Parties' claims against each other. They also have no impact on potential direct claims held by non-settling parties. *See, e.g., In re Dewey & LeBoeuf LLP*, 478 B.R. 627, 644 (Bankr. S.D.N.Y. 2012) (finding releases "reasonable and necessary to accomplish the purposes" of the settlement agreement where they did not impact potential direct claims by non-settling parties).

53. Sixth, the Settlement Agreement is the product of arm's length negotiations between the Trustee and the JSAs.

54. In addition, enjoining the 30.7 Customers from commencing or pursuing Duplicative Claims against MFGUK is necessary and appropriate. The Settlement Agreement allows the 30.7 Customers to receive their allowed distributions from MFGI, and enjoining Duplicative Claims will prevent the 30.7 Customers from creating uncertainty and unnecessarily tying up resources by bringing or continuing claims against MFGUK and potentially obtaining an element of double recovery on their claims. *See generally Marshall v. Picard (In re Madoff)*, 848 F. Supp. 2d 469 (S.D.N.Y. 2012) (upholding the Bankruptcy Court’s ruling enjoining former customers of bankrupt SIPA estate from filing their own lawsuits against third parties allegedly involved in the firm’s Ponzi scheme, holding that the former customers’ causes of actions belonged to the SIPA Trustee); *see also In re Finley, Kumble, Wagner, Heine, Underberg, Manley, Myserson & Casey*, 160 B.R. 882, 894 (Bankr. S.D.N.Y. 1993) (“In bankruptcy, multiple recoveries for an identical injury are generally disallowed.”). Enjoining the 30.7 Customers from bringing or proceeding with Duplicative Claims against MFGUK is within the Court’s power. Section 105(a) of the Bankruptcy Code permits the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” Such orders include “orders restraining actions pending elsewhere.” *See Manville Corp. v. Equity Sec. Holders Comm. (In re Johns-Manville Corp.)*, 801 F.2d 60, 63 (2d Cir. 1986) (citing *In re Davis*, 730 F.2d 176, 183-84 (5th Cir. 1984)).

55. Accordingly, the Trustee submits that the settlement and compromise embodied in the Settlement Agreement is appropriate in light of the relevant factors, is fair and equitable, and should be approved.

56. The Trustee’s entrance into the Settlement Agreement is based on his detailed and lengthy investigation and extensive work with the JSAs to develop and share



information about MFGI and MFGUK, as well as discussions with the Trustee for the Chapter 11 Debtors. The proposed settlement avoids the uncertainty, expense and distraction of litigation, produces a benefit to the MFGI estate because it increases the funds available for distribution to customer and creditors; and protects the MFGI estate from MFGUK's claims and defenses that could prolong litigation and reduce the ultimate recovery.

## **VII. NOTICE**

57. Notice of this Motion will be provided pursuant to the Amended Order Implementing Certain Notice and Case Management Procedures and Related Relief (ECF No. 3062) to all parties in interest, including the Duplicative Claimants. In addition, notice of this Motion has been published on the website of the Trustee ([www.mfglobaltrustee.com](http://www.mfglobaltrustee.com)). The Trustee submits that no other or further notice need be given.

WHEREFORE, the Trustee respectfully requests that the Court enter the proposed Order attached hereto as Exhibit 3, approving the Settlement Agreement and granting such additional and further relief as the Court deems just and appropriate.

Dated: New York, New York  
December 21, 2012

HUGHES HUBBARD & REED LLP

By: /s James B. Kobak, Jr.  
James B. Kobak, Jr.  
Christopher K. Kiplok  
Sarah L. Cave

One Battery Park Plaza  
New York, New York 10004  
Telephone: (212) 837-6000  
Facsimile: (212) 422-4726  
Email: [kobak@hugheshubbard.com](mailto:kobak@hugheshubbard.com)

*Attorneys for James W. Giddens  
Trustee for the SIPA Liquidation of MF  
Global Inc.*

# **EXHIBIT 1**

22 December 2012

**MF GLOBAL INC (IN SIPA LIQUIDATION)**

**JAMES W.GIDDENS, IN HIS CAPACITY AS SIPA TRUSTEE FOR THE LIQUIDATION OF MF  
GLOBAL INC**

**MF GLOBAL UK LIMITED (IN SPECIAL ADMINISTRATION)**

and

**RICHARD HEIS, RICHARD FLEMING AND MICHAEL PINK, IN THEIR CAPACITY AS THE  
JOINT SPECIAL ADMINISTRATORS OF MF GLOBAL UK LIMITED**

---

**SETTLEMENT AGREEMENT**

---

**Slaughter and May  
One Bunhill Row  
London EC1Y 8YY**

Ref: GESS/RDD/TAV

## EXECUTION VERSION

**THIS AGREEMENT IS MADE** on **22** December 2012

### **BETWEEN:**

1. MF Global Inc. ("**MFGI**") (in SIPA Liquidation);
2. James W. Giddens, in his capacity as trustee for the liquidation of MFGI under the Securities Investor Protection Act 1970, as amended (the "**SIPA Trustee**");
3. MF Global UK Limited ("**MFGUK**") (in special administration), acting by its joint special administrators, Richard Heis, Richard Fleming and Michael Pink (the "**Joint Special Administrators**"); and
4. Richard Heis, Richard Fleming and Michael Pink, in their capacity as the Joint Special Administrators,

each of MFGI, the SIPA Trustee, MFGUK and the Joint Special Administrators being a "**Party**", and together the "**Parties**" to this Agreement.

### **BACKGROUND**

- (A) The Joint Special Administrators were appointed to act as joint special administrators of MFGUK on 31 October 2011 by order of the High Court, pursuant to an application of the directors of MFGUK under regulation 5 of The Investment Bank Special Administration Regulations 2011.
- (B) Also on 31 October 2011, the United States District Court for the Southern District of New York entered an order which, amongst other things, commenced the liquidation of MFGI pursuant to the provisions of the United States Securities Investor Protection Act of 1970, and appointed the SIPA Trustee as trustee for the liquidation of MFGI.
- (C) As a consequence of the complex trading relationship carried on between them prior to 31 October 2011, MFGI and MFGUK have submitted significant claims in the insolvency proceedings of each other. The value and/or characterisation of certain of these claims have been disputed. In particular, an application has been issued in the High Court in relation to the MFGI 30.7 Client Asset Claim (the "**30.7 Application**").
- (D) The Parties now wish to agree both a full and final settlement of the disputes between them, including the dispute which is the subject of the 30.7 Application, and the value and characterisation of all other Claims between them. The entry of the Parties into this Agreement does not reflect any admission of liability by any Party in relation to the 30.7 Application, or any comment upon the merits of the 30.7 Application or the legal issues that arise in relation to it (including in relation to the effect of CFTC Rule 30.7). The SIPA Trustee and the Joint Special Administrators enter into this Agreement pursuant to the powers of the SIPA Trustee and the Joint Special Administrators to agree to any arrangement or compromise in respect of the MFGI and MFGUK estates.
- (E) The Joint Special Administrators have published a paper entitled "Illustrative Financial Outcome", dated 31 October 2012 (the "**Illustrative Financial Outcome**"). The Illustrative Financial Outcome projects (subject to a number of cautions and caveats) a

range of recoveries for the creditors and clients of MFGUK, ranging from a "high case" of full recovery, to a "low case" of approximately 83 per cent. recovery.

- (F) The Joint Special Administrators have cooperated with the SIPA Trustee in providing relevant information concerning the financial position of the MFGUK estate. The SIPA Trustee, together with his advisers, has engaged in a detailed review of this financial information and has satisfied himself that there is a reasonable basis for the Illustrative Financial Outcome. While the Parties acknowledge that the projections contained in the Illustrative Financial Outcome are not guaranteed, based on the due diligence he has conducted in relation to them, the SIPA Trustee believes it is in the best interests of the MFGI estate, its customers and creditors for him to enter into this Agreement.
- (G) The SIPA Trustee has submitted Claims against MFGUK in respect of the MFGUK/MFGI Futures and Options Business, including in particular the MFGI 30.7 Client Asset Claim, and the Parties agree that the SIPA Trustee is the proper claimant in respect of such Claims. Future distributions made to customers from the MFGI 30.7 commodities estate that are made possible by this Agreement becoming effective will be funded by amounts recovered by the SIPA Trustee from MFGUK in respect of the MFGUK/MFGI Futures and Options Business.
- (H) Prior to 31 October 2011 certain customers of MFGI conducted business with MFGI for the purpose of trading in futures and options on non-U.S. exchanges and clearing houses (such customers being "**Overseas Futures and Options Customers**"). As MFGI itself could not trade directly on such non-U.S. exchanges and clearing houses, it entered into corresponding futures and options transactions with MFGUK as part of the MFGUK/MFGI Futures and Options Business. Certain of the Overseas Futures and Options Customers of MFGI who have submitted Claims against the MFGI 30.7 commodities estate have also submitted Claims against MFGUK in respect of the MFGUK/MFGI Futures and Options Business (such Claims being "**Duplicative Claims**").
- (I) In order to receive assurance that Duplicative Claims will not be continued against MFGUK, and that any further or future Duplicative Claims will be barred, the Joint Special Administrators have requested that the order of the Bankruptcy Court approving this Agreement be sought in terms which prohibit the customers and creditors of MFGI from making or continuing any Duplicative Claims, and provide that future payments from the MFGI 30.7 commodities estate by the SIPA Trustee to any customer with an allowed claim with a value greater than USD12,000 be conditioned on appropriate releases in respect of such actual or prospective Duplicative Claims being given by such customer in favour of MFGUK and the Joint Special Administrators, and the Joint Special Administrators require that an order be granted in these terms as a condition of this Agreement coming into effect.

#### **NOW IT IS AGREED AS FOLLOWS:**

##### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement and its recitals, the following terms shall have the following meanings:

<b>“Agreed Holdings/FinCo Claims”</b>	means the Claims in an amount of USD3,897,761 made by Holdings in the special administration of MFGUK and that have been agreed by MFGUK;
<b>“Agreement”</b>	means this agreement as amended from time to time;
<b>“Bankruptcy Court”</b>	means the United States Bankruptcy Court;
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday) on which banks are open for general business in both London and New York;
<b>“CFTC”</b>	means the United States Commodity Futures Trading Commission;
<b>“Claims”</b>	<p>means a claim in law, in equity or otherwise and of whatsoever nature including, without limitation:</p> <ol style="list-style-type: none"> <li>1. any claim or proof of debt made in the insolvency or bankruptcy proceedings of any person;</li> <li>2. any and all claims, actions, liabilities, rights and obligations in or arising under contract, tort, statute or trust, including restitutionary claims;</li> <li>3. claims arising by reason of insolvency or the termination, whether voluntary or for cause, of any contractual obligation or for any failure of a person to perform any legal or regulatory obligation; and</li> <li>4. claims for, amongst other things, the enforcement of any right to, or any liability in respect of a right to: <ol style="list-style-type: none"> <li>(A) seek or enforce judgment;</li> <li>(B) exercise any remedy for damages, indemnity or contribution, whether for losses (including consequential loss, economic loss, loss of bargain, loss of value, or other losses computed by reference to value which may have been available had an obligation been duly performed in a timely manner), costs and expenses of any nature; or</li> <li>(C) apply any set-off, netting, withholding, combination of accounts or retention or similar rights in respect of any claim or</li> </ol> </li> </ol>

liability whatsoever,

in each case whether in existence as at the date of this Agreement or coming into existence at some time in the future, whether known or unknown, suspected or unsuspected, however and whenever arising, in whatever capacity or jurisdiction, whether or not within the contemplation of the Parties at the date of this Agreement, including claims which as a matter of law did not at the date of this Agreement exist and whose existence cannot currently be foreseen and any claims or rights of action arising from a subsequent change or clarification of law in any jurisdiction;

- “Client Asset”** has the meaning given to that term in the United Kingdom Banking Act 2009;
- “Client Money”** means money that is client money held by or on behalf of MFGUK pursuant to, and as more particularly defined in, the FSA Rules;
- “Client Money Pool”** means the pool of Client Money created pursuant to the FSA Rules at the time at which the primary pooling event occurred in respect of MFGUK;
- “Conditions”** means each of the following conditions:
1. (i) the Holdings/FinCo Claim has been withdrawn, (ii) a notice of discontinuance has been served on MFGUK and filed at the High Court in respect of the Holdings/FinCo Proceedings, and (iii) MFGUK has received a release signed on behalf of each of Holdings and FinCo by which Holdings and FinCo irrevocably waive and release (on terms satisfactory to MFGUK) all claims they may have against MFGUK and the Joint Special Administrators other than the Agreed Holdings/FinCo Claims;
  2. an order is entered by the Bankruptcy Court (on terms reasonably acceptable to each of the Parties) which shall (amongst other things) have the effect of (i) authorising the SIPA Trustee to implement this Agreement, perform fully his obligations in respect of this Agreement and take all actions reasonably necessary to consummate this Agreement, (ii) prohibiting the customers and creditors of MFGI from making or continuing any Claim directly



against MFGUK which is a Duplicative Claim or any Claim which, when made, would be a Duplicative Claim, and (iii) providing that future payments by the SIPA Trustee from the MFGI 30.7 commodities estate to any customer with an allowed claim with a value greater than USD12,000 is conditional upon an appropriate release of all Claims which are Duplicative Claims or which, when made, would be Duplicative Claims, being given by such customer in favour of MFGUK and the Joint Special Administrators; and

3. (i) J.P. Morgan Chase has unconditionally withdrawn the J.P. Morgan Chase Claim and paid MFGUK the MFGUK Receivable (in each case on terms satisfactory to MFGUK), and (ii) J.P. Morgan Chase and JPMorgan Chase & Co have unconditionally agreed to, and have irrevocably waived and released (on terms satisfactory to MFGUK), all claims they may have against MFGUK and the Joint Special Administrators in respect of the J.P. Morgan Chase Claim and/or arising from or in respect of the Wire Transfer;

<b>“Consent Order”</b>	has the meaning given to it in Clause 6.1;
<b>“Distributable 30.7 Client Assets”</b>	has the meaning given to it in Clause 3.2;
<b>“Distribution Plan”</b>	means the Client Asset Distribution Plan of MFGUK approved by order of the High Court on 18 July 2012, as the same may be amended from time to time;
<b>“DTC Box 7423 Actual Liquidation Value”</b>	has the meaning given to it in Clause 4.6;
<b>“Effective Date”</b>	has the meaning given to it in Clause 2.2;
<b>“FinCo”</b>	means MF Global Finance USA Inc.;
<b>“FSA”</b>	means the Financial Services Authority of the United Kingdom;
<b>“FSA Rules”</b>	means the rules and guidance of the FSA as in force at 31 October 2011;

<b>“High Court”</b>	means the High Court of Justice of England and Wales;
<b>“Hindsight Application”</b>	means the application made by the Joint Special Administrators to the High Court on 3 May 2012 seeking directions as to whether a client’s Client Money entitlement in respect of an open position is to be valued as at the primary pooling event by reference to the market value or any mark-to-market value as at the primary pooling event or by reference to the liquidation value;
<b>“Holdings”</b>	means MF Global Holdings Ltd;
<b>“Holdings/FinCo Claim”</b>	means all Claims made by Holdings and FinCo in the special administration of MFGUK that are the subject of the Holdings/FinCo Proceedings;
<b>“Holdings/FinCo Proceedings”</b>	means the following High Court proceedings brought by Holdings and/or FinCo in existence as at the date of this Agreement (i) the appeal brought under Rule 157 of The Investment Bank Special Administration (England and Wales) Rules 2011 issued on 24 May 2012 under case No. 9527 of 2011, (ii) the Part 7 proceedings under claim no.HC12E03846, and (iii) the applications dated 2 October 2012 brought under cases No. 5088 of 2012 and 5089 of 2012;
<b>“J.P. Morgan Chase”</b>	means J.P. Morgan Chase Bank, N.A.;
<b>“J.P. Morgan Chase Claim”</b>	means the Claim made in the special administration of MFGUK by J.P. Morgan Chase on 27 April 2012 in respect of its unsecured creditor claim of not less than GBP47,940,730.38 (being a principal amount due at 31 October 2011 (inclusive of VAT) of not less than GBP108,512,015.29 less a maximum of GBP60,543,109.91 (being the value of any amounts set off in accordance with Rule 164 or 165 of The Investment Bank Special Administration (England and Wales) Rules 2011));
<b>“Longstop Date”</b>	means the date upon which the stay, or any agreed extension of it, in respect of the 30.7 Application is lifted;
<b>“Mandatory Set-Off Date”</b>	means 28 November 2011, being the date upon which the Joint Special Administrators issued a notice of intended dividend in relation to MFGUK pursuant to Rule 175 of The Investment Bank Special Administration (England and Wales) Rules 2011;

<b>“MFGI 30.7 Client Asset Claim”</b>	means the Claim for Client Assets made by MFGI in the special administration of MFGUK for the return of the T-Bills;
<b>“MFGI Agreed Claims”</b>	has the meaning given to it in Clause 3.1;
<b>“MFGI Client Money Agreed Claim Amount”</b>	has the meaning given to it in Clause 3.4;
<b>“MFGI Client Money Claim”</b>	means the Claim made by MFGI in the special administration of MFGUK in relation to MFGI’s Client Money entitlement in respect of its open positions held with MFGUK as at 31 October 2011;
<b>“MFGI Client Money Shortfall Claim”</b>	has the meaning given to it in Clause 3.6;
<b>“MFGI Unsecured Creditor Agreed Claim Amount”</b>	has the meaning given to it in Clause 3.7;
<b>“MFGUK 30.7 Commodities Agreed Set-Off Amount”</b>	has the meaning given to it in Clause 4.3;
<b>“MFGUK 4(d) Commodities Agreed Set-Off Amount”</b>	has the meaning given to it in Clause 4.2;
<b>“MFGUK Account Balance”</b>	means the credit balance as at 31 October 2011 on the bank account of MFGUK held with J.P. Morgan Chase (with an account number ending in 3603 and all relevant sub-accounts) estimated to be approximately GBP32,500,000 (which may be subject to adjustment to reflect further good faith reconciliations and adjustments for currency movements) together with accrued interest thereon;
<b>“MFGUK Agreed Claims”</b>	has the meaning given to it in Clause 4.1;

<b>“MFGUK DTC Box 7423 Agreed Set-Off Amount”</b>	has the meaning given to it in Clause 4.5;
<b>“MFGUK DTC Box 7423 Claim”</b>	has the meaning given to it in Clause 4.5;
<b>“MFGUK DTC Box 7423 Customer Securities”</b>	means those securities and that cash comprised in the MFGUK DTC Box 7423 Claim which MFGUK is required to distribute through the Distribution Plan to its underlying clients as Client Assets, the details of which are to be agreed between the Parties (acting reasonably and in good faith) as soon as reasonably practicable after the date of this Agreement (together with any securities and any cash proceeds received by MFGI in respect of such securities, and the cash value of any securities which are comprised in the MFGUK DTC Box 7423 Claim and which MFGI does not now hold);
<b>“MFGUK DTC Box 7423 Non-Customer Securities”</b>	means all securities comprised in the MFGUK DTC Box 7423 Claim other than the MFGUK DTC Box 7423 Customer Securities;
<b>“MFGUK General Estate Agreed Set-Off Amount”</b>	has the meaning given to it in Clause 4.7;
<b>“MFGUK ISDA”</b>	means the 2002 ISDA Master Agreement dated 8 January 2009 and the Credit Support Annex dated 8 January 2009, as amended on 6 February 2009 by and among MFGUK, J.P. Morgan Chase for itself and as attorney-in-fact on behalf of J.P. Morgan Securities Ltd;
<b>“MFGUK ISDA Receivable”</b>	means the amount due and payable by J.P. Morgan Chase to MFGUK pursuant to the MFGUK ISDA estimated to be approximately USD42,100,000 and EUR2,100,000 (which may be subject to adjustment to reflect further good faith reconciliations and adjustments for currency movements) together with accrued interest thereon and any and all interest payable in accordance with section 9(h) of the MFGUK ISDA;
<b>“MFGUK/MFGI Futures and Options Business”</b>	means the business conducted between MFGI and MFGUK in which MFGI entered into various futures and options transactions with MFGUK, and in respect of which MFGUK (acting as carry broker) entered into corresponding futures and options transactions with relevant non-U.S.

exchanges and clearing houses;

<b>“MFGUK Receivable”</b>	means the aggregate amount payable by J.P. Morgan Chase to MFGUK in respect of the MFGUK Account Balance and the MFGUK ISDA Receivable, estimated to be approximately USD98,000,000 (which may be subject to adjustment to reflect further good faith reconciliations and adjustments for currency movements), together with accrued interest thereon;
<b>“MFGUK Securities Agreed Set-Off Amount”</b>	has the meaning given to it in Clause 4.4;
<b>“Net MFGI Unsecured Creditor Agreed Claim Amount”</b>	has the meaning given to it in Clause 5.1;
<b>“SIPC”</b>	means the United States Securities Investor Protection Corporation;
<b>“T-Bills”</b>	means the US Treasury Notes with CUSIPs 912828QK9, 912828QL7, 912828JW1, 912828PE4 and 912828KR0, and the Eurobond with ISIN DE0001137289, transferred by MFGI to MFGUK before 31 October 2011 with an aggregate market value as at 31 October 2011 of USD639,918,174, and includes any cash proceeds received, or receivable from any third party, by MFGUK in respect of those US Treasury Notes and that Eurobond either (i) following the liquidation, redemption or maturity of any of them, and/or (ii) in respect of any coupon or interest paid on any of them;
<b>“Transfer”</b>	means, in relation to any Claim, the assignment, novation, sale or any other form of transfer, whether directly or indirectly, legally or beneficially, which is effective to transfer the title to, beneficial interest in, or rights and obligations under such Claim, and <b>“Transferred”</b> shall be construed accordingly; and
<b>“Wire Transfer”</b>	means the wire transfer of USD175,000,000 made by MFGI to MFGUK on 28 October 2011.

1.2 In this Agreement, save where the context otherwise requires:

(A) references to the singular shall include references to the plural and vice versa;

- (B) references to any person shall include references to its successors in title, permitted assignees and permitted transferees;
- (C) a reference to any document, agreement or instrument is a reference to that document, agreement or instrument as amended, novated, supplemented, extended, restated or replaced from time to time;
- (D) references to Clauses and Schedules are references to Clauses of, and Schedules to, this Agreement;
- (E) references to USD are references to the currency of the United States of America;
- (F) references to GBP are references to the currency of the United Kingdom;
- (G) references to EUR are references to the euro;
- (H) the words "including" and "include" shall not be construed as or take effect as limiting the generality of the foregoing words; and
- (I) the headings shall not be construed as part of this Agreement nor affect its interpretation.

## 2. CONDITIONS

- 2.1 The provisions of Clause 3 (*MFGI Agreed Claims*), Clause 4 (*MFGUK Agreed Claims*), Clause 5 (*Treatment of Agreed Claims*) and Clause 7 (*Final Settlement, Release and Waiver*) will only come into effect when each of the Conditions have either been (i) fulfilled, or (ii) waived in writing by all of the Parties.
- 2.2 Subject to Clause 22 (*Termination*), the date upon which the last in time of the Conditions is either fulfilled or waived in writing shall be the "**Effective Date**".

## 3. MFGI AGREED CLAIMS

- 3.1 Upon the Effective Date, MFGI's Claims against MFGUK as an unsecured creditor, and its Claims against MFGUK for the return of Client Money and Client Assets, shall be accepted by MFGUK and the Joint Special Administrators in the amounts of and as characterised in this Clause 3 (such claims being the "**MFGI Agreed Claims**"). The MFGI Agreed Claims shall together constitute MFGI and the SIPA Trustee's entire Claim against MFGUK.

### **MFGI 30.7 Client Asset Claim**

- 3.2 The MFGI 30.7 Client Asset Claim shall be accepted by MFGUK and the Joint Special Administrators as a claim for Client Assets in respect of T-Bills with an aggregate value of USD196,503,000 (the "**Distributable 30.7 Client Assets**").

- 3.3 The difference (being USD443,415,174) between the amount of the Distributable 30.7 Client Assets and the aggregate market value of the T-Bills as at 31 October 2011 shall be treated as an unsecured creditor Claim of MFGI, and shall form part of the MFGI Unsecured Creditor Agreed Claim Amount.

**MFGI Client Money Agreed Claim Amount**

- 3.4 Subject to the provisions of Clause 3.5, the MFGI Client Money Claim shall be accepted by MFGUK and the Joint Special Administrators as a Claim for Client Money in an amount of USD82,092,476 (the "**MFGI Client Money Agreed Claim Amount**").

- 3.5 In the event that the outcome of the Hindsight Application means that:

- (A) the Client Money entitlement of MFGI in respect of all of its open positions with MFGUK as at 31 October 2011 should be valued at the primary pooling event by reference to the liquidation value of those positions, then the MFGI Client Money Agreed Claim Amount shall be amended to USD54,355,392;
- (B) the Client Money entitlement of MFGI in respect of some but not all of its open positions with MFGUK as at 31 October 2011 should be valued at the primary pooling event by reference to the liquidation value of those positions, then the Client Money entitlement of MFGI in respect of those positions shall be valued on that basis. The Parties shall then enter into good faith discussions to agree as soon as reasonably practicable what MFGI's Client Money entitlement is in respect of its other open positions as at 31 October 2011 on the basis (if any) specified in the judgment. The aggregate amount shall be the MFGI Client Money Agreed Claim Amount; or
- (C) the Client Money entitlement of MFGI in respect of any of its open positions with MFGUK as at 31 October 2011 should be valued in any other way than as described at paragraphs (A) and (B) above, then the Parties shall enter into good faith discussions to agree as soon as reasonably practicable what MFGI's Client Money entitlement is, on that basis, in respect of all its open positions as at 31 October 2011, and such amount shall be the MFGI Client Money Agreed Claim Amount.

- 3.6 Subject to any finding to the contrary arising from the determination of the Hindsight Application, the amount of the ultimate shortfall (if any) in the distribution of Client Money to MFGI in satisfaction of the MFGI Client Money Agreed Claim Amount shall be treated as an unsecured creditor Claim of MFGI (the "**MFGI Client Money Shortfall Claim**"), provided always that the entitlement of MFGI in respect of such shortfall shall be calculated and treated identically to the way in which the shortfall of all other Client Money creditors of MFGUK is treated.

**MFGI Unsecured Creditor Agreed Claim Amount**

- 3.7 The Claims by MFGI as an unsecured creditor of MFGUK shall be accepted by MFGUK and the Joint Special Administrators as unsecured creditor Claims in an aggregate

amount (not including any MFGI Client Money Shortfall Claim) of USD708,319,068 (the "**MFGI Unsecured Creditor Agreed Claim Amount**").

#### **4. MFGUK AGREED CLAIMS**

- 4.1 Upon the Effective Date, MFGUK's Claims into the 4(d) commodities, 30.7 commodities, securities and general creditor estates of MFGI shall be accepted by MFGI and the SIPA Trustee in the amounts of and as characterised in this Clause 4 (such Claims being the "**MFGUK Agreed Claims**"). The MFGUK Agreed Claims shall together constitute MFGUK and the Joint Special Administrators' entire Claim against MFGI.

##### **MFGUK 4(d) Commodities Agreed Claim**

- 4.2 The Claims by MFGUK against the MFGI 4(d) commodities estate shall be accepted by MFGI and the SIPA Trustee in an aggregate amount of USD233,055,651 (the "**MFGUK 4(d) Commodities Agreed Set-Off Amount**") and shall be applied in adjustment of the MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.1.

##### **MFGUK 30.7 Commodities Agreed Claim**

- 4.3 The Claims by MFGUK against the MFGI 30.7 commodities estate shall be accepted by MFGI and the SIPA Trustee in an aggregate amount of USD11,076,285 (the "**MFGUK 30.7 Commodities Agreed Set-Off Amount**") and shall be applied in adjustment of the MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.1.

##### **MFGUK Securities Agreed Claim**

- 4.4 The Claims by MFGUK against the MFGI securities estate (other than the MFGUK DTC Box 7423 Claim) shall be accepted by MFGI and the SIPA Trustee in an aggregate amount of USD70,561,306 (the "**MFGUK Securities Agreed Set-Off Amount**") and shall be applied in adjustment of the MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.1.

##### **MFGUK DTC Box 7423 Agreed Claim**

- 4.5 The Claim by MFGUK in respect of the securities originally held in DTC Box 7423 (the "**MFGUK DTC Box 7423 Claim**") comprising:

- (A) a Claim for the return of the MFGUK DTC Box 7423 Customer Securities; and
- (B) a Claim in respect of the liquidation value (net of expenses) realised upon the sale by MFGI of the MFGUK DTC Box 7423 Non-Customer Securities (the "**MFGUK DTC Box 7423 Agreed Set-Off Amount**"), which shall be deemed to be USD68,246,293 and which shall be applied in adjustment of the MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.1,

shall be accepted by MFGI and the SIPA Trustee.



- 4.6 After consultation with MFGUK, and upon receiving consent from MFGUK to the terms of such sale (such consent not to be unreasonably withheld or delayed) MFGI shall execute the sale of the MFGUK DTC Box 7423 Non-Customer Securities as soon as reasonably practicable following the Effective Date. The liquidation value (net of expenses) so realised (being the “**DTC Box 7423 Actual Liquidation Value**”) shall be promptly notified by MFGI to MFGUK and the Joint Special Administrators, and shall be applied in adjustment of the Net MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.2.

**MFGUK General Estate Agreed Claim**

- 4.7 The Claims by MFGUK against the MFGI general creditor estate shall be accepted by MFGI and the SIPA Trustee in an aggregate amount of USD2,241,077 (the “**MFGUK General Estate Agreed Set-Off Amount**”) and shall be applied in adjustment of the MFGI Unsecured Creditor Agreed Claim Amount in accordance with Clause 5.1.

**5. TREATMENT OF AGREED CLAIMS**

**Effective Date adjustments to the MFGI Unsecured Creditor Agreed Claim Amount**

- 5.1 Upon the Effective Date (but with effect from the Mandatory Set-Off Date), the total aggregate value of (i) the MFGUK 4(d) Commodities Agreed Set-Off Amount, (ii) the MFGUK 30.7 Commodities Agreed Set-Off Amount, (iii) the MFGUK Securities Agreed Set-Off Amount, (iv) the MFGUK DTC Box 7423 Agreed Set-Off Amount, and (v) the MFGUK General Estate Agreed Set-Off Amount (being USD385,180,612), shall be applied against the MFGI Unsecured Creditor Agreed Claim Amount so as to reduce that amount, and only the net balance (being USD323,138,456) shall be payable by MFGUK to MFGI (such net balance being the “**Net MFGI Unsecured Creditor Agreed Claim Amount**”, which may be adjusted from time to time after the Effective Date in accordance with Clause 5.2, with such revised balance being the Net MFGI Unsecured Creditor Agreed Claim Amount).

**Post-Effective Date adjustments to the Net MFGI Unsecured Creditor Agreed Claim Amount**

- 5.2 After the Effective Date (but with effect from the Mandatory Set-Off Date), the amounts specified in this Clause 5.2 shall be applied in respect of the Net MFGI Unsecured Creditor Agreed Claim Amount so as to produce a single net amount payable by MFGUK to MFGI. Accordingly, the Net MFGI Unsecured Creditor Agreed Claim Amount shall be:
- (A) increased by the amount of the MFGI Client Money Shortfall Claim (if any);
  - (B) increased by the amount of costs properly attributed to be payable by MFGI under the Distribution Plan as a consequence of the return of the Distributable 30.7 Client Assets to MFGI pursuant to the Distribution Plan (currently projected to be approximately USD4,000,000);

- (C) either reduced by the amount by which the DTC Box 7423 Actual Liquidation Value exceeds the MFGUK DTC Box 7423 Agreed Set-Off Amount or, (as applicable) increased by the amount by which the MFGUK DTC Box 7423 Agreed Set-Off Amount exceeds the DTC Box 7423 Actual Liquidation Value; and
- (D) increased by such amount or in such manner as the Parties may agree in writing subsequent to the date of this Agreement.

#### **Distributions by MFGI**

- 5.3 As soon as reasonably practicable after the Effective Date, the SIPA Trustee shall, acting at all times in accordance with his obligations under the US Bankruptcy Code and the Securities Investor Protection Act of 1970, transfer the MFGUK DTC Box 7423 Customer Securities to MFGUK, with the method of making such transfer to be agreed between MFGUK and the SIPA Trustee (acting reasonably).

#### **Distributions by MFGUK**

- 5.4 As soon as reasonably practicable in each case after the Effective Date, MFGUK or, as appropriate, the Joint Special Administrators, shall:
- (A) distribute or otherwise make payment in full (net of costs properly attributed to be payable by MFGI under the Distribution Plan) in respect of the Distributable 30.7 Client Assets to MFGI in accordance with the terms of the Distribution Plan;
  - (B) make a payment of Client Money to MFGI of an amount equal to the amount which MFGI would have received in respect of the MFGI Client Money Agreed Claim Amount had it participated on a *pari passu* basis in all distributions of Client Money made by MFGUK prior to the Effective Date. The SIPA Trustee acknowledges that, prior to the date of this Agreement, an amount of USD667,144 has already been deemed to have been distributed to MFGI as the net result of transfers out of relevant accounts made after 31 October 2011;
  - (C) make a further distribution of Client Money, which shall include a *pari passu* distribution to MFGI in respect of the MFGI Client Money Agreed Claim Amount; and
  - (D) declare and make a first interim dividend to its unsecured creditors, which shall include a *pari passu* distribution to MFGI in respect of the Net MFGI Unsecured Creditor Agreed Claim Amount.
- 5.5 MFGUK currently anticipates that the dividend rate in respect of:
- (A) the distribution of Client Money referred to in Clause 5.4(C) above shall be (when aggregated with Client Money distributions made prior to such distribution) approximately 60c in the USD; and

- (B) the unsecured creditor distribution referred to in Clause 5.4(D) above shall be approximately 20p in the GBP.

The actual dividend rates for the distributions referred to in Clauses 5.4(C) and 5.4(D) above shall be calculated after the Effective Date by the Joint Special Administrators (acting reasonably), on a modelled basis, and in accordance with the practice adopted by the Joint Special Administrators in relation to distributions of Client Money that have taken place prior to the date of this Agreement. MFGI and the SIPA Trustee expressly agree that they shall have no right either to rescind this Agreement or to claim damages against MFGUK or the Joint Special Administrators if the actual dividend rates are less than the anticipated dividend rates set out in this Clause 5.5.

- 5.6 To the extent MFGUK makes (i) a distribution of Client Money subsequent to the distribution referred to in Clause 5.4(C) above, or (ii) an interim or final dividend to its unsecured creditors subsequent to the distribution referred to in Clause 5.4(D) above, then MFGUK shall make a *pro rata* payment to MFGI in respect of (as relevant) the MFGI Client Money Agreed Claim Amount or the Net MFGI Unsecured Creditor Agreed Claim Amount.

#### **Payment Mechanics**

- 5.7 All payments, distributions and transfers shall be made to such account as the Party receiving such payment, distribution or transfer specifies.
- 5.8 All payments to be made by a Party shall be made without (and free and clear of any deduction for) set-off or counterclaim.
- 5.9 Where an amount is paid, distributed or transferred by a Party (the "**Paying Party**") and it proves to be the case that some or all of such payment, distribution or transfer exceeds the amount to which the Party receiving such payment, distribution or transfer (the "**Receiving Party**") was entitled to receive, then the Receiving Party shall refund the excess amount to the Paying Party as soon as reasonably practicable.
- 5.10 Nothing in this Agreement shall entitle MFGUK to receive any payment, distribution or transfer funded, whether directly or indirectly, by SIPC.
- 5.11 To the extent that any Party is obliged to make a payment, distribution or transfer to another Party in respect of (as applicable) any of the MFGI Agreed Claims or the MFGUK Agreed Claims (together, the "**Agreed Claims**"), then its obligations in respect of such Agreed Claim shall be reduced in an amount equivalent to the amount so paid, distributed or transferred to that other Party (and shall be extinguished in full upon full payment, distribution or transfer being made in respect of that Agreed Claim).

#### **6. STAY OF 30.7 APPLICATION**

- 6.1 Promptly following the date of this Agreement, the Parties shall procure that their respective solicitors sign a consent order (the "**Consent Order**") in the form of the draft consent order attached in the Schedule to this Agreement.

- 6.2 MFGI and MFGUK shall co-operate and use reasonable endeavours to procure that the solicitors to any other parties to the 30.7 Application shall also sign the Consent Order, if necessary in a form that includes such amendments as may be requested by the other parties to the 30.7 Application and that are acceptable to all of the Parties, acting reasonably.
- 6.3 If the Consent Order (or agreed variation) is signed by all parties to the 30.7 Application, MFGUK shall arrange for the signed Consent Order (or agreed variation) to be filed with the High Court as soon as reasonably practicable after it is signed, and the Parties shall co-operate in taking such steps as are reasonably necessary in order to procure the High Court's approval of the Consent Order (or agreed variation).
- 6.4 If, despite MFGI and MFGUK co-operating and using reasonable endeavours, any other parties to the 30.7 Application have not signed the Consent Order or an agreed variation within 10 Business Days of the date of this Agreement, MFGI and MFGUK will jointly apply to the High Court for an order in the same terms as the Consent Order.

## **7. FINAL SETTLEMENT, RELEASE AND WAIVER**

### 7.1 Upon the Effective Date occurring:

- (A) MFGUK and the Joint Special Administrators (and their respective agents, employees, partners, officers, directors, professionals, successors and assigns) shall automatically and irrevocably be released and discharged from all Claims against them (other than (i) the MFGI Agreed Claims, and (ii) any Claim coming into existence after the date of this Agreement which is based solely on any event or circumstance occurring after the date of this Agreement) which MFGI and the SIPA Trustee have or may have at that time or at any time in the future; and
- (B) MFGI, SIPC and the SIPA Trustee (and their respective agents, employees, partners, officers, directors, professionals, successors and assigns) shall automatically and irrevocably be released and discharged from all Claims against them (other than (i) the MFGUK Agreed Claims, and (ii) any Claim coming into existence after the date of this Agreement which is based solely on any event or circumstance occurring after the date of this Agreement) which MFGUK and the Joint Special Administrators have or may have at that time or at any time in the future,

provided that nothing in this Agreement shall limit the right of any Party to take any step or proceeding or make or assert any claim to enforce its rights, or another Party's obligations, under this Agreement.

- 7.2 The Parties to this Agreement covenant in favour of each other that, from the Effective Date, they will not take any step or proceeding or make or assert any Claim (whether by way of litigation or otherwise) against each other (either directly or indirectly), except in respect of (i) any dispute arising out of or otherwise connected with this Agreement, or

(ii) any Claim coming into existence after the date of this Agreement solely as a result of any event or circumstance occurring after the date of this Agreement.

7.3 As soon as reasonably practicable after the Effective Date, and subject to compliance by the Parties with their respective obligations under Clause 5 (*Treatment of Agreed Claims*), the Parties shall take all such steps as are necessary to procure the final dismissal of the 30.7 Application with no order as to costs, including the filing of a further consent order with the High Court.

## 8. REPRESENTATIONS

8.1 The SIPA Trustee represents and warrants (in respect of himself in his capacity as SIPA Trustee and on behalf of MFGI) in favour of MFGUK and the Joint Special Administrators, that:

- (A) the SIPA Trustee and MFGI have the power to enter into and perform, and have taken all necessary action to authorise the entry into and performance by them of their obligations under this Agreement;
- (B) the obligations imposed on the SIPA Trustee and MFGI under this Agreement constitute their legally binding, valid and enforceable obligations; and
- (C) prior to the date of this Agreement, neither MFGI nor the SIPA Trustee have Transferred, or purported to Transfer, their interest in any of the MFGI Agreed Claims, and no liens, mortgages, charges, pledges or other security interests exist in relation to any of the MFGI Agreed Claims,

subject, in respect of paragraphs (A) and (B) above in the case of the SIPA Trustee, to the satisfaction of the condition specified at paragraph 2 of the definition of "Conditions".

8.2 MFGUK represents and warrants (in respect of itself and the Joint Special Administrators) in favour of MFGI and the SIPA Trustee that:

- (A) MFGUK and the Joint Special Administrators have the power to enter into and perform, and have taken all necessary action to authorise the entry into and performance by them of their obligations under this Agreement;
- (B) the obligations imposed on MFGUK and the Joint Special Administrators under this Agreement constitute their legally binding, valid and enforceable obligations; and
- (C) prior to the date of this Agreement, MFGUK has not Transferred, or purported to Transfer, its interest in any of the MFGUK Agreed Claims, and no liens, mortgages, charges, pledges or other security interests exist in relation to any of the MFGUK Agreed Claims.

## 9. UNDERTAKINGS

The SIPA Trustee undertakes to MFGUK and the Joint Special Administrators, and MFGUK undertakes to MFGI and the SIPA Trustee, that he/it will:

- (A) in cooperation with the other Parties, use reasonable endeavours to procure the satisfaction of each of the Conditions as soon as reasonably practicable, and to take such other steps as are necessary in order to give full effect to this Agreement;
- (B) provide regular updates to the other Parties regarding progress towards satisfaction of the Conditions (with the Parties to discuss and agree in good faith the appropriate frequency and level of detail of such updates); and
- (C) not take any step that might reasonably be expected to adversely prejudice the outcome of any negotiations that may be ongoing with third parties.

## 10. COSTS

Save for any costs properly chargeable to MFGI under the Distribution Plan, each Party shall bear its own legal and other costs, including (without limitation) in relation to the 30.7 Application, this Agreement, and the negotiations relating to this Agreement.

## 11. TRANSFERS

11.1 MFGI and the SIPA Trustee may not (i) Transfer its legal and/or beneficial interest in the whole or any part of, or (ii) create any lien, mortgage, charge, pledge or other security interest in respect of:

- (A) the MFGI Agreed Claims; and/or
- (B) its right to receive any payment, distribution or transfer in respect of, or in connection with, the MFGI Agreed Claims,

except with the prior written consent of MFGUK and the Joint Special Administrators.

11.2 MFGUK may not (i) Transfer its legal and/or beneficial interest in the whole or any part of, or (ii) create any lien, mortgage, charge, pledge or other security interest in respect of:

- (A) the MFGUK Agreed Claims; and/or
- (B) its right to receive any payment, distribution or transfer in respect of, or in connection with, the MFGUK Agreed Claims,

except with the prior written consent of MFGI and the SIPA Trustee.

## 12. CONFIDENTIALITY

- 12.1 Subject to Clause 12.3 below, each Party shall treat this Agreement as strictly confidential and (except as provided in Clause 12.2 below) may not disclose to any other person: (i) details of the negotiations relating to this Agreement, (ii) this Agreement or any part thereof, or (iii) the existence of or subject matter of this Agreement (together, the “**Confidential Information**”).
- 12.2 Any Party may disclose Confidential Information:
- (A) if such disclosure is to an individual who is an employee, director, member or partner of that Party or an employee, director, member or partner of KPMG LLP;
  - (B) if such disclosure is to that Party's professional advisers;
  - (C) if such disclosure is required by law or by any court of competent jurisdiction, or the rules and regulations of any regulatory body or stock exchange;
  - (D) if and to the extent such disclosure is required as a consequence of paragraph 20 of the order of Mr Justice David Richards dated 16 November 2012;
  - (E) to the High Court for the purpose of applying for the approval of the Consent Order;
  - (F) in the case of the SIPA Trustee and the Joint Special Administrators, if such disclosure is (i) required in the exercise of their statutory duties, (ii) required as part of any mediation process the Parties are engaged in, (iii) made to the Bankruptcy Court in connection with the satisfaction of the condition referred to at paragraph 2 of the definition of “Conditions”, or (iv) to the Chapter 11 Trustee of Holdings and FinCo and/or his professional advisers;
  - (G) in the case of the Joint Special Administrators, if such disclosure is to the FSA or to MFGUK's creditors' committee;
  - (H) in the case of the SIPA Trustee, if such disclosure is to SIPC, the CFTC, the United States Securities and Exchange Commission, or any other relevant regulatory body; or
  - (I) if such disclosure is consented to in writing by (i) the SIPA Trustee (in the case of disclosure by MFGUK or the Joint Special Administrators), or (ii) the Joint Special Administrators (in the case of disclosure by MFGI or the SIPA Trustee).
- 12.3 From such time as a copy of this Agreement is placed on the file of the Bankruptcy Court and becomes open to public inspection, then any Party may disclose to any other person (i) this Agreement or any part thereof, and (ii) the existence of and subject matter of this Agreement.

**13. FURTHER ASSURANCE**

Each of the Parties shall at its own cost execute all such documents and take such steps and do all such acts or things as may be reasonably required for the purpose of giving effect to the provisions of this Agreement and in particular to ensure that its terms are binding on or enforceable against each of the Parties in any relevant jurisdiction.

**14. ENTIRE AGREEMENT**

This Agreement constitutes the whole agreement between the Parties relating to the subject matter of this Agreement, and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

**15. MODIFICATION**

This Agreement may only be varied or modified by written agreement signed by or on behalf of each of the Parties.

**16. EXCLUSION OF LIABILITY****Joint Special Administrators**

- 16.1 The Joint Special Administrators are party to this Agreement in their personal capacities only for the purpose of receiving the benefit of all limitations, exclusions, undertakings, and covenants in their favour and in favour of MFGUK.
- 16.2 The Joint Special Administrators have entered into and signed this Agreement as agents for and on behalf of MFGUK and neither they, their firm, members, partners, directors, officers, employees, agents, advisers or representatives shall incur any personal liability whatsoever. The exclusion of liability set out in this Clause 16 shall arise and continue notwithstanding the termination of the agency of the Joint Special Administrators or their discharge from office as special administrators of MFGUK and shall operate as a waiver of all and any claims.
- 16.3 Each of the Joint Special Administrators' firm, its members, partners, directors, officers, employees, agents, advisers and representatives shall be entitled to rely on, enforce and enjoy the benefit of this exclusion of liability as if they were a party to this Agreement.

**SIPA Trustee**

- 16.4 The SIPA Trustee has entered into this Agreement solely in his capacity as trustee for the liquidation of MFGI, and neither the SIPA Trustee nor his firm, partners, employees, counsel, advisers or other representatives shall incur any personal liability whatsoever under or in relation to this Agreement. Each of the SIPA Trustee's firm, its members, partners, employees, counsel, advisers and representatives shall be entitled to rely on, enforce and enjoy the benefit of this exclusion of liability as if they were a party to this Agreement.



**17. EXCLUSION OF WARRANTIES**

The SIPA Trustee acknowledges that all warranties, conditions, guarantees or representations express or implied, statutory or otherwise relating to (i) the accuracy of the Illustrative Financial Outcome, and (ii) any information, communications or announcements made or provided in whatever form in relation to the Illustrative Financial Outcome, are hereby excluded and that MFGUK and the Joint Special Administrators shall not be liable for any loss, damage or expense of any kind whatsoever, consequential or otherwise, arising out of or due to or caused by any error, inaccuracy, defect or deficiencies of any sort in relation to the Illustrative Financial Outcome, provided always that nothing contained in this Agreement shall exclude liability for fraudulent misrepresentation.

**18. INVALIDITY**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

**19. NO THIRD PARTY RIGHTS**

- 19.1 Except as provided in Clause 7 (*Final Settlement, Release and Waiver*) and Clause 16 (*Exclusion of Liability*), the Parties to this Agreement do not intend that any term of this Agreement should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.
- 19.2 Any term of this Agreement may be amended or waived without the consent of any person (other than a Party) named or described in Clause 7 (*Final Settlement, Release and Waiver*) or Clause 16 (*Exclusion of Liability*).

**20. NOTICES**

- 20.1 A notice under this Agreement shall only be effective if it is in writing. E-mail and fax is permitted.
- 20.2 Notices under this Agreement shall be sent to a Party at its address and for the attention of the individual set out below:

**MF Global Inc / SIPA Trustee**

James W. Giddens, SIPA Trustee for the liquidation of MF Global Inc.  
c/o Hughes Hubbard & Reed LLP  
One Battery Park Plaza

New York, New York 10004  
USA

For the attention of: James B. Kobak Jr.  
Email address: kobak@hugheshubbard.com  
Fax number: +1 212 299 6757

**MF Global UK Limited (in special administration)**

5 Churchill Place  
Canary Wharf  
London E14 5HU  
UK

For the attention of: Richard Heis, Joint Special Administrator  
Email address: richard.heis@kpmg.co.uk  
Fax number: +44 (0)20 7694 3011

**Joint Special Administrators**

KPMG LLP  
8 Salisbury Square  
London EC4Y 8BB

For the attention of: Richard Heis, Joint Special Administrator  
Email address: richard.heis@kpmg.co.uk  
Fax number: +44 (0)20 7694 3011

A Party may change its notice details on giving notice to the other Parties of the change in accordance with this Clause 20.

20.3 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (A) if delivered personally, on delivery;
- (B) if sent by first class inland post, two clear Business Days after the date of posting;
- (C) if sent by airmail, six clear Business Days after the date of posting; and
- (D) if sent by facsimile or e-mail, when sent.

**21. AGENT FOR SERVICE**

MFGI and the SIPA Trustee irrevocably appoint Trusec Limited, a company registered in England and Wales with registered number 463885, with its registered office at 2 Lambs

Passage, London, EC1Y 8BB, as their agent for service of process in relation to any proceedings before the High Court in relation to this Agreement.

## **22. TERMINATION**

- 22.1 Subject to Clause 22.2, if by the Longstop Date all of the Conditions have not either been (i) fulfilled, or (ii) waived in writing by all of the Parties, then this Agreement shall be terminated.
- 22.2 If the Parties agree, prior to the date upon which the proceedings in the 30.7 Application are scheduled to resume, that there is a reasonable prospect that all the Conditions will either be (i) fulfilled, or (ii) waived in writing by all of the Parties after that date, then the Parties may agree such extension of the stay of the 30.7 Application as they reasonably consider to be necessary in the circumstances (and the Parties shall accordingly cooperate and use their reasonable endeavours to procure that the stay of the 30.7 Application is extended as agreed).
- 22.3 Upon termination of this Agreement, all the rights and obligations of the Parties shall forthwith cease, except for those rights and obligations contained in Clause 12 (*Confidentiality*), Clause 16 (*Exclusion of Liability*), Clause 19 (*No Third Party Rights*), Clause 20 (*Notices*), and Clause 24 (*Governing Law and Jurisdiction*). Termination of this Agreement shall not affect any rights, liabilities or remedies arising under this Agreement prior to such termination and Clause 24 (*Governing Law and Jurisdiction*) shall continue to apply to such rights, liabilities and remedies.

## **23. COUNTERPARTS**

- 23.1 This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart.
- 23.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

## **24. GOVERNING LAW AND JURISDICTION**

- 24.1 This Agreement shall be governed by and construed in accordance with the laws of England and Wales.
- 24.2 The Parties agree that the courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise in connection with the validity, effect, interpretation or performance of, or the legal relationships established by, this Agreement or otherwise arising in connection with this Agreement. Any proceeding, suit or action arising out of or in connection with this Agreement shall be brought in the courts of England and Wales.

**SCHEDULE**

**Form of Consent Order**

30.7 Application

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

No. 9527 of 2011

Before Mr Justice David Richards

[        ] 2012

IN THE MATTER OF MF GLOBAL UK LIMITED (in special administration)

AND IN THE MATTER OF THE INVESTMENT BANK SPECIAL ADMINISTRATION  
REGULATIONS 2011

BETWEEN:

(1) RICHARD HEIS  
(2) MICHAEL ROBERT PINK  
(3) RICHARD DIXON FLEMING  
(the joint special administrators of MF Global UK Limited)

Applicants

- and -

(1) MF GLOBAL, INC.  
(a company incorporated under the laws of the State of Delaware)  
(2) LCH.Clearnet Limited  
(3) LCH.Clearnet SA  
(4) ICE Clear Europe Limited

Respondents

---

CONSENT ORDER

---

UPON the application of the Applicants and the First Respondent

AND UPON the Applicants and the First Respondent having entered a conditional settlement  
agreement dated [    ] December 2012

BY CONSENT IT IS ORDERED THAT:

1. The proceedings in the 30.7 Application shall be stayed until 21 March 2013.

- 2. The trial listed to commence on 9 April 2013 be vacated and relisted for the earliest available date on or after 4 July 2013 with a provisional time estimate of 20 days.
- 3. The proceedings shall be resumed on 21 March 2013. If the trial is relisted for the Trinity term 2013, each date in the Order dated 16 November 2012 shall be moved forward as follows: paragraph 6 (disclosure) 21 March 2013; paragraph 8 (deadline for expert applications) 19 April 2013; paragraph 9 (witness statements and expert reports) 17 May 2013; paragraphs 10 and 11 (reply witness statements and trial bundles) 3 June 2013; paragraph 12 (pre-trial review) on or about 6 June 2013; paragraph 13 (experts' reports in reply) 10 June 2013; paragraph 14 (experts section of trial bundle to the Respondents) 13 June 2013; paragraph 15 (experts discussion) 17 June 2013; paragraph 16 (experts' joint statement) 24 June 2013; paragraph 17 (notification to the Court) 26 June 2013; paragraph 18 (trial bundle to the Court) 27 June 2013; and paragraph 19 (skeleton arguments) 28 June 2013.
- 4. If the earliest available date is not until after the end of Trinity term 2013, the parties shall agree revised timetabling directions.
- 5. If the conditions contained in the Settlement Agreement dated [ ] December 2012 are satisfied, the Parties must immediately inform the Court.
- 6. Liberty to apply.
- 7. No order as to costs.

Dated this            day of            201[ ]

Signed .....

Weil Gotshal & Manges  
 110 Fetter Lane  
 London  
 EC4A 1AY  
 For and on behalf of the Applicants

Signed .....

Slaughter and May  
 One Bunhill Row  
 London  
 EC1Y 8YY  
 For and on behalf of the First Respondent

Signed .....

Clifford Chance  
 10 Upper Bank Street  
 London  
 E14 5JJ  
 For and on behalf of the Second and Third Respondents

Signed .....

Shearman & Sterling  
 9 Appold Street  
 London  
 EC2A 2AP  
 For and on behalf of the Fourth Respondent

SIGNATURE PAGE

SIGNED for and on behalf of )  
MF GLOBAL INC )  
by HUGHES HUBBARD & REED LLP, )  
in their capacity as counsel to James W. )  
Giddens, the Trustee for the Liquidation of MF )  
Global Inc. under the Securities Investor )  
Protection Act of 1970, as amended )

*Jan B. Reed*  
As Counsel to James W. Giddens  
SIPA Trustee for MF01

SIGNED for and on behalf of )  
JAMES W. GIDDENS, AS TRUSTEE FOR )  
THE LIQUIDATION OF MF GLOBAL INC. )  
UNDER THE SECURITIES INVESTOR )  
PROTECTION ACT OF 1970, AS AMENDED, )  
by HUGHES HUBBARD & REED LLP, )  
in their capacity as counsel to the SIPA )  
Trustee )

*Jan B. Reed*  
As Counsel to James W. Giddens  
SIPA Trustee for MF01

SIGNED for and on behalf of )  
MF GLOBAL UK LIMITED (IN SPECIAL )  
ADMINISTRATION) )  
acting by one of the Joint Special )  
Administrators (as agent and without personal )  
liability) pursuant to powers conferred by the )  
Insolvency Act 1986 and The Investment Bank )  
Special Administration Regulations 2011 )

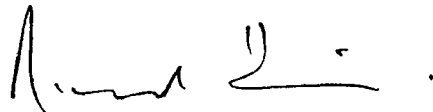
SIGNED for and on behalf of the )  
JOINT SPECIAL ADMINISTRATORS )  
acting by one of the Joint Special )  
Administrators acting on behalf of all of them )  
(without personal liability and solely for the )  
purpose of receiving the benefit of the )  
provisions of this Agreement in their favour) )

**SIGNATURE PAGE**

**SIGNED** for and on behalf of )  
**MF GLOBAL INC** )  
 by **HUGHES HUBBARD & REED LLP,** )  
 in their capacity as counsel to James W. )  
 Giddens, the Trustee for the Liquidation of MF )  
 Global Inc. under the Securities Investor )  
 Protection Act of 1970, as amended )

**SIGNED** for and on behalf of )  
**JAMES W. GIDDENS, AS TRUSTEE FOR** )  
**THE LIQUIDATION OF MF GLOBAL INC.** )  
**UNDER THE SECURITIES INVESTOR** )  
**PROTECTION ACT OF 1970, AS AMENDED,** )  
 by **HUGHES HUBBARD & REED LLP,** )  
 in their capacity as counsel to the SIPA )  
 Trustee )

**SIGNED** for and on behalf of )  
**MF GLOBAL UK LIMITED (IN SPECIAL** )  
**ADMINISTRATION)** )  
 acting by one of the Joint Special )  
 Administrators (as agent and without personal )  
 liability) pursuant to powers conferred by the )  
 Insolvency Act 1986 and The Investment Bank )  
 Special Administration Regulations 2011 )



A handwritten signature in black ink, appearing to be 'A. W. Giddens', written over a horizontal line.

**SIGNED** for and on behalf of the )  
**JOINT SPECIAL ADMINISTRATORS** )  
 acting by one of the Joint Special )  
 Administrators acting on behalf of all of them )  
 (without personal liability and solely for the )  
 purpose of receiving the benefit of the )  
 provisions of this Agreement in their favour) )



A handwritten signature in black ink, appearing to be 'A. W. Giddens', written over a horizontal line.

## **EXHIBIT 2**



December 21, 2012

BY HAND

Brett H. Miller, Esq.  
Morrison & Foerster LLP  
1290 Avenue of the Americas  
New York, NY 10104

Re: Resolution of Certain Claims of the Chapter 11 Debtors in  
the SIPA Liquidation of MF Global Inc. (S.D.N.Y. Case  
No. 11-2790 (MG) SIPA).

Dear Brett:

As you are aware, we represent James W. Giddens, as trustee (the "SIPA Trustee") for the liquidation of MF Global Inc. ("MFGI") under the Securities Investor Protection Act of 1970, as amended ("SIPA").

MF Global Holdings Ltd ("Holdings Ltd."), MF Global Finance USA Inc. ("FinCo"), MF Global FX Clear LLC ("FX Clear"), MF Global Market Services LLC ("Market Services"), MF Global Capital LLC ("MFG Capital"), MF Global Holdings USA, Inc. (collectively, the "Chapter 11 Debtors") timely submitted securities customer claims, commodity customer claims and/or general creditor claims (each a "Chapter 11 Claim," and collectively, the "Chapter 11 Claims") against the MFGI estate. MF Global Special Investor LLC ("Special Investor"), MF Global Assurance Company Ltd. ("Assurance") and MF Global FX LLC ("FX LLC") also timely submitted securities customer claims, and/or general creditor claims against the MFGI estate (each an "Affiliate Claim," and collectively, the "Affiliate Claims"). The SIPA Trustee made determinations as to certain of the Chapter 11 Claims and Affiliate Claims for customer property and issued Letters of Determination for each, but did not make determinations for any general estate claims filed by the Chapter 11 Debtors, Assurance and FX LLC. Louis J. Freeh, as Trustee (the "Chapter 11 Trustee") of the Chapter 11 Debtors, has filed objections to certain letters of determination and has been granted extensions to object to the remaining letters of determination.

The SIPA Trustee timely filed a general creditor claim against several Chapter 11 Debtors (each an "MFGI Claim," or collectively, the "MFGI Claims"). The Chapter 11 Trustee has not made any determinations as to the MFGI Claims.

This letter agreement (the "Agreement") serves to memorialize our accord, understanding and resolution regarding the determinations and procedure for all but ten of the Chapter 11 Claims and one unliquidated MFGI claim. This Agreement fully resolves the

following Chapter 11 Claims and Chapter 11 Affiliate Claims: 900021287, 900021262, 900021277, 900021263, 900021274, 900021285, 900021286, 900021282, 900021283, 900021284, 900021288, 900021272, 900021278, 900021271, 900021273, 900021275, 900021276, 700000429, 700000428, 700000442, 700000443, 700000431, 700000441, 700000444, 700000458, 700000430, 700000432, 700000433, 700000434, 700000435, 700000436, 700000437, 700000438, 700000439, 700000440, 700000445, 700000446, 700000447, 700000448, 700000449, 700000450, 700000451, 700000452, 700000453, 700000454, 700000455, 700000456, 700000457, 5484, 5485, 5486, 5487, 5488, 5489, 5490, 5491, 5492 and 5493 (collectively, the “Resolved Chapter 11 Claims”). The following ten Chapter 11 Customer Claims are being held open pending receipt of instructions for final treatment, and are not the subject of this Agreement: 900021264, 900021265, 900021266, 900021267, 900021268, 900021269, 900021270, 900021279, 900021280 and 900021281 (all submitted by FinCo as Commodities Customer Claims) (collectively, the “Held Open Chapter 11 Claims”). The Held Open Chapter 11 Claims all pertain to contractual liens claimed by FinCo on the accounts of MFGI’s former public commodity customers, for which claims the Chapter 11 Trustee and the individual former account holders are continuing to use best efforts to address final distributions. The SIPA Trustee and the Chapter 11 Trustee have agreed that the amounts claimed in the Held Open Chapter 11 Claims are not separate from the amounts claimed by the former account holders and, as such, the SIPA Trustee is not required to reserve for both claimed amounts except and to the extent that the amount claimed by the Chapter 11 Trustee in the name of such former commodity customer exceeds the undistributed portion of a former public commodity customers’ allowed claim. The parties hereto (the “Parties”) agree that the SIPA Trustee will accept valid instructions from the former account holders, as approved by the Chapter 11 Trustee, for the distribution of these former accounts pending the resolution of the Chapter 11 Trustee’s negotiations with those former account holders.

This Agreement settles the Resolved Chapter 11 Claims, including determinations of the amounts allowed as commodity customer claims, securities customer claims and general estate claims. This Agreement binds the Chapter 11 Trustee and the SIPA Trustee to the determinations set forth below and extinguishes the Chapter 11 Trustee’s right to object to or contest the determinations of the Resolved Chapter 11 Claims in any manner.

The agreed upon final resolution of the Resolved Chapter 11 Claims is as follows:

A. Resolution of Chapter 11 Claims for Commodity Customer Property:

1. Claim No. 900021287: submitted by FinCo in an unspecified amount only – this Claim is **denied**.<sup>1</sup>
2. Claim Nos. 900021262 and 900021277: submitted by FX Clear in the aggregate amount of \$1,242.66 plus an unspecified amount – these Claims are **allowed** in the aggregate amount of **\$1,242.66** as a Non-Public Customer<sup>2</sup> Claim in the

---

1. For clarity, all claims filed as Chapter 11 Customer Claims in an unliquidated or unspecified amount other than claim number 700000428, are denied.

2. The term “Non-Public Customer” shall have the meaning ascribed to it in 17 C.F.R. §190.01(cc) (“*Non-public customer* means any person enumerated in the definition of *Proprietary Account* in §1.3 or §31.4(e) of this

futures account class only.

3. Claim Nos. 900021263, 900021274, 900021285 and 900021286: submitted by Market Services in the aggregate amount of \$81,005,475.19 plus an unspecified amount – these Claims are **allowed** in the aggregate amount of **\$31,607,920.11** as a Non-Public Customer Claim in the futures account class only.
4. Claim Nos. 900021282, 900021283, 900021284 and 900021288: submitted by MFG Capital in the aggregate amount of \$29,132,060.77 – these Claims are **allowed** in the aggregate amounts of **\$28,185,748.68** as a Non-Public Customer Claim in the futures account class only and **\$101,730.30** as a Non-Public Customer Claim in the foreign futures account class only.
5. Claim Nos. 900021272 and 900021278: submitted by Special Investor in the aggregate amount of \$140,841.41 plus an unspecified amount – these Claims are **allowed** in the aggregate amount of **\$83,815.91** as a Non-Public Customer Claim in the futures account class only.
6. Claim Nos. 900021271, 900021273, 900021275 and 900021276: submitted by Holdings Ltd. in unspecified amounts only – these claims are **denied**.

B. Resolution of Chapter 11 Claims for Securities Customer Property:

7. Claim Nos. 700000429 and 700000445: submitted by FinCo in the aggregate amount of \$127,151,670.05 (and later amended to \$177,715,443.11) plus an unspecified amount – these Claims are **allowed** in the aggregate amount of **\$63,500,000.00** broken down as follows:
  - (a) an **allowed** claim for **\$29,918,812.27** as a Securities Customer Claim only; and
  - (b) an **allowed** claim for **\$33,581,187.73** as an Unsecured General Creditor Claim only.
8. Claim No. 700000428: submitted by MFG Capital in an unspecified amount only – this Claim is **allowed** in the amount of **\$1,186,113.27** as a Securities Customer Claim only.
9. Claim Nos. 700000442 and 700000443: submitted by FX Clear in unspecified amounts only – these Claims are **denied**.
10. Claim No. 700000431: submitted by Market Services in an unspecified amount

---

chapter, any person excluded from the definition of “foreign futures or foreign options customer” in the proviso to section 30.1(c) of this chapter, or any person enumerated in the definition of *Cleared Swaps Proprietary Account* in §22.1 of this chapter, in each case, if such person is defined as a ‘customer’ under paragraph (k) of this section.”), and pursuant to 17 C.F.R. §190.08(b) (“No portion of the customer estate may be allocated to pay non-public customer claims until all public customer claims have been satisfied in full.”). For the purposes of clarity, the Parties agree that no Non-Public Customer claim shall be paid unless and until the Public Customers (as the term is used in 17 C.F.R. § 190, et. seq.) are paid in full.

only – this Claim is **denied**.

11. Claim Nos. 700000441, 700000444 and 700000458: submitted by Holdings Ltd. in the aggregate amount of \$77,332,223.00 plus an unspecified amount – these Claims are **allowed** in the aggregate amount of **\$3,895,074.46** as a Securities Customer Claim only.

C. Resolution of Affiliate Claims for Securities Customer Property:

12. Claim Nos. 700000430, 700000432, 700000433, 700000434, 700000435, 700000436, 700000437, 700000438, 700000439, 700000440, 700000446, 700000447, 700000448, 700000449, 700000450, 700000451, 700000452, 700000453, 700000454, 700000455, 700000456 and 700000457: submitted by Special Investor in the aggregate amount of \$352,061,741.16 – these Claims are **allowed** in the aggregate amount of **\$43,768,836.00** as an Unsecured General Creditor Claim only.

D. Resolution of Chapter 11 Claims for General Estate Property:

13. Claim No. 5489: submitted by Holdings Ltd. in the amount of \$38,720,558.00 – this Claim is allowed in the amount of \$55,492,687.26 as an Unsecured General Creditor Claim only; provided, however, after setoff of the allowed MFGI claim against Holdings Ltd. referenced in paragraph 22 below, the Claim shall be **allowed** in the reduced amount of **\$48,712,140.49**.
14. Claim Nos. 5486 and 5488: submitted by Holdings USA in the aggregate amount of \$36,585,647.00 plus an unspecified amount – these Claims are allowed in the aggregate amount of \$39,405,631.00 as an Unsecured General Creditor Claim only; provided, however, after setoff of the allowed MFGI claim against Holdings USA referenced in paragraph 22 below, these Claims shall be **allowed** in the reduced aggregate amount of **\$33,656,292.42**.
15. Claim Nos. 5486: submitted by Holdings USA in the aggregate amount of \$130,000,000.00 – this Claim is **allowed** in the aggregate amount of **\$130,000,000.00** as an Unsecured General Creditor Claim that is be subordinated for to all other allowed Unsecured General Creditor Claims for distribution purposes. For the avoidance of doubt, Holdings USA shall not be entitled to receive a distribution on account of this claim until all allowed unsubordinated Unsecured General Creditor Claims have been paid in full.
16. Claim Nos. 5492 and 5493: submitted by FinCo in the aggregate amount of \$991,496,127.00 – these Claims are allowed in the aggregate amount of \$991,496,127.00 as an Unsecured General Creditor Claim only; provided, however, after setoff of the allowed MFGI claim against FinCo referenced in paragraph 24 below, these Claims shall be **allowed** in the reduced aggregate amount of **\$989,802,613.89**.
17. Claim No. 5491: submitted by FinCo in the aggregate amount of \$470,000,000.00 – this Claim is **allowed** in the aggregate amount of \$470,000,000.00 as an

Unsecured General Creditor Claim that is be subordinated for to all other allowed Unsecured General Creditor Claims for distribution purposes. For the avoidance of doubt, FinCo shall not be entitled to receive a distribution on account of this claim until all allowed unsubordinated Unsecured General Creditor Claims have been paid in full.

18. Claim No. 5490: submitted by MFG Capital in the amount of \$3,733,828.00 – this Claim is allowed in the aggregate amount of \$3,733,828.00 as an Unsecured General Creditor Claim only; provided, however, after setoff of the allowed MFGI claim against MFG Capital referenced in paragraph 25 below, the Claim shall be **allowed** in the reduced amount of **\$3,044,660.15**.
19. Claim No. 5487: submitted by FX Clear in the amount of \$398,448.00 plus an unspecified amount – this Claim is allowed in the amount of \$398,448.00 as an Unsecured General Creditor Claim only; provided, however, after setoff of the allowed MFGI claim against FX Clear referenced in paragraph 27 below, the Claim shall be **allowed** in the reduced amount of **\$311,014.31**.
20. Claim No. 5484: submitted by FX LLC in the amount of \$29,300.00 plus an unspecified amount – this Claim is **allowed** in the amount of **\$29,300.00** as an Unsecured General Creditor Claim only.
21. Claim No. 5485: submitted by Assurance in the amount of \$2,740.00 – this Claim is **allowed** in the amount of **\$2,740.00** as an Unsecured General Creditor Claim only

E. Resolution of MFGI Claims for General Estate Property:

22. Claim submitted by MFGI against Holdings Ltd. for \$40,211,374.00 plus an unspecified amount – this Claim is **allowed** in the amount of **\$6,780,546.77** as an Unsecured General Creditor Claim only.
23. Claim submitted by MFGI against Holdings USA for \$34,095,894.00 – this Claim is **allowed** in the amount of **\$5,749,338.58** as an Unsecured General Creditor Claim only.
24. Claim submitted by MFGI against FinCo for \$10,043,215.00 – this Claim is **allowed** in the amount of **\$1,693,513.11** as an Unsecured General Creditor Claim only.
25. Claim submitted by MFGI against MFG Capital for \$4,087,043.00 – this Claim is **allowed** in the amount of **\$689,167.85** as an Unsecured General Creditor Claim only.
26. Claim submitted by MFGI against Market Services for \$165,276.00 – this Claim is **disallowed**.
27. Claim submitted by MFGI against FX Clear for \$518,517.00 – this Claim is **allowed** in the amount of **\$87,433.69** as an Unsecured General Creditor Claim

only.

Except as specifically set forth herein, the Resolved Chapter 11 Claims shall not be subject to setoff by the SIPA Trustee against general unsecured claims MFGI filed against the Chapter 11 Debtors.

Except as specifically set forth herein, the Resolved Chapter 11 Claims shall not be subordinated to any claim filed against MFGI in the SIPA proceeding and the SIPA Trustee will oppose any third party seeking to subordinate the Resolved Chapter 11 Claims.

The allowed Securities Customer Claims of FinCo, Holdings Ltd. and MFG Capital shall rank *pari passu* with all other allowed Securities Customer Claims against the MFGI estate; and the SIPA Trustee shall cause his professionals to make a true-up distribution equal to the initial distribution paid to holders of similarly allowed Securities Customer Claims as soon as practicable, but no later than five (5) business days after receipt of the fully executed Agreement.

Upon counter-execution of this Agreement, the Chapter 11 Trustee will promptly withdraw the pending objections to the SIPA Trustee's determinations of the Chapter 11 Claims in the SIPA proceeding.

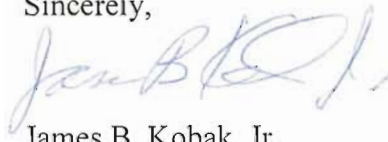
The Chapter 11 Trustee agrees to withdraw the litigation commenced on behalf of Holdings Ltd. and FinCo against MF Global UK Ltd. ("**MFGUK**") in an amount not less than \$237.5 million, subject to the special administrators of MFGUK (i) admitting the Chapter 11 Debtors' claims filed against MFGUK, (ii) resolving the TPR claim percentage to be paid by the Chapter 11 Debtors' UK affiliates and (iii) resolving the memorandum of understanding pertaining to the protocol for upstreaming distributions for the Chapter 11 Debtors' rest of world affiliates.

The Chapter 11 Trustee agrees in principle to support the allocation of or loan from MFGI unallocated property sufficient to pay 100% of net equity claims of commodities and securities customers; provided, however, that the SIPA Trustee shall provide the Chapter 11 Trustee with an explanation of the estimated amount of claims against, assets in and shortfall for each pool of customer property in support of the requested allocation or loan amount; provided further, however, that any motion or order providing for such allocation shall (i) be reasonably acceptable to the Chapter 11 Trustee; (ii) provide for the allocation or loan of sufficient general estate assets to pay 100% of each of the Chapter 11 Debtors' allowed claims for commodities and securities property, as set forth in Sections A and B herein; (iii) be structured in a manner so that (A) customer rights and recoveries, to the extent then pending, against any defendant to a lawsuit (*i.e.*, JPMorgan Chase, insurers, class action defendants or any other party) are preserved, and (B) the MFGI general estate shall be subrogated to such customer rights and recoveries; and (iv) provide that any funds recovered from any source after any such reallocation or loan shall be deemed general estate assets. Upon Bankruptcy Court approval of the allocation order, the MFGI unliquidated claim filed against the Chapter 11 Debtors' shall be deemed withdrawn and expunged. The Chapter 11 Debtors' official committee of creditors and ad hoc committee of creditors are not parties to this Agreement and therefore, the SIPA Trustee and the Chapter 11 Trustee agree that whatever rights such committees may have with respect to objecting to or supporting any motion or order referenced in this paragraph are reserved.

Upon Bankruptcy Court approval of the reallocation order, the MFGI unliquidated claim filed against the Chapter 11 Debtors' shall be deemed withdrawn.

The Chapter 11 Trustee and the SIPA Trustee agree to cooperate on and maximize recoveries from the Dooley insurance claim and other matters, including taxes, and further agree to share information to maximize efficiencies and limit the costs to their respective estates, particularly to the estate producing such information. The Chapter 11 Trustee and the SIPA Trustee agree that no public or media statement regarding this Agreement shall be made without prior consultation with and consent from each other, which consent shall not be unreasonably withheld.

Sincerely,



James B. Kobak, Jr.  
Counsel to James W. Giddens,  
SIPA Trustee for the Liquidation of  
MF Global Inc.

Agreed to and Accepted:

---

Brett Miller  
Counsel to Louis J. Freeh,  
Chapter 11 Trustee for  
MF Global Holdings Ltd., *et. al.*

Upon Bankruptcy Court approval of the reallocation order, the MFGI unliquidated claim filed against the Chapter 11 Debtors' shall be deemed withdrawn.

The Chapter 11 Trustee and the SIPA Trustee agree to cooperate on and maximize recoveries from the Dooley insurance claim and other matters, including taxes, and further agree to share information to maximize efficiencies and limit the costs to their respective estates, particularly to the estate producing such information. The Chapter 11 Trustee and the SIPA Trustee agree that no public or media statement regarding this Agreement shall be made without prior consultation with and consent from each other, which consent shall not be unreasonably withheld.

Sincerely,

James B. Kobak, Jr.  
Counsel to James W. Giddens,  
SIPA Trustee for the Liquidation of  
MF Global Inc.

Agreed to and Accepted:



Brett Miller  
Counsel to Louis J. Freeh,  
Chapter 11 Trustee for  
MF Global Holdings Ltd., *et. al.*



## **EXHIBIT 3**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

MF GLOBAL INC.,

Debtor.

Case No. 11-2790 (MG) SIPA

**[PROPOSED] ORDER APPROVING SETTLEMENT AGREEMENT  
BETWEEN THE DEBTOR, THE TRUSTEE, MF GLOBAL UK LIMITED (IN SPECIAL  
ADMINISTRATION) AND THE MFGUK JOINT SPECIAL ADMINISTRATORS**

Upon the motion dated [December 21, 2012] (the “Motion”)<sup>1</sup> of James W. Giddens (the “Trustee”), as Trustee for the liquidation of the business of MF Global Inc. (“MFGI” or the “Debtor”) pursuant to the Securities Investor Protection Act (“SIPA”), for an order pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) approving the settlement and compromise (the “Settlement Agreement”) entered into by MFGI, the Trustee, MF Global UK Limited (in administration) (“MFGUK”) and the MFGUK Joint Special Administrators Richard Heis, Richard Fleming and Michael Pink (the “JSAs”, collectively with MFGI, the Trustee and MFGUK, the “Parties”); and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with SIPA § 78eee(b)(4); and venue being proper before this Court pursuant to SIPA § 78eee(a)(3) and 15 U.S.C. § 78aa; and

Upon consideration of the Motion, any objections thereto, briefs and arguments of counsel, and due and proper notice of the Motion having been provided, including in accordance

---

1. Capitalized terms not defined herein or in the Motion shall have the meaning ascribed to them in the Settlement Agreement.

with the Amended Case Management Order, to all parties in interest, including the Duplicative Claimants, and it appearing that the notice of the Motion is sufficient, adequate, and timely under the circumstances of this case and that no other or further notice need be provided; and a reasonable opportunity to object or be heard regarding the Motion having been given to all such parties; and a full and fair opportunity having been afforded to litigate all issues raised in all objections, or which might have been raised, and all objections having been fully and fairly litigated;

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. The Parties have engaged in proceedings before the English High Court including substantial briefing with respect to the MFGI 30.7 Client Asset Claim and the RTM element of the MFGI Agreed Claims, together with substantial discovery in relation to the MFGI 30.7 Client Asset Claim, which are among the claims now being settled pursuant to the Settlement Agreement. Those proceedings, and in particular the 30.7 Application, involved the filing of multiple substantive briefs, propounding extensive document requests on each other, and collectively producing and reviewing hundreds of thousands of pages of documents from dozens of custodians.

B. In evaluating the reasonableness of the settlement, the Court has taken into consideration the evidence before the Court.

C. After careful consideration of the record, the Court finds that the settlement of MFGI's and MFGUK's Claims against each other as described and in the amounts reflected in the Settlement Agreement is within the range of reasonableness. The Court has canvassed the issues to evaluate the reasonableness of the settlement and finds that:

- a) **a full litigation of the Claims resolved by the Settlement Agreement would be extremely complex, protracted and expensive, and would**

**significantly delay the Trustee's ability to make distributions to customers and creditors of the MFGI estate and to complete the MFGI SIPA proceeding;**

- b) the Settlement Agreement is in the best interests of the MFGI estate, its customers and creditors, and is supported by good business reasons;**
- c) customers and creditors of the MFGI Estate and other parties in interest have demonstrated support for the Settlement Agreement;**
- d) both the Trustee's counsel and the JSAs' counsel have substantial experience and are competent in advising on complex bankruptcy and litigation matters and in negotiating commercial resolutions thereof; and**
- e) the Settlement Agreement was negotiated, proposed, and entered into by the Trustee and the JSAs without collusion, in good faith, and from arm's length bargaining positions.**

D. Each of the releases provided for in the Settlement Agreement, and the injunctions contained in this Order, (i) is within the Court's jurisdiction, (ii) is essential to administering the MFGI estate, (iii) is an integral element of the Settlement Agreement and/or to its effectuation, (iv) confers material benefits on, and is in the best interests of, the MFGI estate, and (v) is essential to the overall objectives of the Settlement Agreement.

E. It is in the best interests of the MFGI estate, its customers and creditors for the Trustee to make further distributions and to complete the SIPA liquidation proceedings of MFGI as promptly as possible. See SIPA § 78fff(a)(1). To this end, it is in the best interests of the MFGI estate, its customers and creditors for the Trustee to resolve MFGI's and MFGUK's respective Claims against each other as promptly as practicable and in a consensual manner. Indeed, the Trustee is unable to make meaningful additional distributions to customers, or any distribution from the general estate, without resolving these Claims.

F. The Settlement Agreement reflects an integrated and comprehensive settlement of MFGI's and MFGUK's Claims against each other, and each component and protection contained

therein and in this Order, including the releases and injunctions, are an integral part thereof. The entry of this Order as a Final Order as described in the Settlement Agreement is necessary for the Settlement Agreement to become effective and achieve its goals, which are in the best interests of the MFGI estate.

G. The Settlement Agreement brings greater certainty to the MFGI Estate and will permit the Trustee to make substantial progress toward completion of the SIPA liquidation of MFGI.

H. Those customers of MFGI who have submitted Claims against the MFGI 30.7 commodities estate and/or who have submitted or in the future submit Claims against MFGUK in respect of the MFGUK/MFGI Futures and Options Business (such Claims being “**Duplicative Claims**”), are subject to the jurisdiction of this Court and are therefore appropriately and completely bound by this Order.

I. The Court finds that customer claims in respect of the MFGUK/MFGI Futures and Options Business are best resolved with the Trustee in this Court, and not against MFGUK and/or the JSAs in any other forum. The Court acknowledges that it is necessary, to achieve the settlement reflected in the Agreement, that Duplicative Claims be released in their entirety so that reserves by the JSAs in respect of the Duplicative Claims no longer need to be maintained.

J. The Court takes notice that it is a Condition of the Settlement Agreement that the Holdings/FinCo Claim has been withdrawn, a notice of discontinuance has been served on MFGUK and filed with the High Court in respect of the Holdings/FinCo Proceedings, and MFGUK has received a release signed on behalf of each of Holdings and FinCo by which Holdings and FinCo irrevocably waive and release (on terms satisfactory to MFGUK) all claims

they may have against MFGUK and the JSAs other than the Agreed Holdings/FinCo Claims and any additional claims as otherwise agreed between the Chapter 11 Trustee and the JSAs.

K. The Court takes notice that it is a Condition of the Settlement Agreement that JPMorgan Chase has unconditionally withdrawn the JPMorgan Chase Claim and paid MFGUK the MFGUK Receivable, and JPMorgan Chase and JPMorgan Chase & Co. have unconditionally agreed to, and have irrevocably waived and released (on terms satisfactory to MFGUK), all claims they may have against MFGUK and the JSAs in respect of the JPMorgan Chase Claim and/or arising from or in respect of the Wire Transfer.

**NOW THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is granted in all respects and the Settlement Agreement<sup>2</sup> is authorized and approved pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.

2. Upon the occurrence of the Effective Date, the Trustee is authorized and directed to make the distributions to MFGUK set forth in Section 5.3 of the Settlement Agreement in accordance with and subject to the terms thereof.

3. Upon the occurrence of the Effective Date, in accordance with and subject to the terms of the Settlement Agreement the Parties are permanently enjoined from pursuing in any manner any Claims that are released pursuant to the Settlement Agreement.

4. Upon the occurrence of the Effective Date, the MFGUK Agreed Claims against MFGI are allowed and satisfied in accordance with and subject to the terms of the Settlement Agreement.

---

2. The exhibits and schedules that are incorporated by reference into the Settlement Agreement are all approved.

5. Upon the occurrence of the Effective Date, the mutual Releases in the Settlement Agreement are approved in accordance with and subject to the terms thereof.

6. Upon the occurrence of the Effective Date, the Trustee is authorized and directed to take any necessary or appropriate action to bring an end to any legal proceedings in the UK.

7. Upon the occurrence of the Effective Date, the Parties shall promptly file on the Court's docket notice thereof.

8. The transfer of assets in accordance with and subject to the terms of the Settlement Agreement will be a legal, valid, and effective transfer of all of the legal, equitable and beneficial right, title and interest in those assets, and free and clear of all liens, Claims, and encumbrances.

9. All Persons are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Parties to transfer property and Claims pursuant to and subject to the terms of the Settlement Agreement.

10. All Duplicative Claimants and any persons claiming for, through or under any Duplicative Claimants, are permanently enjoined from: (i) submitting, commencing, conducting, or continuing any claim, suit or proceeding, with respect to the Duplicative Claims, against MFGUK or the JSAs in any U.S. state or federal court, in MFGUK's Special Administration and/or in any foreign court or foreign proceedings, (ii) levying against or attaching the property MFGI is receiving from MFGUK as described in the Settlement Agreement in any U.S. state or federal court and/or any foreign court, or (iii) creating, perfecting or enforcing any purported encumbrance in the United States against the property MFGI is receiving from MFGUK as described in the Settlement Agreement.

11. Future payments by the Trustee from the MFGI 30.7 commodities estate to any MFGI 30.7 commodities customer with an allowed claim with a value greater than \$12,000 are conditional on an appropriate release of all Claims which are Duplicative Claims or which, when made, would be Duplicative Claims being given by such customer in favor of MFGUK and the JSAs.

12. Upon the occurrence of the Effective Date, all provisions of the Settlement Agreement shall be binding on the Parties. The failure to specify any particular provision of the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Settlement Agreement be authorized and approved in its entirety.

13. The Parties have full authority to execute the Settlement Agreement.

14. The Parties are hereby authorized to take any necessary or appropriate steps to effectuate the terms of the Settlement Agreement.

15. Any objections to the Motion that have not otherwise been withdrawn or resolved are overruled.

16. The Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order, except for matters reserved for the English Court as provided in the Settlement Agreement.



17. This Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a). To the extent applicable, Bankruptcy Rule 6004(h) is hereby waived.

Dated: New York, New York

---

---

HONORABLE MARTIN GLENN  
UNITED STATES BANKRUPTCY JUDGE