

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

MF GLOBAL INC.,

Debtor.

Case No. 11-2790 (MG) SIPA

**ORDER APPROVING TRUSTEE'S EXPEDITED APPLICATION ~~FOR~~
~~ESTABLISHING~~
ESTABLISH PARALLEL CUSTOMER CLAIMS PROCESSES ~~FOR COMMODITY~~
~~FUTURES CUSTOMER AND SECURITIES CUSTOMER CLAIMS, APPROVING~~
~~FORM AND MANNER OF PUBLICATION AND MAILING OF NOTICE OF~~
~~COMMENCEMENT; SPECIFYING PROCEDURES AND FORMS FOR FILING,~~
~~INFORMAL AND FORMAL DETERMINATION, AND ADJUDICATION OF CLAIMS;~~
~~FIXING A MEETING OF CUSTOMERS AND OTHER CREDITORS;~~
~~AND FIXING INTERIM REPORTING PURSUANT TO SIPA~~ AND
RELATED RELIEF**

Upon the Trustee's expedited application seeking entry of an order (1) establishing parallel claims processes for commodity futures customer and securities customer claims; (2) approving the form and manner of the publication and mailing of the notice of commencement of this proceeding; (3) specifying procedures and forms for the filing, determination, and adjudication of claims; (4) fixing a meeting of customers and other creditors; and (5) fixing an interim reporting procedure pursuant to SIPA (the "Application");¹ and due and proper notice of the Application having been provided; and it appearing that no other or further notice need be provided; and upon consideration of the various objections (collectively, the "Objections") interposed to the Trustee's Application; and upon consideration of the Trustee's

¹. Terms not defined herein shall have the meaning used in the Application.

Omnibus Reply to the Objections to the Application (the “Reply”); and a hearing having been held on November ~~16, 22~~, 2011, to consider relief requested in the Application (the “Hearing”), and upon the record of the Hearing, and all the proceedings had before the Court; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtor, its estate, securities customers, commodity futures customers, other creditors, and all parties in interest, and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is:

ORDERED that the Application is granted; and it is further

ORDERED that the notice of commencement attached as Exhibit 4 (A) to the ~~Application~~Reply (the “Notice of Commencement”), and the explanatory letters, claim forms, instructions and notice of deficiency of claim and notice of trustee’s determination of claim appearing as ~~Exhibits~~Exhibit 4 (B, C, D, E, and F) to the ~~Application~~Reply be, and they hereby are, authorized and approved; and it is further

ORDERED that the Trustee shall have the authority, on the advice and consent of the Securities Investment Protection Corporation (“SIPC”) and the Commodity Futures Trading Commission (“CFTC”), to amend these forms without further order of this Court; and it is further

ORDERED that the Trustee shall cause the Notice of Commencement, substantially in the form attached to the ~~Application~~Reply as Exhibit 4 (A), to be published no later than ~~November 28~~, December 2, 2011 in all editions of *The New York Times*, all editions of *The Wall Street Journal*, all editions of *The Financial Times*, and all editions of *The Chicago Tribune*; and it is further

ORDERED that the Trustee shall cause documents substantially in the form of ~~Exhibits~~ Exhibit 4 (A, B, C, and D) to the ~~Application~~ Reply to be mailed to persons who, as identified from the Debtor's books and records, may potentially assert claims as securities customers, commodity futures customers, or general creditors, on or before ~~November 28,~~ December 2, 2011, and finding that such mailing complies with SIPA § 78fff-2(a)(i) and Bankruptcy Code § 765(a) and 17 C.F.R. § 190.02(b)(4); and it is further

ORDERED that the Trustee shall cause documents substantially in the form of ~~Exhibits~~ Exhibit 4 (A, B, C, and D) to the ~~Application~~ Reply to be made available on the Trustee's website, www.mfglobaltrustee.com, for download, no later than the day after the date of entry of this order; and it is further

ORDERED that the Trustee shall have the authority, as provided in section 78fff-2(b) of SIPA, to satisfy securities customer claims, insofar as the claims agree with the Debtor's books and records, or are otherwise established to the Trustee's satisfaction, without further orders of this Court; and it is further

ORDERED that nothing in this order shall prevent the Trustee from agreeing to procedures for intercompany claims as the Trustee may determine is in the best interests of the MFGI estate; and it is further

ORDERED that, with respect to securities customer net equity claims, the Trustee shall have the authority to satisfy claims out of moneys made available to the Trustee by SIPC notwithstanding the fact that there has not been any showing or determination that there are sufficient funds of the Debtor available to satisfy such claims; and it is further

ORDERED that, with respect to securities customer claims relating to, or securities customer net equities based upon, securities of a class and series of an issuer which are

ascertainable from the books and records of the Debtor or are otherwise established to the satisfaction of the Trustee, the Trustee shall have the authority to deliver securities of such class and series, if and to the extent available to satisfy such claims in whole or in part, with partial deliveries to be made pro rata to the greatest extent considered practicable by the Trustee; and it is further

ORDERED that the Trustee shall implement the procedures prescribed in 17 C.F.R. § 190.08 for allocation and distribution of commodity futures customer property, to satisfy commodity futures customer claims, insofar as the claims agree with the Debtor's books and records, or are otherwise established to the Trustee's satisfaction; and it is further

ORDERED that the Trustee shall use the following procedure for those securities customer claims, as defined in SIPA, and commodity futures customer claims, as defined in the Commodity Broker Liquidation Provisions and the Part 190 Regulations, which are not allowed as filed:

- a. The Trustee will notify the claimant that the Trustee has determined that the claimant's claim has been disallowed in whole or in part or has otherwise not been approved for satisfaction as filed. Notification shall be in a form similar to the Notice of Determination of Claim, attached as Exhibit D hereto. ~~If a claimant is aggrieved by the determination of the Trustee, the claimant, upon the Trustee's motion to uphold such determination, shall be afforded the opportunity to have the matter heard by the Court as a contested matter under Rule 9014 of the Bankruptcy Rules. Prior to the Trustee's filing of a motion to uphold his determination, no discovery or other motion practice shall occur regarding the Trustee's determination of claim or facts giving rise to such determination, absent prior Court approval.~~ 4 (D) to the Reply.

- b. The claimant shall file a written opposition to the Trustee's determination in accordance with the instructions included with the Trustee's determination. The claimant shall file the written opposition with the Bankruptcy Court in accordance with local rules, and serve upon the Trustee's counsel, Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, NY 10004, Attention: MFGI Hearing Request, within thirty days of the date on which the Trustee mailed his determination. The request shall include: (i) the claim number; (ii) a detailed statement of the reasons for the claimant's objection to the Trustee's determination; (iii) copies of any document or other writing upon which the claimant relies; and (iv) mailing, phone, and email contact information for the claimant.
- c. The Trustee shall, within 120 days of the date on which the claimant filed a written opposition to the Trustee's determination, use his best effort to move the Court to set a time and date for a status conference regarding the claim determination dispute or to move to uphold his determination of the claim. The Trustee shall, upon his motion to uphold the determination, ask the Court to set a time and date for a hearing and shall notify the claimant in writing of the time, date and place of the hearing. ~~The Trustee may, in his discretion, upon the advice and consent of SIPC (and, with respect to commodity futures customer claims, the CFTC), establish such other procedures for adjudication of claims as lead to the most efficient and orderly administration of the claims process for all claimants without further order of this Court~~If within 120 days of the date that the claimant filed a written opposition, the Trustee does not either (i) request a status conference, or (ii) file a motion to uphold the determination, the claimant may then move the Court to set a time and date for a hearing on the claim determination dispute. Notwithstanding the procedures outlined herein, the claimant and the Trustee may stipulate to informally resolve their dispute and/or any extensions of any of the foregoing timeframes without further leave of the Court. Moreover, for avoidance of doubt,

nothing in these procedures shall preclude the Trustee from moving the Court earlier.

- d. If a claimant is aggrieved by the determination of the Trustee, the claimant, upon the Trustee's motion to uphold such determination, or—if the Trustee fails to timely move for a status conference or to uphold his determination, as set forth in subsection (c) above—upon the claimant's motion for a hearing, shall be afforded the opportunity to have the matter heard by the Court as a contested matter under Rule 9014 of the Bankruptcy Rules. Prior to the Trustee's filing of a motion to uphold his determination, or the claimant's allowed motion for a hearing, no discovery or other motion practice shall occur regarding the Trustee's determination of claim or facts giving rise to such determination, absent prior Court approval.
- e. If a claimant fails to file a written opposition within thirty days of the mailing of the Trustee's determination in accordance with the procedures established by this Court's Order, or if the claimant fails to appear at a scheduled hearing, then the Trustee's determination shall be final.

ORDERED that the Trustee shall have the authority to compromise and settle any customer claim at any time, as appropriate, without further order of this Court and all parties to this proceeding are directed to cooperate with the Trustee to the maximum extent possible to achieve swift resolution of claims where possible; and it is further

ORDERED that any claim of a securities customer for net equity under SIPA which is received by the Trustee after the expiration of a sixty-day time period beginning on the date of publication of the Notice of Commencement need not be paid or satisfied in whole or in part out of customer property, and, to the extent such claim is satisfied from monies advanced by SIPC, it shall be satisfied in cash or securities (or both) as the Trustee determines is most economical to the estate; and it is further

ORDERED that based on the ~~November 28,~~December 2, 2011 mailing date for the Notice of Commencement, the bar date for the claims of commodity futures customers is January ~~27,~~31, 2012, the bar date for receiving the maximum possible protection for securities customer claims under SIPA is January ~~27,~~31, 2012, and the bar date for all ~~securities customer claims or general creditor~~ claims is ~~May 28,~~June 2, 2012;² and it is further

ORDERED that claims against the Debtor in this proceeding shall be filed with the Trustee electronically online at www.mfglobaltrustee.com, or sent to the Trustee via certified mail, return receipt requested, through the Trustee's claims agent, Epiq Bankruptcy Solutions, LLC at: (i) for delivery via first class mail, MF Global Inc. Claims Processing Center, c/o Epiq Bankruptcy Solutions, LLC, P.O. Box 3656, Portland, OR 97208-3656; or (ii) for delivery via overnight courier or hand delivery, MF Global Inc. Claims Processing Center, c/o Epiq Bankruptcy Solutions, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005; and it is further

ORDERED that a meeting of customers and creditors will take place on January 12, 2012 at 10:00 a.m., at the New York Marriott Downtown, 85 West Street, New York, NY 10006; and it is further

ORDERED that the Trustee shall file his first report pursuant to SIPA § 78fff-1(c) within six months after publication of the Notice of Commencement, and shall file interim reports at least every six months thereafter.

². For the avoidance of doubt, even if the mailing of the Notice of Commencement and related claims filing information occurs prior to December 2, 2011, the January 31, 2012 and June 2, 2012 bar dates So Ordered by the Court will remain in full force and effect.

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Dated: New York, New York
November __, 2011

HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE