

Exhibit A: Specific Formal Objections and the Trustee's Responses

1. Response of Queen's Quay Avante Limited (Halperin Battaglia & Raight, LLP) (ECF No. 573)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> The Motion¹ should expressly state that accounts affected by failed or reversed wires, like Bounced Check Accounts, will receive funds through the proposed Third Bulk Transfer. (§§ 7, 10) 	<ul style="list-style-type: none"> The Trustee confirms that accounts affected by failed or reversed wires will, as a result of the proposed Third Bulk Transfer, be treated in the same manner as Bounced Check Accounts, as described in the Trustee's Motion.
<ul style="list-style-type: none"> The Motion should clarify whether the fact that funds appeared on MFGI account statements in foreign currency (here, Canadian dollars) will affect the timing of any distribution. (§§ 7, 10) 	<ul style="list-style-type: none"> The currency in which the funds are maintained is not at all indicative of their classification—4d Segregated Commodity Customer Property may be held in any number of foreign currencies (but nonetheless relate to futures trading in the United States) and 30.7 Secured Commodity Customer Property may very well be transacted and/or held in U.S. dollars, but cleared through foreign exchanges.
2. Objection of Sapere Wealth Management, LLC, Granite Asset Management and Sapere CTA Fund, L.P. (Ford Marrin Esposito Witmeyer & Gleser, L.L.P.) (ECF No. 585)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> Sapere argues that the Third Bulk Transfer should not occur until Sapere receives what it is owed under the prior bulk transfers. Specifically, Sapere argues that it received 60% of its cash through the prior bulk transfers, but its Treasury Bills were excluded. If the Trustee effects the proposed Third Bulk Transfer before completing the prior bulk transfers, commodities customers who did not receive their full distributions under the prior bulk transfers may not ever receive 	<ul style="list-style-type: none"> The purpose of the proposed Third Bulk Transfer is to achieve a uniformly equalizing <i>pro rata</i> interim distribution to each and every U.S. commodity futures customer (<i>i.e.</i>, customers with cash or other property related to futures or options on futures which are traded on a U.S. exchange). If the proposed Third Bulk Transfer is approved, customers still awaiting the sixty percent distribution of their cash equivalents will receive those as part of the Second Bulk Transfer, and then will receive the True Up Amount as part of the proposed Third Bulk Transfer. Further, among the categories of accountholders that would receive a distribution

1. Capitalized terms not otherwise defined herein shall have the meanings given to the in the Expedited Motion to Approve Further Transfers and Distributions for MF Global Inc. United States Commodity Futures Customers (the "Motion," ECF No. 495) or this Omnibus Reply.

the amount they are due. (p. 1–2, 4)	via the proposed Third Bulk Transfer are holders of cash-only accounts not included in the First and Second Bulk Transfers (defined in the Motion as “Additional Cash-Only Accounts”). If as a result of mistakes or anomalies in its account, a customer does not receive a distribution (or does not receive the amount expected) via one of the Court-approved bulk transfers (including the proposed Third Bulk Transfer, if approved), the Court-approved expedited customer claims process is specifically designed to address customer claims on an individual basis.
<ul style="list-style-type: none"> ▪ Sapere seeks further information from the Trustee about the status of its accounts. (p. 2–3) 	<ul style="list-style-type: none"> ▪ The Trustee and his professionals have taken tremendous efforts to keep customers and creditors informed, and to appropriately respond to their concerns. The Trustee and his professionals have held numerous meet-and-confer sessions in-person and via telephone, most recently on December 1, 2011, and have established a call center for customer questions, and continuously update a website, www.mfglobaltrustee.com, with timely information. The Trustee’s professionals continue to consult with counsel to customers regularly, including counsel to Sapere.

3. Response of Bergenie Assets, Inc. and Chadwick Foundation (Halperin Battaglia & Raicht, LLP) (ECF No. 595)	
<u>Objection</u>	<u>Trustee’s Response</u>
<ul style="list-style-type: none"> ▪ Bergenie Assets Inc. and Chadwick Foundation argue that neither of them has received any cash on account of their all-cash accounts as part of the Second Bulk Transfer, despite the fact that both accounts contained only cash as of the Filing Date. (¶ 4) 	<ul style="list-style-type: none"> ▪ The purpose of the proposed Third Bulk Transfer is to achieve a uniformly equalizing <i>pro rata</i> interim distribution to each and every U.S. commodity futures customer (<i>i.e.</i>, customers with cash or other property related to futures or options on futures which are traded on a U.S. exchange). If the proposed Third Bulk Transfer is approved, customers still awaiting the sixty percent distribution of their cash equivalents will receive those as part of the Second Bulk Transfer, and then will receive the True Up Amount as part of the proposed Third Bulk Transfer. Further, among the categories of accountholders that would receive a distribution via the proposed Third Bulk Transfer are holders of cash-only accounts not included in the First and Second Bulk Transfers (defined in the Motion as “Additional Cash-Only Accounts”). If as a result of mistakes or anomalies in its account, a customer does not receive a distribution (or does not receive the amount expected) via one of the Court-approved bulk transfers (including the proposed Third Bulk Transfer, if approved), the Court-approved expedited customer claims process is specifically designed to address customer claims on an individual basis.

<ul style="list-style-type: none"> ▪ Bergenie Assets Inc. and Chadwick Foundation have been informed that the cash may not have been transferred in the Second Bulk Transfer because of the presence of foreign currencies in the account, but note that the account statements regularly converted account balances to U.S. dollars. (¶ 6) ▪ Bergenie Assets Inc. and Chadwick Foundation request clarification as to how the Trustee intends to address foreign currencies in all-cash accounts. (¶ 8) 	<ul style="list-style-type: none"> ▪ The currency in which the funds are maintained is not at all indicative of their classification—4d Segregated Commodity Customer Property may be held in any number of foreign currencies (but nonetheless relate to futures trading in the United States) and 30.7 Secured Commodity Customer Property may very well be transacted and/or held in U.S. dollars, but cleared through foreign exchanges.
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4. Certain MF Global Inc. Claimants' Response (Stutzman, Bromberg, Esserman & Plifka) (ECF No. 598)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> ▪ F2 Accounts (<i>i.e.</i>, accounts relating to U.S. Dollar-denominated transactions abroad) can contain assets held in U.S. branches of foreign banks. To the extent F2 account assets are held in U.S. branches of foreign banks, these assets are accessible to the Trustee and should be gathered and distributed to accountholders on the same ratable basis as other assets. (¶ 4) ▪ Even if the Trustee does not have control over R2 accounts (<i>i.e.</i>, accounts relating to foreign transactions denominated in foreign currencies), provision should be made in the Trustee's interim distribution scheme for distributing funds from these account types to accountholders promptly upon the Trustee's receipt and control of the same. (FN 2) 	<ul style="list-style-type: none"> ▪ The Trustee is not in a position to effect a bulk transfer of 30.7 Secured Commodity Customer Property based on the information currently available to the Trustee. The 30.7 Secured Commodity Customer Property is excluded from the Motion because virtually all of it is not under the Trustee's control, but rather under the control of MFGI's foreign former affiliates, even if it is located in the United States.
<ul style="list-style-type: none"> ▪ Warehouse receipts in MFGI accounts are customer property that needs to be included in the Trustee's interim distribution scheme as quickly as possible. Any problems with MFGI's books and records relating to physical assets are fixable. (¶ 5) ▪ The Trustee must devise a system of returning warehouse receipts ratably on the same level as all other interim bulk payments, and at the same time ascribe to them their appropriate value based on the values of the underlying commodities. To the extent that the Trustee may require a cash deposit for the return of warehouse receipts, the receipts themselves must be appropriately valued. (¶ 7) ▪ Warehouse receipts should not be liquidated in the absence of 	<ul style="list-style-type: none"> ▪ Without prejudice to the Trustee's ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk transfer mechanism, such Physical Customer Property for MFGI's former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly.

<p>express, written authorization by the MFGI customer in whose account they are held as the rash liquidation of receipts may create untoward, unanticipated, and completely unnecessary tax liabilities to the customer. (¶ 7)</p> <ul style="list-style-type: none"> ▪ If one MFGI customer is getting a ratable distribution of its cash, another MFGI customer with a warehouse receipt identifying specific gold or other precious metals should get at least the same ratable percentage of his precious metal or a warehouse receipt covering the ratable portion thereof. (¶ 8) 	
<ul style="list-style-type: none"> ▪ There are anomalies, beyond bounced checks referenced in the Motion, that have worked to unfairly exclude or limit MFGI accountholders from prior bulk transfers. There needs to be a systematic method of noting and accounting for these matters in as timely a manner as possible. The Trustee cannot assume MFGI account statements to be above reproach in calculating what distributions are appropriate. (¶ 10) ▪ Specifically, the Trustee must devise an errata procedure whereby MFGI accountholders can bring to the Trustee's attention erroneous and unauthorized movement of cash between account types. The Trustee should also make available an expedited process where, but for error, an interim distribution would have already been made. (¶ 11) 	<ul style="list-style-type: none"> ▪ Account anomalies beyond bounced checks and failed or reversed wires, that lead a former MFGI U.S.-based commodity customer to believe that his or her account was improperly excluded from the bulk transfers must be handled through the Court-approved expedited claims process, which is in place to address claims of customers on an individual basis in an orderly and fair manner.
<ul style="list-style-type: none"> ▪ There must be in place a mechanism for making post-distribution adjustments if, for example, the Trustee later gains control of assets currently under foreign control, so that such funds may be ratably distributed on a rolling basis as they are received by the Trustee. (¶ 12) 	<ul style="list-style-type: none"> ▪ The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and is the mechanism for making post-distribution adjustments.

5. Limited Objection of Merlin Fortune Limited (Herold Law, P.A.) (ECF No. 600)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> ▪ The Motion does not specify the proposed treatment of customers, like Merlin Fortune, who hold some positions in U.S.-based futures and other positions in foreign-based futures. (¶ 4) 	<ul style="list-style-type: none"> ▪ Customer accounts that contained foreign open positions on the Filing Date, as well as 4d Segregated Commodity Customer Property and 30.7 Secured Commodity Customer Property, were among those accounts that did not benefit from the First or Second Bulk Transfer, as they require individualized treatment.

<ul style="list-style-type: none"> ▪ If the Trustee intends to subdivide the customer accounts to make distributions only to the U.S.-segregated holdings, that should be made explicit. (¶ 4) 	<p>For clarification of doubt, and in response to objections or questions raised by some claimants, the 4d Segregated Commodity Customer Property—but not the 30.7 Secured Commodity Customer Property—portion of each account will be transferred to the True Up Amount.</p>
<ul style="list-style-type: none"> ▪ The Trustee should provide a list of all the account codes or categories maintained by the Trustee, indicating which such codes or categories the Trustee deems to be entitled to U.S.-segregated distribution pursuant to 17 C.F.R. §190.08(c)(1); the respective account class required to be established by 17 C.F.R. §190.01(a); and the respective customer class delineated in 17 C.F.R. §190.08(b). (¶ 5) ▪ The Trustee should be compelled, as a precondition to approval of the Motion, to provide an accounting of the assets he has recovered and identified to date, and additional related information. (¶¶ 6–8) 	<ul style="list-style-type: none"> ▪ The Trustee is not currently in the position to provide a detailed accounting to former customers of MFGI. In order to effect the bulk transfers as quickly as possible, the Trustee has had to rely and will continue to rely on unaudited reconciliation data provided by the CME and other DCOs. Once the full verification and auditing of the reconciliation data is complete, the Trustee will be in a position to use this data to determine claims in the Court-approved expedited claims process and any mistaken distributions discovered by the Trustee can be rectified, utilizing other property then available, or as necessary, the \$550 million CME Guarantee. ▪ While marshaling assets and simultaneously undergoing the complex task of reconciling MFGI’s book and records, the Trustee and his professionals must employ extreme caution to avoid the premature release of inaccurate information, which could only have negative consequences on all involved parties. The Trustee and his professionals have undertaken prodigious efforts to keep customers and creditors informed to the utmost extent possible, and to appropriately respond to their concerns.

6. Statutory Creditors’ Committee of MF Global Holdings Ltd. Limited Objection (Dewey & LeBoeuf LLP) (ECF No. 604)	
<u>Objection</u>	<u>Trustee’s Response</u>
<ul style="list-style-type: none"> ▪ Protecting and preserving MFGI’s noncustomer property for equitable distribution to non-customer creditors should not be overridden by policies supporting customers. (¶¶ 13–14) ▪ The Motion should be denied unless any order approving such transfer provide that (a) the order is not a judicial determination that (i) the property being distributed is customer property and (ii) the SIPA Trustee has correctly calculated the net equity of each customer, (b) all distributions are subject to disgorgement or setoff against other property held by the SIPA Trustee to the extent such distribution proves to have been erroneous, (c) no customer shall be entitled to receive a distribution unless and until it agrees in writing that any action to recover the 	<ul style="list-style-type: none"> ▪ The primary purpose of SIPA, the Bankruptcy Code Commodity Broker Liquidation Provisions, and the CFTC Part 190 Regulations is customer protection. Under applicable law and regulations, customers of MFGI are entitled to receive a ratable distribution of customer property that is exclusive of all other claimants. Moreover, in order to provide an additional measure of protection for customers, both SIPA and the CFTC Part 190 Regulations provide for the allocation of non-customer property to satisfy demonstrated shortfalls in regulatory compliance to the extent necessary to satisfy customer claims. ▪ Since general creditors of the Chapter 11 Debtors have no interest in the U.S. Segregated Customer Property sought to be transferred, and since the Holdings Creditors’ Committee admittedly has no oversight role or official standing in this proceeding, the Trustee questions the Holdings Creditors’ Committee’s standing to

distribution can be brought in and determined by the Bankruptcy Court, and (d) the SIPA Trustee shall promptly make available to the Committee and the Chapter 11 trustee of the Debtors all the MFGI estate's books and records concerning its securities and commodities customers' accounts and property so that all interim distributions can be reviewed. (¶ 2)	request the relief that it seeks by its Limited Objection. To request relief on behalf of non-party bondholders and banks in order to prevent these funds from going to customers is to stand SIPA, along with the nation's commodity laws, and the very reason for this proceeding, on their heads.
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7. Objection of Transalta Energy Marketing (U.S.) Inc. (Vinson & Elkins LLP)	(ECF No. 607)
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<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> ▪ Further distributions should be more measured and targeted and should be permitted only after there is more clarity regarding the claim and asset pools and the proper distribution mechanics, and relevant information is made available in an adequate manner to customers and other parties-in-interest concerning, among other things, (i) the nature and amount of the customer claims and other claims, (ii) issues relating to affiliates including claims between and among MFGI and the affiliates, (iii) the nature, type and amount of customer property or other assets allocable to customers, of whatever class, and whether in fact, certain assets should be attributed to specific classes of customers and (iv) the applicable legal principles that apply to "allocations" to customers (17 C.F.R. § 190.08(c)) and to "distributions" to customers (17 C.F.R. § 190.08(d)). (¶¶ 1, 9) 	<ul style="list-style-type: none"> ▪ The Trustee is not currently in the position to provide a detailed accounting to former customers of MFGI. In order to effect the bulk transfers as quickly as possible, the Trustee has had to rely and will continue to rely on unaudited reconciliation data provided by the CME and other DCOs. Once the full verification and auditing of the reconciliation data is complete, the Trustee will be in a position to use this data to determine claims in the Court-approved expedited claims process and any mistaken distributions discovered by the Trustee can be rectified, utilizing other property then available, or as necessary, the \$550 million CME Guarantee.

8. Response in Opposition of Ag Processing Inc. (Shook, Hardy & Bacon L.L.P.)	(ECF No. 608)
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<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> ▪ AGP did not receive a 60% distribution on its account in the prior transfers. The Trustee should be required to restore AGP's customer funds in the same manner and percentages applied to all other U.S. commodity futures customers of MF Global, and distribute further amounts to AGP sufficient to restore approximately 67% of AGP's MF Global account. (¶ 11) ▪ AGP disputes that the proper valuation of its MF Global account is necessarily as of October 31, 2011, and in this bankruptcy 	<ul style="list-style-type: none"> ▪ If a former MFGI U.S. commodities customer believes that his or her account was improperly excluded from the bulk transfers once the transfers are complete, such concerns must be handled through the Court-approved expedited claims process, which is in place to address claims of customers on an individual basis in an orderly and fair manner.

AGP will seek to recover its full MF Global account value at the time of its transfer to R.J. O'Brien. (¶ 12)	
<ul style="list-style-type: none"> AGP seeks further information from the Trustee. (¶ 8) 	<ul style="list-style-type: none"> The Trustee and his professionals have taken tremendous efforts to keep customers and creditors informed, and to appropriately respond to their concerns. The Trustee and his professionals have held numerous meet-and-confer sessions in-person and via telephone, most recently on December 1, 2011, and have established a call center for customer questions, and continuously update a website, www.mfglobaltrustee.com, with timely information.

9. Limited Objection of John Cassimatis (Blank Rome LLP) (ECF No. 609)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> Paragraph 4 of the Motion, relating to types of physical assets often referred to as "specifically identifiable property," requires clarification in order to ensure Mr. Cassimatis that the Trustee does not plan to liquidate Mr. Cassimatis's silver for the benefit of the entire MFGI customer body. (¶¶ 6, 7) Mr. Cassimatis objects to the Motion to the extent that the Trustee intends to distribute his 20 bars of silver held in a non-regulated (FD) account, stored at COMEX approved depositories on a <i>pro rata</i> basis to other customers (especially to the extent that such customers would not be in Mr. Cassimatis's account class). (¶ 7) To minimize the prejudice and risks of market volatility, the Trustee must return Mr. Cassimatis's silver with no further delay. (¶ 8) 	<ul style="list-style-type: none"> Without prejudice to the Trustee's ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk transfer mechanism, such Physical Customer Property for MFGI's former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly.

10. Limited Objection of Triester International Trading Corporation (Vandenberg & Feliu LLP) (ECF No. 613)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> TITC seeks the immediate return of its palladium and gold bars (collectively, the "Precious Metals") which are stored at various depositories located within the United States. (¶ 2) Failing immediate return of the Precious Metals, TITC proposes 	<ul style="list-style-type: none"> Without prejudice to the Trustee's ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk

<p>that the Trustee transfer MFGI's customers' physical property, including the Precious Metals, to a willing FCM, subject to reasonable restrictions to preserve the Trustee's claims with respect to such property. The physical property so transferred should be maintained by the FCM as the separate property of each customer pending a determination of the customer's right to receive such property. (¶ 5)</p> <ul style="list-style-type: none"> ▪ TITC also requests clarification from the Trustee with respect to MFGI's accounting and payment procedures to ensure that storage fees due the depositories where TITC's Precious Metals are held are timely paid. (¶ 7) ▪ TITC requests further clarification from the Trustee that TITC's participation in the claims process established by the Trustee will not prejudice TITC's assertion that the return of MFGI customer physical property is not subject to ratable distribution. (¶ 8) 	<p>transfer mechanism, such Physical Customer Property for MFGI's former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly. This process addresses several issues raised by objectors, including storage fees.</p> <ul style="list-style-type: none"> ▪ The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and includes a mechanism for disputing the Trustee's determination of claims. TITC's participation in the claims process established by the Trustee will not prejudice TITC's assertion that the return of MFGI customer physical property is not subject to ratable distribution.
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11. Response of Segregated Account Holders (Vedder Price) (ECF No. 615)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> ▪ The Segregated Commodities Accountholders seek assurances that the granting of the Motion and any distributions thereunder will not harm or prejudice their right to seek future and/or additional distributions, whether by motion, the claims procedures or otherwise. (¶ 2) 	<ul style="list-style-type: none"> ▪ The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and includes a mechanism for disputing the Trustee's determination of claims. The granting of the Motion and any distributions thereunder will not harm or prejudice the Segregated Account Holders right to seek future and/or additional distributions, whether by motion, the claims procedures or otherwise.
<ul style="list-style-type: none"> ▪ The Segregated Commodities Account Holders believe that at least 80% of their property in their accounts—their Cash/Liquid Assets—should be immediately distributed by the Trustee to them. (¶¶ 1, 4) 	<ul style="list-style-type: none"> ▪ As detailed in the Omnibus Reply, the Trustee believes that the amount held back from transfer is prudent and sufficient to address the known potential claims while maintaining further amounts to account for the potential of unknown claims against these same funds. The Trustee must maintain funds for potential claims that are still unknown but will surface through the claims process.

12. Response of the Joint Special Administrators of MF Global UK Limited (Weil, Gotshal & Manges LLP) (ECF No. 618)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> The UK Joint Administrators submit that any future distributions should be carried out with Court oversight and notice to parties in interest and an opportunity to object, and not solely within the Trustee's discretion. (¶¶ 17–18) 	<ul style="list-style-type: none"> The Trustee no longer seeks to have the Court authorize further transfers of U.S. Segregated Customer Property if appropriate in the Trustee's discretion, and the Trustee has amended the Proposed Order accordingly. The Trustee believes it would be more prudent, relieve uncertainty, and better inform the expectations of customers to make further bulk transfers, if any, only upon further motion and order of the Court based on facts and circumstances and availability of property.
<ul style="list-style-type: none"> Given the potentially sizable claims of commodities customers that are not receiving any distributions, the UK Joint Administrators request that the Court require the Trustee to (i) maintain at all times an adequate reserve that accounts for distributions of equal proportion to those customers that are not sharing in the Trustee's interim distributions, using the method of calculation proposed by the UK Joint Administrators, and (ii) disclose sufficient information to enable interested parties and the Court to determine that the amount of the proposed reserve is adequate, such that all of MFGI's former customers may be treated fairly. (¶ 6) 	<ul style="list-style-type: none"> As detailed in the Omnibus Reply, the Trustee believes that the amount held back from the proposed transfer is prudent and sufficient to address the known potential claims while maintaining further amounts to account for the potential of unknown claims against these same funds.
<ul style="list-style-type: none"> The Court should require the Trustee to disclose sufficient information to enable interested parties to the Court to determine if the amount of the proposed reserve is adequate. (¶ 6) 	<ul style="list-style-type: none"> The Trustee is not currently in the position to provide a detailed accounting to former customers of MFGI. In order to effect the bulk transfers as quickly as possible, the Trustee has had to rely and will continue to rely on unaudited reconciliation data provided by the CME and other DCOs. Once the full verification and auditing of the reconciliation data is complete, the Trustee will be in a position to use this data to determine claims in the Court-approved expedited claims process and any mistaken distributions discovered by the Trustee can be rectified, utilizing other property then available, or as necessary, the \$550 million CME Guarantee.

13. Response of Alexander Coxe, Greenbriar Partners, L.P. and Paul Polger (Foley & Lardner LLP) (ECF No. 619)

<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> Any order approving the Motion should not constitute a binding determination regarding the characterization of any precious metal receipts (or their proceeds) transferred to clients. (¶ 4) There are extant issues with respect to the characterization of precious metal receipts and their proceeds held by MF Global on behalf of their clients, including (a) whether precious metal receipts and their proceeds constitute property outside of MF Global's bankruptcy estate under § 541 of the Bankruptcy Code, and (b) if precious metal receipts and their proceeds instead constitute "customer property" under § 761(10) of the Bankruptcy Code and CFTC Rules 190.01(n) and 190.08(a), whether clients holding precious metal receipts and their proceeds are part of a separate delivery class of customers under Part 190 of the CFTC Rules. (¶¶ 6–7) 	<ul style="list-style-type: none"> Without prejudice to the Trustee's ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk transfer mechanism, such Physical Customer Property for MFGI's former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly. The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and includes a mechanism for disputing the Trustee's determination of claims. In an effort to distribute the Physical Customer Property as part of the proposed third bulk transfer, without prejudice to the Trustee's ultimate determination, the Trustee is deferring for the claims process the determination as to whether Physical Customer Property is legally or factually a separate class of customer property.

14. Limited Objection of MF Global Hong Kong Ltd. (Provisional Liquidators Appointed) (Linklaters LLP) (ECF No. 620)

<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> The Liquidators are concerned that the factual record does not permit them to determine whether the Trustee is reserving sufficient property so as to ensure that customers who have not received assets to date, and may not receive assets in connection with the proposed Third Bulk Transfer, are not prejudiced. (¶ 8) Specifically, the Trustee does not give any indication of the amount of customer claims that will have to be satisfied from the reserves. (¶ 10) The Liquidators request the Court compel the Trustee to (a) make a representation regarding which groups/categories of customers have not previously received distributions and are not receiving a distribution pursuant to the Motion and of the estimated aggregate balances in accounts held by MFGI on account of such customers; and (b) provide in the proposed 	<ul style="list-style-type: none"> As detailed in the Omnibus Reply, the Trustee believes amount to be held back from the proposed transfer is prudent and sufficient to address the known potential claims while maintaining further amounts to account for the potential of unknown claims against these same funds. The Trustee is not currently in the position to provide a detailed accounting to former customers of MFGI. In order to effect the bulk transfers as quickly as possible, the Trustee has had to rely and will continue to rely on unaudited reconciliation data provided by the CME and other DCOs. Once the full verification and auditing of the reconciliation data is complete, the Trustee will be in a position to use this data to determine claims in the Court-approved expedited claims process and any mistaken distributions discovered by the Trustee can be rectified, utilizing other property then available, or as necessary, the \$550 million CME Guarantee.

<p>order approving the Motion for the establishment of a reserve in an amount equal to at least (i) 60% of the total balances of customer accounts held by MFGI with respect to customers that have not received or will not receive a distribution under the Motion, including, without limitation, any accounts of former and current affiliates and non-U.S. based customers, or (ii) in the event of subsequent distributions to any customer of MFGI in excess of 60%, such higher percentage distribution made by the Trustee. (§ 12)</p>	
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<p>15. Limited Objection and Request for Clarification of George Lichtenstein (Arent Fox LLP) (ECF No. 621)</p>	
<p><u>Objection</u></p>	<p><u>Trustee's Response</u></p>
<ul style="list-style-type: none"> ▪ The Trustee should explain whether and to what extent, any physical assets will be returned or transferred to its owners as part of the proposed Third Bulk Transfer. (§ 2) ▪ The Trustee should also explain, prior to approval of the Motion, the mechanism for effectuating the return or transfer of physical assets to its owners for the benefit of both the Court and MFGI customers. (§ 2) ▪ The Trustee should provide further assurances that Mr. Lichtenstein's physical property will not be liquidated and should take adequate, protective steps to ensure payment of storage fees to avoid inadvertent liquidation of physical property by depository institutions. (§ 3) ▪ The Court should enter an order (a) denying the Motion; or (b) in the alternative, requiring the Trustee to (i) provide clear guidance as to the process for the return or transfer of physical property and (ii) distribute or transfer 100% of Mr. Lichtenstein's property to another FCM, without the necessity to calculate the value of physical property or to determine the amount of a reserve. (§ 4) 	<ul style="list-style-type: none"> ▪ Without prejudice to the Trustee's ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk transfer mechanism, such Physical Customer Property for MFGI's former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly. This process addresses several issues raised by objectors, including storage fees. ▪ The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and includes a mechanism for disputing the Trustee's determination of claims.

16. Limited Objection of Salateen International Ltd. (Seward & Kissel LLP) (ECF No. 623)	
<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> Salateen seeks further information from the Trustee about the status of its accounts. (¶ 3) 	<ul style="list-style-type: none"> The Trustee and his professionals have taken tremendous efforts to keep customers and creditors informed, and to appropriately respond to their concerns. The Trustee and his professionals have held numerous meet-and-confer sessions in-person and via telephone, most recently on December 1, 2011, and have established a call center for customer questions, and continuously update a website, www.mfglobaltrustee.com, with timely information.
<ul style="list-style-type: none"> Salateen supports the Motion, but requests that (a) not less than 60% of the funds contained in its all-cash account be transferred to Salateen immediately in accordance with the relief sought in the Motion; and (b) the Trustee provide Salateen with information confirming the balance, location, and status of the Account. (¶ 7) 	<ul style="list-style-type: none"> The purpose of the proposed Third Bulk Transfer is to achieve a uniformly equalizing <i>pro rata</i> interim distribution to each and every U.S. commodity futures customer (<i>i.e.</i>, customers with cash or other property related to futures or options on futures which are traded on a U.S. exchange). If the proposed Third Bulk Transfer is approved, customers still awaiting the sixty percent distribution of their cash equivalents will receive those as part of the Second Bulk Transfer, and then will receive the True Up Amount as part of the proposed Third Bulk Transfer. Further, among the categories of accountholders that would receive a distribution via the proposed Third Bulk Transfer are holders of cash-only accounts not included in the First and Second Bulk Transfers (defined in the Motion as "Additional Cash-Only Accounts"). If as a result of mistakes or anomalies in its account, a customer does not receive a distribution (or does not receive the amount expected) via one of the Court-approved bulk transfers (including the proposed Third Bulk Transfer, if approved), the Court-approved expedited customer claims process is specifically designed to address customer claims on an individual basis. The Trustee is not currently in the position to provide a detailed accounting to former customers of MFGL. In order to effect the bulk transfers as quickly as possible, the Trustee has had to rely and will continue to rely on unaudited reconciliation data provided by the CME and other DCOs. Once the full verification and auditing of the reconciliation data is complete, the Trustee will be in a position to use this data to determine claims in the Court-approved expedited claims process and any mistaken distributions discovered by the Trustee can be rectified, utilizing other property then available, or as necessary, the \$550 million CME Guarantee.

17. Limited Objection of Robert W. Goltermann, Patrick O'Malley, M.D., and Other Similarly-Situated Holders of Physicals (Barnes & Thornburg LLP) (ECF No. 624)

<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> These Physicals Holders object to the Motion solely to the extent that it holds up the distribution of physicals and does not consider their proposal for the distribution of physicals. (¶¶ 4–5) Specifically, the Physicals Holders request that the following language be included in any order approving the Motion: “The Trustee shall make best efforts—in coordination with counsel for MF Global customers that have physical commodities (‘Physicals’) in their accounts or reflected on their account statements (collectively, ‘Physicals Holders’ or, individually, ‘Physical Holder’), FCMs, DCOs and others—to distribute one-hundred percent of all Physicals, under an agreement allowing the Physicals Holders to elect whether to (i) deliver, (ii) liquidate, or (iii) hold their commodities, provided in no instance shall any Physicals Holder be allowed to (i) deliver or (ii) liquidate without remitting one-third of the value of the Physicals (as determined by actual delivery or liquidation) to the FCM for potential future use by the Trustee. Nothing in this Order shall be deemed a waiver by Physicals Holders of their right to argue that they are entitled to one-hundred percent of the value of their Physicals.” (¶ 10) 	<ul style="list-style-type: none"> Without prejudice to the Trustee’s ultimate determination as to whether Physical Customer Property (<i>i.e.</i>, warehouse receipts, precious metal certificates, shipping certificates, and other certificates of title for commodities) is legally or factually a separate class of customer property, the Trustee proposes to distribute, via the bulk transfer mechanism, such Physical Customer Property for MFGI’s former customers through a process detailed in the Omnibus Reply, and the Trustee has amended the Proposed Order accordingly. The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual and rolling basis, and includes a mechanism for disputing the Trustee’s determination of claims. The participation of holders of Physical Customer Property in the claims process established by the Trustee will not prejudice their assertion that the return of MFGI customer physical property is not subject to ratable distribution.

18. Response and Limited Objection of Mirae Asset Securities Co., Ltd. (Shin & Kim) (Not docketed)

<u>Objection</u>	<u>Trustee's Response</u>
<ul style="list-style-type: none"> Objects to the Motion insofar as the Trustee excludes foreign customers on the grounds that it does not have such foreign customer’s assets under his control. To the contrary, it does seem that the Trustee does (or shortly will) have certain foreign customer assets under his control. The Financial Times reported on November 23, 2011, that the Trustee recently received a 	<ul style="list-style-type: none"> In order to effect the bulk transfers as quickly as possible in the interest of returning as much customer property to customers as quickly as possible in a uniform fashion, the Trustee has had to rely and will continue to rely on unaudited reconciliation data from the CME and other DCOs, as well as MFGI’s books and records, which indicate that the cash and other assets received from Harris Bank are comprised solely of 4d Segregated Commodity Customer Property.

<p>transfer of “\$1.3bn cash, <i>foreign currencies</i> and securities from Harris Bank, where MF Global had a Chicago account.” (¶ 7)</p>	<ul style="list-style-type: none"> ▪ The currency in which the funds are maintained is not at all indicative of their classification—4d Segregated Commodity Customer Property may be held in any number of foreign currencies (but nonetheless relate to futures trading in the United States) and 30.7 Secured Commodity Customer Property may very well be transacted and/or held in U.S. dollars, but cleared through foreign exchanges.
<ul style="list-style-type: none"> ▪ Foreign Futures customers such as Mirae Assets should be eligible for distribution via the proposed third bulk transfer because (a) it seems that in the case of Mirae Asset and possibly other foreign futures customers, such foreign futures accounts were in fact maintained and segregated in much the same manner as the accounts of U.S. futures customers, (b) the Mirae Accounts were segregated and specifically named in Mirae Asset’s name, the Trustee can readily trace such foreign customer property to the Harris Bank segregated accounts to which they belong. (¶ 9) 	<ul style="list-style-type: none"> ▪ In order to effect the bulk transfers as quickly as possible in the interest of returning as much customer property to customers as quickly as possible in a uniform fashion, the Trustee has had to rely and will continue to rely on unaudited reconciliation data from the CME and other DCOs, as well as MFGI’s books and records, which indicate that the cash and other assets received from Harris Bank are comprised solely of 4d Segregated Commodity Customer Property. ▪ The Trustee is not in a position to effect a bulk transfer of 30.7 Secured Commodity Customer Property based on the information currently available to the Trustee. The 30.7 Secured Commodity Customer Property is excluded from the Motion because virtually all of it is not under the Trustee’s control, but rather under the control of MFGI’s foreign former affiliates, even if it is located in the United States. The Court-approved expedited customer claims process is specifically designed to address customer claims on an individual basis for property that cannot be distributed through a Court-approved bulk transfer.
<ul style="list-style-type: none"> ▪ The Trustee ignores the distinction between account classes for purposes of the three bulk transfer motions except when it comes to foreign futures customers. The Trustee has chosen to focus solely on the distinction between U.S. futures and foreign futures but conveniently ignores distinctions in the Part 190 Regulations between other classes (<i>i.e.</i>, leverage accounts and delivery accounts) for purposes of the three bulk transfer motions. (¶ 13) 	<ul style="list-style-type: none"> ▪ The Trustee’s motions for Court approval of the two prior Court-approved bulk account transfers transfer have taken into account, and the present proposed third bulk account transfer does take into account the distinctions in the Part 190 Regulations between classes of accounts other than just the distinction between foreign futures and U.S. futures (<i>i.e.</i>, leverage accounts and delivery accounts). The Trustee has determined, based on his review of MFGI’s books and records, that there are no leverage accounts at issue. In an effort to distribute the Physical Customer Property as part of the proposed third bulk transfer, without prejudice to the Trustee’s ultimate determination, the Trustee is deferring for the claims process the determination as to whether Physical Customer Property is legally or factually a separate class of customer property.
<ul style="list-style-type: none"> ▪ To the extent that the Court holds that foreign futures customers such as Mirae Asset are ineligible for the present distribution, foreign futures customer segregated accounts and proceeds, including those from Harris Bank, should be maintained segregated until such time as distributions are to be made to foreign futures customers. (¶¶ 12, 14) 	<ul style="list-style-type: none"> ▪ In implementing the Court-approved expedited customer claims process, the Trustee will comply with SIPA, the Bankruptcy Code Liquidation Provisions, and the CFTC Part 190 Regulations applicable in this SIPA Proceeding.
<ul style="list-style-type: none"> ▪ Mirae Assets seeks further information from the Trustee. (¶ 15 & n.3) 	<ul style="list-style-type: none"> ▪ The Trustee and his professionals have taken tremendous efforts to keep customers and creditors informed, and to appropriately respond to their concerns. The Trustee and his professionals have held numerous meet-and-confer sessions in-person and via telephone, most recently on December 1, 2011, and have

	established a call center for customer questions, and continuously update a website, www.mfglobaltrustee.com , with timely information.
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