

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
: :  
Refco Inc., *et al.*, : Case No. 05-60006 (RDD)  
: :  
Debtors. : (Jointly Administered)  
: :  
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**DISCLOSURE STATEMENT WITH RESPECT TO  
REFCO COMMODITY MANAGEMENT, INC.'S PLAN OF LIQUIDATION**

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**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE COURT. BY SEPARATE MOTION, THE DEBTOR IS REQUESTING THE BANKRUPTCY COURT TO CONDUCT A COMBINED HEARING TO CONSIDER ADEQUACY OF THIS DISCLOSURE STATEMENT AND CONFIRMATION OF THE DEBTOR'S PLAN OF LIQUIDATION. IF THE BANKRUPTCY COURT APPROVES THIS DISCLOSURE STATEMENT AT SUCH HEARING, THE DEBTOR THEREAFTER WILL SEEK IMMEDIATE CONFIRMATION OF THE PLAN.**

Dated: New York, New York  
May 9, 2008

## INTRODUCTION

The following introduction is only a general overview, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information and financial statements and notes thereto appearing elsewhere in the disclosure statement (the “Disclosure Statement”) and Refco Commodity Management, Inc.’s Plan of Liquidation (the “Plan”). All capitalized terms not defined in the Disclosure Statement have the meanings ascribed to such terms in the Plan, a copy of which is attached hereto as Exhibit A.

**Refco Commodity Management, Inc. (the “Debtor” or “RCMI”), is furnishing the Disclosure Statement and the exhibits hereto and the related materials delivered herewith pursuant to section 1125 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”).**

The Disclosure Statement is to be used by each record Holder of a Claim or Interest solely in connection with its evaluation of the Plan; use of the Disclosure Statement for any other purpose is not authorized.

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THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT. THERE CAN BE NO ASSURANCE THAT THOSE CONDITIONS WILL BE SATISFIED.

RCMI PRESENTLY INTENDS TO SEEK TO CONSUMMATE THE PLAN AND TO CAUSE THE EFFECTIVE DATE TO OCCUR PROMPTLY AFTER CONFIRMATION OF THE PLAN. RCMI INTENDS THAT THE EFFECTIVE DATE OCCUR NO LATER THAN JULY 31, 2008. THERE CAN BE NO ASSURANCE, HOWEVER, AS TO WHEN AND WHETHER CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE ACTUALLY WILL OCCUR.

THE DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE CHAPTER 11 CASE AND FINANCIAL INFORMATION. ALTHOUGH RCMI BELIEVES THAT THE PLAN IS FAIR AND ACCURATE, SUCH SUMMARY IS QUALIFIED TO THE EXTENT IT DOES NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT HAS BEEN PROVIDED BY RCMI, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. RCMI IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY INACCURACY OR OMISSION. TO THE EXTENT ANY TERMS OF THE DISCLOSURE STATEMENT AND THE PLAN ARE INCONSISTENT, THE PLAN WILL CONTROL.

THE CONTENTS OF THE DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH HOLDER OF A CLAIM OR INTEREST SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY SUCH MATTERS CONCERNING THE DISCLOSURE STATEMENT, THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY. SEE SECTION IX – “RISK FACTORS RELATING TO THE CHAPTER 11 CASE” FOR A DISCUSSION OF VARIOUS FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH THE PLAN.

EXCEPT AS SET FORTH HEREIN, NO PERSON HAS BEEN AUTHORIZED BY RCMI IN CONNECTION WITH THE PLAN TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THE DISCLOSURE STATEMENT AND ANY EXHIBITS ANNEXED HERETO OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY RCMI. THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF (UNLESS OTHERWISE INDICATED) AND SHOULD NOT UNDER ANY CIRCUMSTANCE CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF. ANY ESTIMATES OF CLAIMS AND INTERESTS SET FORTH IN THE DISCLOSURE STATEMENT MAY VARY FROM THE AMOUNTS OF CLAIMS AND INTERESTS ULTIMATELY ALLOWED BY THE BANKRUPTCY COURT.

THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT, INCLUDING, BUT NOT LIMITED TO, THE INFORMATION REGARDING THE HISTORY, BUSINESSES AND OPERATIONS OF RCMI, ARE INCLUDED HEREIN FOR PURPOSES OF EVALUATING THE PLAN. AS TO ANY JUDICIAL PROCEEDINGS IN ANY COURT, INCLUDING ANY ADVERSARY PROCEEDINGS OR CONTESTED MATTERS THAT MAY BE FILED IN THE BANKRUPTCY COURT, SUCH INFORMATION IS NOT TO BE CONSTRUED AS AN ADMISSION OR STIPULATION BUT RATHER AS STATEMENTS MADE IN SETTLEMENT NEGOTIATIONS AND WILL BE INADMISSIBLE FOR ANY PURPOSE ABSENT THE EXPRESS WRITTEN CONSENT OF RCMI.

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## TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Name</u>
A	Refco Commodity Management Inc.'s Plan of Liquidation

## I. EXECUTIVE SUMMARY

RCMI hereby transmits the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code in connection with the Plan, a copy of which is attached hereto as Exhibit A. The Plan contemplates the disposition of RCMI's assets and the resolution of the outstanding Claims against and Interests in RCMI. RCMI is not soliciting acceptances of the Plan from any Holders of Claims or Interests because there are no Impaired classes of Claims or Interests in the Plan.

The Disclosure Statement sets forth certain detailed information regarding RCMI's history and significant events that have occurred and are expected to occur during the Chapter 11 Case. The Disclosure Statement also describes the Plan, alternatives to the Plan, effects of confirmation of the Plan and the manner in which Distributions will be made under the Plan. In addition, the Disclosure Statement discusses the confirmation process.

Certain unclassified Claims, including Administrative Claims and Priority Tax Claims, if any, will receive payment in Cash on the Effective Date, as permitted by the Bankruptcy Code. All other Claims against and all Interests in RCMI are classified into separate Classes and will receive the Distributions and recoveries, if any, described in the table below. The table below summarizes the classification and treatment of the principal prepetition Claims and Interests under the Plan. The classification and treatment for all Classes are described in more detail in Section VI.A. – "Classification and Treatment of Claims and Interests." Estimated Claim amounts are based upon RCMI's books and records as of December 1, 2007. There can be no assurance that the estimated amounts below are correct and actual Claim and Interest amounts may be significantly different from the estimates. This summary is qualified in its entirety by reference to the provisions of the Plan.

### Summary of Anticipated Distributions Under the Plan

Class Description	Treatment Under the Plan	Estimated % Recovery
<b>Treatment of RCMI's Creditors and Interest Holders</b>		
Administrative Claims	RCMI believes that there currently are and ultimately will be no Allowed Administrative Claims. However, on the Effective Date, each Holder of an Allowed Administrative Claim, if any, shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim. Notwithstanding the foregoing, (a) any Allowed Administrative Claim based on a liability incurred by RCMI in the ordinary course of business during the Chapter 11 Case may be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto and (b) any Allowed Administrative Claim may be paid on such other terms as may be agreed on between the Holder of such Claim and RCMI.	100%
Priority Tax Claims	RCMI believes that there currently are and ultimately will be no Allowed Priority Tax Claims. However, on the Effective Date, each Holder of an Allowed Priority Tax Claim, if any, shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of its Allowed Priority Tax Claim, (b) treatment in any other manner such that its Allowed Priority Tax Claims shall not be	100%



	impaired pursuant to section 1124 of the Bankruptcy Code, including payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code, or (c) such other treatment as to which RCMI and such Holder shall have agreed upon in writing.	
Class 1 – Non-Tax Priority Claims <i>Estimated Amount:</i> \$0	RCMI believes that there currently are and ultimately will be no Allowed Non-Tax Priority Claims. However, on the Effective Date, each Holder of an Allowed Class 1 Non-Tax Priority Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Non-Tax Priority Claim, Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Non-Tax Priority Claim.	100%
Class 2 – Secured Claims <i>Estimated Amount:</i> \$0	RCMI believes that there currently are and ultimately will be no Allowed Secured Claims. However, on the Effective Date, each Holder of an Allowed Class 2 Secured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Secured Claim, Cash equal to the unpaid portion of such Allowed Secured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Secured Claim.	100%
Class 3 – General Unsecured Claims <i>Estimated Amount:</i> \$0	RCMI believes that there currently are and ultimately will be no Allowed General Unsecured Claims. However, on the Effective Date, each Holder of an Allowed Class 3 General Unsecured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed General Unsecured Claim, Cash equal to the unpaid portion of such General Unsecured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed General Unsecured Claim.	100%
Class 4 – Old Equity Interests <i>Estimated Amount:</i> \$4.3 million	On the Effective Date, each Holder of an Allowed Class 4 Old Equity Interest shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Old Equity Interest, its Pro Rata share of the Remaining Equity Distribution.	100%
Class 5 – Subordinated Claims <i>Estimated Amount:</i> \$0	No Holder of a Class 5 Subordinated Claim shall be entitled to, nor shall it receive or retain, any property or interest in property on account of such Subordinated Claim. On the Effective Date, all Subordinated Claims shall be expunged.	0%

## II. IMPACT OF THE REFCO PLAN UPON RCMI'S PLAN

### A. Plan Based Upon Refco Plan

RCMI's Plan is based in large part upon specific provisions set forth in the Modified Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries (the "Refco Plan"), which was confirmed by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on December 15, 2006. Pursuant to the Refco Plan, and subject to the exercise of certain rights provided in the Refco Plan for the RCM Trustee (as defined in the Refco Plan), each of the four claims currently asserted against RCMI may be deemed to be subordinated to all other claims against or equity interests in RCMI or otherwise released in order to allow RCMI to wind-up its affairs and distribute its remaining property to Reorganized Refco in accordance with the Refco Plan. RCMI prepared the Plan in consultation with the RCM Plan Administrator (successor in interest to the

RCMI Trustee) and the Plan Administrator (as defined in the Refco Plan) to establish the processes by which RCMI will wind-up its affairs and distribute its remaining property in accordance with the Refco Plan, and to provide notice of the same to the parties who have asserted claims against RCMI and the Bankruptcy Court.

## **1. *The Refco Cases and the Refco Plan***

RCMI, a Delaware corporation, is a wholly-owned subsidiary of Westminster-Refco Management, LLC (“WRM”), an indirect, wholly-owned subsidiary of Refco, Inc. (“Refco”). On October 17, 2005 (the “Initial Petition Date”), Refco and 23 of its subsidiaries and affiliates (collectively with Refco, the “Initial Debtors”) filed voluntary petitions in the Bankruptcy Court for relief under chapter 11 of title 11 of the Bankruptcy Code. On October 19, 2005, the Bankruptcy Court entered an order directing the joint administration of the Initial Debtors’ Chapter 11 Cases under case number 05-60006 (RDD).

On June 5, 2006, WRM and two additional subsidiaries of Refco, namely Refco Managed Futures LLC and Lind-Waldock Securities LLC (collectively with WRM, the “Subsequent Debtors” and, together with the Initial Debtors, the “Prior Debtors”), filed voluntary petitions in the Bankruptcy Court for relief under chapter 11 of the Bankruptcy Code. On June 8, 2006, the Bankruptcy Court entered an order directing the joint administration of the Subsequent Debtors’ Chapter 11 Cases with the Initial Debtors’ Chapter 11 Cases. Further details regarding the Prior Debtors’ Chapter 11 Cases are set forth in the Disclosure Statement with Respect to the Refco Plan filed on October 20, 2006.

On December 15, 2006, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law and Order Confirming the Refco Plan. The conditions to confirmation set forth in the Refco Plan were subsequently satisfied or waived and the Refco Plan became effective on December 26, 2006.

## **2. *The Applicable Provisions of the Refco Plan***

Section 5.22 of the Refco Plan, entitled “Wind-Up of Non-Debtor Affiliates,” provides that “[a]ll Non-Debtor Affiliates, other than the direct or indirect subsidiaries of RCM and Refco LLC, shall be wound up and dissolved as soon as practicable and all available Cash, after appropriate wind-up activities, shall be distributed to the Contributing Debtors and Refco LLC on account of intercompany balances (or equity dividends where applicable). Section 1.60 of the Refco Plan provides that RCMI is a “Non-Debtor Affiliate.” Pursuant to Section 1.50 of the Refco Plan, WRM, which owns all of RCMI’s outstanding common stock, is a Contributing Debtor.

Section 10.2(c), entitled “Releases and Subordination of Holders of Claims and Interests in Respect of Contributing Non-Debtors Affiliates and Contributing Non-Debtor Affiliate Management,” provides that “[o]n each Contributing Non-Debtor Affiliate Trigger Date, each Holder of an Impaired Claim, including, but not limited to any Holder of an Impaired Claim against RCM that receives a Distribution under the Plan in consideration for the obligations of RCMI, RCM, the Reorganized Debtors and Post-Confirmation RCM under the Plan and the Cash and other contracts, instruments, releases, agreements, or documents to be delivered in connection with the Plan, shall be deemed to (a) subordinate all claims of the type described in section 10.2(b) against the applicable Contributing Non-Debtors Affiliate to all other existing claims against and equity interests in such Contributing Non-Debtor Affiliate . . . ; *provided, however*, that the RCM Trustee, with the consent of the Plan Committee, may deem any subordination referenced in this section 10.2(c) to be a “release” of claims (and may request the Bankruptcy Court to enter an Order confirming the same) to the extent the RCM Trustee determines such a release necessary to ensuring that the applicable Contributing Non-Debtor affiliate winds up its affairs and distributes on a net basis (whether on account of equity or intercompany balances) positive Cash to the Contributing Debtors and RCM . . .” Section 1.60 of the Refco Plan provides that RCMI is a “Contributing Non-Debtor Affiliate.”

Section 1.62 of the Refco Plan provides that the “Contributing Non-Debtor Affiliate Trigger Date” means “with respect to any Contributing Non-Debtor Affiliate, the earlier of (i) the date at which such Contributing Non-Debtor affiliate winds up its affairs and distributes on a net basis (whether on account of equity or intercompany balances) positive Cash (consistent with its books and records and claims pending against it) to the Contributing Debtors and RCM . . . or, if such events occur prior to the Effective Date, the Effective Date, or (ii) a date determined by the RCM Trustee, with the consent of the Plan Committee, on notice to the Bankruptcy Court, as necessary to accomplish the purposes of clause (i) of this definition.”

### **3. *Refco Plan Treatment of Claims Asserted Against RCMI***

As set forth in more detail herein, there are four creditors that asserted five claims against RCMI. One creditor holds an Allowed Impaired Claim under the Refco Plan against RCM and has already received a Distribution under the Refco Plan with respect to such claim, and another creditor has settled and waived its claims in the Prior Debtors’ and RCMI’s Chapter 11 Cases. The other two creditors do not have direct claims against RCMI, but have asserted (a) direct claims against the Prior Debtors, which claims are subject to pending claims objections filed by the Prior Debtors, and (b) indirect claims against RCMI to the extent that RCMI could be jointly and severally liable for the direct claims asserted against the Prior Debtors. If any such direct claim is ultimately allowed, however, the creditor holding that claim would receive a Distribution under the Refco Plan with respect to an Impaired Claim under the Refco Plan against the Prior Debtors. Accordingly, pursuant to the Refco Plan, each of the claims currently asserted against RCMI (i.e., excluding the settled and waived claims) either already is or would be deemed to be subordinated to all other claims against or equity interests in RCMI on the Contributing Non-Debtor Affiliate Trigger Date for RCMI. Moreover, all such currently asserted claims could be deemed to be released pursuant to the Refco Plan on the Contributing Non-Debtor Affiliate Trigger Date for RCMI if the RCM Trustee, with the consent of the Plan Committee, deems any such subordination to be a release.

The RCM Plan Administrator (successor in interest to the RCM Trustee) has advised RCMI that, if the Bankruptcy Court approves this Disclosure Statement, the Plan Committee has previously consented and the RCM Plan Administrator would designate the Contributing Non-Debtor Affiliate Trigger Date for RCMI to be the Effective Date of the Plan and, to the extent necessary to ensure that RCMI winds up its affairs and distribute its remaining property to Reorganized Refco, deem the subordination of the claims currently asserted against RCMI to be a release of such claims.

## **III. GENERAL INFORMATION**

### **A. *RCMI’s Chapter 11 Case and Current Operations***

On October 16, 2006 (the “RCMI Petition Date”), RCMI filed a voluntary petition in the Bankruptcy Court for relief under chapter 11 of the Bankruptcy Code. On November 15, 2006, the Bankruptcy Court entered an order directing the joint administration of RCMI’s Chapter 11 Case with the Prior Debtors’ Chapter 11 Cases with the Initial Debtors’ Chapter 11 Cases under case number 05-60006 (RDD). RCMI currently has no ongoing business operations and no employees, it does not lease or own real property and, other than cash on hand as of the RCMI Petition Date and cash received from the liquidation of its assets, in the approximate aggregate amount of \$ \$4.3 million, it owns no other property and holds no other interests. Robert I. Shapiro currently serves as the President and sole officer and Director of RCMI.

### **B. *RCMI’s Prepetition Business Operations***

RCMI was formerly known as CIS Investments, Inc. (“CISI”). On or about September 1, 2005, Refco Group Ltd., LLC (“RGL”), a wholly-owned, second tier subsidiary of Refco and the direct parent of WRM, acquired

the global commodity brokerage operations of Cargill Investors Services, Inc. (“CIS”), a subsidiary of Cargill, Incorporated (“Cargill”). CIS owned and operated CISI. In connection with the sale, CISI’s ownership was transferred to WRM and CISI’s name was changed to RCMI.

As of the Petition Date, RCMI was registered with the Commodity Futures Trading Commission as a commodity pool operator under the Commodity Exchange Act, 7 U.S.C. 1, et seq., and was a member of the National Futures Association. RCMI’s primary businesses as of the Petition Date were serving as the managing owner (the “Managing Owner”) of the JWH Global Trust (the “Trust”) and as the co-general partner of two public commodity pools, IDS Managed Futures, L.P. (“IDS I”) and IDS Managed Futures II, L.P. (“IDS II” and, together with IDS I, the “IDS Pools”), which RCMI operated jointly with co-general partner IDS Futures Corporation (“IDS Futures”). RCMI did not have any employees or lease or own real property. Affiliates of Refco, including principally Refco Capital, LLC, historically provided to RCMI, among other things, certain of its employees to serve as RCMI’s Board of Directors, officers and staff, and the office space, telephones, utilities, certain computer software and related licenses and other support utilized by RCMI in its business operations. As set forth in detail herein, during RCMI’s Chapter 11 Case, RCMI sold its interest as Managing Owner of the Trust and withdrew as co-general partner of the IDS Pools.

### **1. *RCMI’s Role as Managing Owner of the Trust***

The Trust, which is organized under the Delaware Statutory Trust Act, trades in United States and international futures and forward markets in currencies, interest rates, energy and agricultural products, metals and stock indices. RCMI served as Managing Owner of the Trust pursuant to that certain Sixth Amended and Restated Declaration and Agreement of Trust, dated as of February 1, 2004 (as amended, the “Trust Agreement”). Beneficial interests in the Trust consist of two types: (a) limited liability interests in the Trust (as defined in the Trust Agreement, “Units”) acquired by investors (as defined in the Trust Agreement, “Unitholders”) upon their investment of capital in the Trust and (b) the Managing Owner’s general liability interest in the Trust.

As Managing Owner of the Trust, RCMI had general liability, to the extent of its own assets only, for the debts, liabilities and obligations of the Trust, to the extent not paid out of assets of the Trust. The Managing Owner managed the business and affairs of the Trust, other than trading decisions with respect to the Trust’s capital which were the sole responsibility of John W. Henry & Company, Inc. (“JWH”). The Managing Owner had a fiduciary duty to conduct the affairs of the Trust in the best interests of the Trust and had power of attorney on behalf of the Trust. Pursuant to and in accordance with the Trust Agreement, the Managing Owner, among other things: (a) maintained and preserved the books and records of the Trust; (b) maintained the principal place of business of the Trust; (c) hired auditors, lawyers and other professionals on behalf of the Trust and, with the assistance of such advisors, prepared and issued annual reports regarding the Trust, including certified financial statements, to Unitholders; (d) prepared or caused to be prepared and filed on behalf of the Trust any and all federal, state or local tax returns required to be filed by the Trust; (e) caused the Trust to pay any taxes and expenses of the Trust; (f) calculated on a monthly basis the net asset value of the Trust and sold and redeemed Units in the Trust pursuant to the terms and procedures set forth in the Trust Agreement; (g) determined what distributions of profits and income, if any, should be made to Unitholders; and (h) communicated no less than monthly with Unitholders regarding the business of and developments impacting the Trust.

### **2. *RCMI’s Role as Co-General Partner of the IDS Pools***

The IDS Pools are Delaware limited partnerships organized under the Delaware Revised Uniform Limited Partnership Act (the “Limited Partnership Act”). The IDS Pools traded a wide range of U.S. and international futures and forward contracts and related options pursuant to the trading instructions of professional trading advisors. RCMI and IDS Futures were co-general partners of IDS I pursuant to that certain Amended and Restated Limited Partnership Agreement dated as of September 30, 1994, and IDS II pursuant to that certain Limited Partnership Agreement dated as of July 14, 1987, (each as amended, collectively the “Partnership Agreements”). IDS Futures is

an affiliate of Ameriprise Financial Services, Inc. (“Ameriprise”). Ameriprise, formerly American Express Financial Advisors, Inc., is a wholly owned subsidiary of Ameriprise Financial, Inc., formerly American Express Financial Corporation. On September 30, 2005, American Express Company completed a spin-off of 100% of the common stock of Ameriprise Financial, Inc. to shareholders of American Express Company. As a result of this transaction, Ameriprise Financial, Inc. became a publicly traded company and is no longer affiliated with American Express Company.

RCMI and IDS Futures, in their capacities as general partners, were jointly responsible for managing and controlling all aspects of the business of the IDS Pools under and pursuant to the terms of the Limited Partnership Act and the Partnership Agreements. However, RCMI historically performed most of the management functions with respect to the IDS Pools, including most administrative functions. Pursuant to and in accordance with the Partnership Agreements, the general partners were permitted to take such actions on behalf of the IDS Pools as they deemed necessary or desirable to manage the businesses of the IDS Pools. The general partners were obligated to act in good faith, and further obligated to devote sufficient efforts to the furtherance of the business of the IDS Pools as reasonably necessary and appropriate.

### **3. *Impact of the Refco Chapter 11 Cases Upon the Trust and the IDS Pools***

Prior to the Initial Petition Date, certain of Refco’s affiliates, including, among others, RCM and Refco, LLC, performed services for the Trust and the IDS Pools. RCM served as foreign currency broker for the Trust and the IDS Pools pursuant to separate Cash Foreign Exchange Account Agreements with the Trust and each of the IDS Pools (collectively, the “Account Agreements”), and Refco, LLC served as clearing broker pursuant to at-will arrangements with the Trust and the IDS Pools. The foreign currency broker arranged for the Trust and the IDS Pools to contract directly for forward transactions in foreign currencies, and the clearing broker cleared the Trust’s and the IDS Pools’ futures transactions and provided other brokerage-related services to the Trust and the IDS Pools. The Account Agreements were formerly between the Trust and the IDS Pools, on one hand, and CIS Financial Services, Inc., an indirect subsidiary of Cargill, on the other, but were assigned to RCM, with the consent of the Trust and the IDS Pools, on or about September 1, 2005, in connection with RGL’s acquisition of CIS and CISI from Cargill.

On the Initial Petition Date, the Trust, IDS I and IDS II had approximately \$58 million, \$10.5 million and \$2.6 million, respectively, deposited in accounts at RCM in its capacity as foreign currency broker for the Trust and the IDS Pools. The Trust and each of the IDS Pools filed proofs of claim in all of the Prior Debtors’ chapter 11 cases, including RCM’s chapter 11 case, asserting, among other things, their respective claims against RCM. The Trust and the IDS Pools terminated their relationships with RCM and Refco, LLC and engaged Lehman Brothers, Inc. and its affiliated entities to act as foreign currency and clearing brokers for the Trust and the IDS Pools. The Trust also stopped selling new Units in the Trust due to the inherent uncertainty of the net asset value of the Trust resulting from the speculative nature of the Trust’s claim against RCM.

## **C. Key Events During the Chapter 11 Case**

### **1. *RCMI’s Sale of Its Interest as Managing Owner of the Trust to RJO***

After the Initial Petition Date, RCMI reviewed and analyzed, among other things, (a) RCMI’s equitable and financial interests in the Trust and the IDS Pools, (b) the various contractual, legal, regulatory, administrative and other rights, duties and obligations upon RCMI in its capacities as Managing Owner of the Trust and co-general partner of the IDS Pools, (c) the potential outcomes in the Initial Debtors’ chapter 11 cases, and (d) the best interests of the Unitholders and the Trust and the limited partners and the IDS Pools. RCMI ultimately determined, after consulting with independent counsel for the Trust and the IDS Pools regarding, among other things, the terms of the Trust Agreement and the Partnership Agreements, that it would be in the best interests of RCMI, the Unitholders and the Trust and the limited partners and the IDS Pools for RCMI to seek to sell its interests in the Trust and IDS

Pools and assign its duties and obligations as Managing Owner of the Trust and co-general partner of the IDS Pools to a qualified third party willing and able to undertake and perform such roles into the future. Thereafter, RCMI decided upon appropriate strategies, processes and timetables for marketing and selling RCMI's interests in the Trust and the IDS Pools and assigning its duties and obligations as Managing Owner and as co-general partner, while at the same time striving to preserve as much value as possible for the Unitholders in the Trust and the limited partners of the IDS Pools.

On October 12, 2006, RCMI, R.J. O'Brien & Associates ("RJO") and R.J. O'Brien Fund Management, Inc. ("RJOFM") entered into an Asset Purchase Agreement (the "Purchase Agreement") providing for, among other things, RJOFM to purchase RCMI's interest as Managing Owner of the Trust, subject to and conditioned upon Court approval of the Purchase Agreement and the transactions set forth therein under sections 363 and 365 of the Bankruptcy Code. RJO was founded in 1914 and is one of the oldest and best known independent futures brokerage firms in the industry. RJO is a founding member of the Chicago Mercantile Exchange, a full clearing member of the Chicago Board of Trade, New York Mercantile Exchange, Commodity Exchange of New York and the New York Board of Trade. RJO services a nationwide network of over 185 introducing brokers and some of the world's largest financial, industrial and agricultural institutions.

On the RCMI Petition Date, RCMI filed a motion for authority to sell and assign substantially all of its assets, including its interest as Managing Owner of the JWH Global Trust, to RJOFM free and clear of liens claims and encumbrances (the "Sale Motion"). On November 15, 2006, the Court entered an order granting the Sale Motion. RCMI consummated the sale of its interest as Managing Owner of the Trust to RJOFM, including assuming, curing and assigning certain executory contracts to RJOFM, as of December 1, 2006. RCMI received approximately \$2,520,964 in cash from RJOFM at closing, consisting of approximately \$2,033,964 for RCMI's 20,218.33751 Units in the Trust as Managing Owner (at \$100.60 per Unit), and \$487,000 of additional cash consideration. After the sale of its Managing Owner interest was consummated, RCMI redeemed its remaining 4,857.26632 Units in the Trust and received approximately \$416,510 as a result of such redemption.

In connection with the sale, and pursuant to the Purchase Agreement, a special purpose limited liability company named JWH Special Circumstance, LLC ("JWHSC") was created to hold the Trust's claim against RCM arising in connection with that certain Foreign Exchange Account Agreement dated May 30, 1997, originally between the Trust and CIS. The Trust is the sole member of JWHSC and U.S. Bank National Association is the manager. Pursuant to a contribution agreement dated December 1, 2006, the Trust assigned its claims against RCM to JWHSC. Such claim is an Allowed Impaired Claim under the Refco Plan and JWHSC has received a Distribution under the Refco Plan with respect thereto. As set forth below, JWHSC has filed a claim against RCMI.

## ***2. Dissolution and Winding Up of the IDS Pools***

RCMI was unable to locate any entity interested in purchasing or taking an assignment of RCMI's interest, duties and obligations as co-general partner of the IDS Pools. Moreover, IDS Futures advised RCMI that it was unable and unwilling, under the circumstances, to serve as sole general partner upon RCMI's withdrawal as co-general partner if required to manage the IDS Pools as an active business or provide the services currently provided by RCMI. However, IDS Futures was willing to continue to act as general partner of the IDS Pools for the purpose of supervising the dissolution and winding up of the IDS Pools, provided that it was allowed to retain a third party to perform the management and administrative services currently performed by RCMI. IDS I, which had approximately 1279 limited partners and assets of approximately \$11 million including its claims against the Prior Debtors, was scheduled to terminate by its own terms on December 31, 2006, and although IDS II was not scheduled to terminate by its own terms until December 31, 2007, IDS II had few remaining limited partners (413) and assets (approximately \$3.3 million) inclusive of IDS II's claims against the Prior Debtors.

Accordingly, RCMI and IDS Futures determined that the best available option, considering the best interests of the limited partners in the IDS Pools under the circumstances, was to dissolve and wind up the IDS Pools and obtain RJO's agreement to provide to the IDS Pools during the winding up process ongoing administrative and management services that were then currently provided by RCMI. Pursuant to the Partnership Agreements, the filing of RCMI's chapter 11 petition constituted RCMI's notice of withdrawal as co-general partner of the IDS Pools.

On September 27, 2006, IDS Futures filed in the Court of Chancery of the State of Delaware applications seeking for each of the IDS Pools decrees of dissolution and instructions for administration, or, alternatively, appointment of liquidating trustees, pursuant to §§ 17-802, 17-803, and 17-805 of the Limited Partnership Act. On February 20, 2007, the Chancery Court granted the Applications and entered orders authorizing, among other things, IDS Futures to wind up the affairs of the IDS Pools, as the sole general partner of the IDS Pools. Each of the IDS Pools was dissolved effective as of December 31, 2006 and IDS Futures continued to act as sole general partner of the IDS Pools for purposes of winding up the IDS Pools' affairs. On November 13, 2007, IDS Futures filed final applications seeking cancellation of certificates of limited partnership for each of the IDS Pools and for certain limited relief to complete the winding up process. On December 4, 2007, the Chancery Court entered orders approving the final applications.

In early 2007, as an accommodation to its clients and to resolve claims against IDS Futures, including the Franzen litigation discussed below, Ameriprise offered to purchase units held by limited partners in the IDS Pools at a price determined by Ameriprise to fully compensate limited partners for the loss in value of the IDS Pools resulting from the commencement of the Refco Chapter 11 Cases (i.e., the IDS Pools' claims against the Prior Debtors). Ameriprise reports that it has paid approximately \$11.3 million and \$2.8 million to limited partners in IDS I and IDS II, respectively, to purchase their limited partner units. Ameriprise's purchase of the limited partner units in the IDS Pools entitles Ameriprise to receive the limited partners' distributions with respect to the IDS Pools' allowed claims against the Prior Debtors under the Refco Plan.

RCMI continues to hold interests in the IDS Pools. The Partnership Agreements required the general partners to purchase units in the IDS Pools for their own accounts. RCMI currently holds 358.70 units in IDS I and 54.35 units in IDS II. The IDS Pools currently maintain a cash reserve with respect to the general partner units and are holding approximately \$109,726 and \$27,674 in cash with respect to RCMI's units IDS I and IDS II, respectively. RCMI previously acknowledged that it owed IDS I approximately \$19,137 with respect to a redemption error made by RCMI in its capacity as general partner of IDS I.

### **3. *Resolution of Franzen Litigation***

On or about June 1, 2006, Gary L. Franzen, as trustee of the Gary L. Franzen Declaration of Trust, individually and on behalf of other alleged class members, filed a complaint against RCMI and IDS Futures, as co-general partners of the IDS Pools, in the United States District Court for the Northern District of Illinois (the "District Court"), Case No. 06-C 3012 (the "Franzen Litigation"). Mr. Franzen filed an amended complaint on September 16, 2006. Mr. Franzen accepted Ameriprise's offer to purchase his units in the IDS Pools and on March 8, 2007, the District Court entered a final order approving a settlement between IDS Futures and Mr. Franzen, at which time the Franzen Litigation was dismissed against IDS Futures but not as against RCMI. During May 2007, RCMI sought and obtained from the Bankruptcy Court an order granting RCMI limited relief from the automatic stay for the District Court to fully and finally adjudicate the Franzen Litigation with respect to RCMI. On June 21, 2007, the District Court dismissed the Franzen Litigation against RCMI with prejudice.

### **4. *Schedules and Statement, Claims Bar Date and Claims***

RCMI filed its Schedules and Assets and Liabilities (the "Schedules") and Statement of Financial Affairs (the "Statement") on October 31, 2006. RCMI filed an amended to the Statement on December 12, 2006. RCMI's Schedules list assets of approximately \$6.7 million, consisting of approximately \$1.5 million in cash on hand,

RCMI's equity interests in the Trust and the IDS Pools in the approximate amount of \$2.5 million, and accounts receivable from the Trust, in the amount of approximately \$72,350, and Refco Capital, LLC and Refco, LLC, in the approximate amount of \$2.7 million. RCMI's Schedules set forth no creditors holding secured or unsecured priority claims, and only five creditors holding unsecured non-priority claims. All of the claims set forth in the Schedules, other than the claim of IDS Futures, were paid in full as cure claims in connection with RCMI's sale of its interest as Managing Owner of the Trust to RJOFM.

On or about March 23, 2007, the Bankruptcy Court entered an Order establishing May 11, 2007 as the deadline for creditors to file proofs of claim in RCMI's Chapter 11 Case (the "Bar Date"). Four creditors filed a total of five proofs of claim in RCMI's Chapter 11 Case. All five proofs of claim were filed prior to the claims bar date. Set forth below is summary of the claims.

a. JWHSC. JWHSC filed two proofs of claim (an original proof of claim and an amended proof of claim) asserting, as assignee of the Trust, a general unsecured claim against RCMI in the amount of \$56,544,205.40, "together with other amounts owing and less any amount otherwise received," alleging that RCMI is liable under breach of contract, fraud, breach of fiduciary duties and/or conversion for assets of the Trust that RCMI, as Managing Owner of the Trust, transferred to RCM prior to the Initial Petition Date. In its proofs of claim, JWHSC admits that its claims against RCM were Allowed Impaired Claims under the Refco Plan and that JWHSC has received Distributions under the Refco Plan with respect to such claims.

b. Grant Thorton LLP. Grant Thorton LLP ("Grant Thorton") filed a proof of claim asserting a partially unliquidated general unsecured claim against RCMI in the approximate amount of \$4,356,371.30 with respect to services rendered by Grant Thorton to Refco and its affiliates as independent auditor of Refco and certain of its subsidiaries pursuant to engagement agreements with Refco. Reorganized Refco has filed objections to Grant Thorton's claims against the Prior Debtors and RCMI. RCMI believes that, in order for Grant Thorton to establish that it has an allowed claim against RCMI, Grant Thorton would first have to establish that it has an allowed claim against Refco, which claim, if allowed, would be an Allowed Impaired Claim under the Refco Plan for which Grant Thorton would receive a Distribution under the Refco Plan.

c. Tone E. Grant. Tone E. Grant, a former officer of Refco and certain Refco affiliates, filed a proof of claim asserting a general unsecured claim in the amount of \$300 million jointly and severally against RCMI, Refco, RCM, RCMI and others with respect to alleged fraud, fraudulent inducement and fraudulent misrepresentation contribution or indemnification claims that Mr. Grant may have against such parties in the event that he is found to be liable in any of three litigation cases pending against him. RCMI believes that, in order for Mr. Grant to establish that he has an allowed claim against RCMI, he would first have to establish that he has an allowed claim against Refco or certain other Prior Debtors, which claim, if allowed, would be an Allowed Impaired Claim under the Refco Plan for which Mr. Grant would receive a Distribution under the Refco Plan.

d. PlusFunds Group, Inc. PlusFunds Group, Inc. ("PlusFunds") filed a proof of claim asserting a general unsecured claim against RCMI of "not less than \$220 million plus unliquidated damages in an amount to be determined" with respect to RCMI's knowledge of or conspiracy in actions allegedly taken by Refco, RCM, Refco, LLC, Refco's affiliate Refco Alternative Investments, LLC and other entities. On or about October 19, 2007, the Bankruptcy Court approved and entered a stipulation and agreed order among PlusFunds, the RCM Plan Administrator the Plan Administrator and the Chapter 7 Trustee of Refco, LLC, pursuant to which, among other things, PlusFunds settled its claims against such parties and waived any right to assert any additional or further claims in the Prior Debtors' and RCMI's Chapter 11 Cases. Accordingly, PlusFunds is no longer asserting a claim against RCMI.

Pursuant to the Refco Plan, each of the four claims currently asserted against RCMI either already is or would be deemed to be subordinated to all other claims against or equity interests in RCMI on the Contributing Non-Debtor Affiliate Trigger Date for RCMI. Accordingly, by operation of the Refco Plan (rather than any



provision of the Plan), the Holders of such claims are not entitled to retain any property or interest in property on account of such claims under the Plan. Each of the claims has been classified in Class 5 – Subordinated Claims and is deemed to be Unimpaired. Moreover, all such claims could be deemed to be released pursuant to the Refco Plan on the Contributing Non-Debtor Affiliate Trigger Date for RCMI if the RCM Plan Administrator, with the consent of the Plan Committee, deems any such subordination to be a release.

#### **5. *The IDS Futures and Ameriprise Settlement***

Prior to the Bar Date, IDS Futures and Ameriprise advised RCMI that IDS Futures and Ameriprise intended to file claims against RCMI on behalf of themselves and the IDS Pools for, among other things, (a) the amounts expended by Ameriprise to purchase limited partner units in the IDS Pools, net of recoveries under the Refco Plan, in order to resolve the Franzen Litigation, which IDS Futures and Ameriprise estimated to be in excess of \$4.3 million, (b) in excess of \$600,000 expended by IDS Futures and Ameriprise in legal fees, costs and expenses in connection with the Franzen Litigation and the negotiation and consummation of the agreements to purchase limited partner units in the IDS Pools, (c) IDS I's \$19,136 claim for RCMI's redemption error, (d) IDS Futures \$34,000 claim against RCMI for certain unpaid amounts, and (e) additional claims for legal fees, costs, expenses and losses incurred during the IDS Pools winding-up and dissolution process. RCMI agreed to indefinitely extend the Bar Date for IDS Futures, Ameriprise and the IDS Pools to allow the parties discuss and explore a potential consensual resolution of such claims. Thereafter the parties engaged in arms-length, good-faith negotiations seeking to reach a full, final and complete resolution of the outstanding issues between the parties. The parties negotiated and ultimately agreed upon an overall settlement between the parties (the "Settlement"), pursuant to which the IDS Pools, IDS Futures and Ameriprise will release their respective claims against RCMI, the IDS Pools will make a settlement payment to RCMI in the aggregate amount of \$10,000, and RCMI will assign to the IDS Pools all of RCMI's remaining interests in the IDS Pools, including its interest in the cash reserve maintained with respect to the general partner interests. The terms of the Settlement are set forth in a settlement agreement between the parties, a copy of which is attached to the Plan as Exhibit A (the "Settlement Agreement").

Although the provisions of the Refco Plan discussed above likely would serve to subordinate the IDS Pools' claims against RCMI, because the IDS Pools received Distributions under the Refco Plan with respect to an Allowed Impaired Claim under the Refco Plan, it is unclear whether such provisions would serve to subordinate the claims of IDS Futures and Ameriprise as holders of the limited partner interests in the IDS Pools and the ultimate beneficiaries of such Distributions. Moreover, notwithstanding the subordination provisions of the Refco Plan, Section 10.4 of the Refco Plan preserves setoff and recoupment rights that claimants may have against the Prior Debtors. Accordingly, after considering all of the circumstances, including, among other things, the chances that any of the claims of the IDS Pools, IDS Futures and Ameriprise could ultimately be allowed and the potential legal fees, costs and expenses that might be incurred in contesting the claims asserted by the IDS Pools, IDS Futures and Ameriprise, RCMI has determined, in its business judgment, that entering into the Settlement is in the best interests of RCMI, its estate and creditors and parties in interest. Accordingly, in connection with confirmation of the Plan, RCMI is seeking Court approval of the Settlement Agreement and authority to consummate the Settlement.

### **IV. REASONS FOR NO SOLICITATION**

As set forth in the Plan, all Classes of Claims and Interests (i.e., Class 1 Non-Tax Priority Claims, Class 2 Secured Claims, Class 3 General Unsecured Claims, Class 4 Old Equity Interests and Class 5 Subordinated Claims) are Unimpaired by the Plan. Pursuant to Bankruptcy Code section 1126(f), each Class of Claims and Interests, and each Holder of a Claim or Interest in such Class, are conclusively presumed to have accepted the Plan, and solicitation of acceptances with respect to such Class from the Holders of Claims or Interests of such Class is not required. Accordingly, RCMI is not soliciting acceptances of the Plan from any Holder of a Claim or Interest.

## **V. SUMMARY OF NOTICE PROCEDURES**

The Disclosure Statement, including all Exhibits hereto, together with the related materials included herewith, is being furnished to the Holders of Claims and Interests for information purposes only. Under section 1126(f) of the Bankruptcy Code, Holders of Claims and Interests are conclusively presumed to accept the Plan, and the votes of the Holders of such Claims and Interests will not be solicited.

By separate motion, RCMI is requesting the Bankruptcy Court to conduct a combined hearing to consider adequacy of this Disclosure Statement and confirmation of the Plan. If the Bankruptcy Court approves the Disclosure Statement at such hearing, RCMI thereafter will immediately seek confirmation of the Plan at such hearing.

RCMI reserves the absolute right to amend the Plan. Amendments to the Plan that do not materially and adversely affect the treatment of Claims and Interests may be approved by the Bankruptcy Court at the Confirmation Hearing without the necessity of resoliciting votes.

## **VI. SUMMARY OF THE PLAN**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of itself and its creditors and shareholders. In addition, chapter 11 promotes equality of treatment of creditors and equity security holders who hold substantially similar claims against or interests in a debtor and its assets. In furtherance of this goal, upon the filing of a petition for relief under chapter 11, section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the chapter 11 case.

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any person or entity acquiring property under the plan, and any creditor of or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions and other than as provided in the plan itself or the confirmation order, the confirmation order substitutes the obligations specified under the confirmed plan for the obligations of the debtor that arose prior to the date of confirmation of the plan.

**THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN, AND OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN (AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN), WHICH IS ANNEXED TO THE DISCLOSURE STATEMENT AS EXHIBIT A.**

**THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.**

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE CHAPTER 11 DEBTOR UNDER THE PLAN AND WILL, UPON OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN RCMI, ITS ESTATE, REORGANIZED REFCO, ALL PARTIES RECEIVING PROPERTY UNDER THE PLAN AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THE DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, ON THE OTHER HAND, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

**A. Classification and Treatment of Claims and Interests**

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims against and Interests in RCMI. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims, as described in the Plan, have not been classified and are not entitled to vote on the Plan. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

**1. Summary of Classes**

<i>Class</i>	<i>Impaired/Unimpaired; Entitlement To Vote</i>
Class 1 - Non-Tax Priority Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 2 - Secured Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 3 - General Unsecured Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 4 - Old Equity Interests	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 5 - Subordinated Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote

**2. Treatment of Classes**

**a. Class 1 – Non-Tax Priority Claims**

(i) *Claims In Class:* Class 1 consists of a separate Class for all Non-Tax Priority Claims against RCMI. RCMI does not believe that there are any Non-Tax Priority Claims and, therefore, this Plan constitutes an objection to any such Non-Tax Priority Claims which may be asserted.

(ii) *Treatment:* On the Effective Date, each Holder of an Allowed Class 1 Non-Tax Priority Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Non-Tax Priority Claim, Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Non-Tax Priority Claim.

b. **Class 2 – Secured Claims**

(i) *Claims In Class:* Class 2 consists of a separate Class for Secured Claims against RCMI. RCMI does not believe that there are any Secured Claims and, therefore, this Plan constitutes an objection to any such Secured Claims which may be asserted.

(ii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 2 Secured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Secured Claim, Cash equal to the unpaid portion of such Allowed Secured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Secured Claim.

c. **Class 3 – General Unsecured Claims**

(i) *Claims In Class:* Class 3 consists of a separate Class for all General Unsecured Claims against RCMI. RCMI does not believe that there are any General Unsecured Claims and, therefore, this Plan constitutes an objection to any such General Unsecured Claims which may be asserted.

(ii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 General Unsecured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed General Unsecured Claim, Cash equal to the unpaid portion of such General Unsecured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed General Unsecured Claim.

d. **Class 4 – Old Equity Interests**

(i) *Interests in Class:* Class 4 consists of Old Equity Interests and any claims directly or indirectly arising from or under, or relating in any way to, the Old Equity Interests.

(ii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Old Equity Interest shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Old Equity Interest, its Pro Rata share of the Remaining Equity Distribution.

e. **Class 5 – Subordinated Claims**

(i) *Claims in Class:* Class 5 consists of a separate Class for all Subordinated Claims against RCMI.

(ii) *Treatment:* No Holder of a Class 5 Subordinated Claim shall be entitled to, nor shall it receive or retain, any property or interest in property on account of such Subordinated Claim. On the Effective Date, all Subordinated Claims shall be expunged.

**3. *Allowed Claims and Interests***

Notwithstanding any provision in the Plan to the contrary, RCMI shall make Distributions only to Holders of Allowed Claims. A Holder of a Disputed Claim shall receive only a Distribution on account thereof when and to the extent that its Disputed Claim becomes an Allowed Claim. Pursuant to section 9.2 of the Plan, RCMI intends to resolve all Disputed Claims prior to the occurrence of the Effective Date.

**4. *Alternative Treatment***

Notwithstanding any provision of the Plan to the contrary, any Holder of an Allowed Claim may receive, instead of the Distribution or treatment to which it is entitled hereunder, any other Distribution or treatment to which it and RCMI may agree in writing.

**5. *Special Provision Regarding Unimpaired Claims***

Except as otherwise provided in the Plan, nothing shall affect RCMI's and Reorganized Refco's rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including but not limited to all rights with respect to legal and equitable defenses to setoffs against or recoupments of Unimpaired Claims.

**B. Means for Implementation of the Plan**

**1. *Merger of RCMI Into Refco Inc.***

On the Effective Date, (a) RCMI will be merged with and into Refco Inc., with Refco Inc. as the surviving entity, and (b) RCMI's Chapter 11 Case shall be closed. Notwithstanding anything to the contrary in the Plan, the merger in fact of RCMI with and into Refco Inc. referenced in such section will occur no earlier than the Effective Date.

**2. *Director And Officer: Effectuating Documents; Further Transactions***

On the Effective Date, the RCMI Director will be deemed to have resigned, except that the RCMI Director will be authorized to execute, deliver, file, or record such documents, instruments, releases, and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and take such actions as specified in Article V of the Plan.

**3. *Preservation Of Rights Of Action; Settlement Of Litigation***

**a. *Preservation Of Rights Of Action; Settlement Of Litigation***

Except as otherwise provided in the Plan, the Confirmation Order, or in any document, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, RCMI, prior to the Effective Date, and Reorganized Refco, after the Effective Date, will retain any Litigation Claims. RCMI and Reorganized Refco may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of the Litigation Claims.

**b. *Settlement Of Litigation Claims***

At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, RCMI may settle any or all of the Litigation Claims with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019. After the Effective Date, Reorganized Refco may settle any or all of the Litigation Claims without the approval of the Bankruptcy Court.

**4. *Cancellation Of Securities, Instruments, And Agreements Evidencing Claims And Interests***

Except as otherwise provided in the Plan and in any contract, instrument, or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article V of the Plan, the promissory notes, share certificates (including treasury stock), other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such Interests will be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of RCMI under the notes, share certificates, and other agreements and instruments governing such Claims and Interests will be discharged. The Holders of or parties to such canceled notes, share certificates, and other agreements and instruments will have no rights arising from or relating to such notes, share certificates, and other agreements and instruments, or the cancellation thereof, except the rights provided pursuant to the Plan.

**5. *Sources Of Cash For Plan Distributions***

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for RCMI to make payments pursuant to the Plan will be obtained from RCMI's Cash balances and the liquidation of RCMI's and the Estate's remaining non-Cash assets, if any. Cash payments to be made pursuant to the Plan to Holders of Allowed Claims and Interests will be made by RCMI on the Effective Date.

**6. *Exemption From Transfer Taxes***

Pursuant to section 1146(c) of the Bankruptcy Code, any transfer under, in furtherance of, or in connection with, the Plan will not be subject to any stamp tax, recording tax, transfer tax, or other similar tax. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property, approved by the Bankruptcy Court on or prior to the Effective Date, will be deemed to have been in furtherance of, or in connection with, the Plan. Notwithstanding anything in the Plan to the contrary, the exemption from taxes referenced in the Plan will only be to the extent permitted for under section 1146(c) of the Bankruptcy Code.

**C. *Provisions Governing Distributions***

**1. *Distributions For Allowed Claims***

Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, Distributions to be made on account of Claims and Interests that are Allowed Claims and Interests as of the Effective Date will be made on the Effective Date.

**2. *Interest And Penalties On Claims***

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest and penalties will not accrue or be paid on any Claims and no Holder of a Claim will be entitled to interest and penalties accruing on or after the Petition Date through the date such Claim is satisfied in accordance with the terms of the Plan.

**3. *Distributions By Debtor***

RCMI will make all Distributions of Cash required to be distributed under applicable provisions of the Plan. RCMI may employ other entities to assist in or make the Distributions required by the Plan.

**4. *Delivery Of Distributions And Undeliverable Or Unclaimed Distributions***

**a. *Delivery Of Distributions In General***

Distributions to Holders of Allowed Claims and Interests will be made at the addresses set forth in RCMI's records unless such addresses are superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001.

**b. *Time Bar to Cash Payments***

Checks issued by RCMI on account of Allowed Claims and Interests will be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. After such date, all Claims in respect of voided checks will be discharged and forever barred and Reorganized Refco will retain all monies related thereto for distribution in accordance with the Refco Plan.

**5. *Record Date For Distributions.***

With respect to all Claims, RCMI will have no obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Effective Date, and will be entitled for all purposes under the Plan to recognize and distribute only to those Holders of Claims or Interests who are Holders of such Claims or Interests, or participants therein, as of the close of business on the Effective Date. RCMI will instead be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official claims register as of the close of business on the Effective Date.

**6. *Allocation Of Plan Distributions Between Principal And Interest***

To the extent that any Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution will, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent that the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

**7. *Means Of Cash Payment***

Payments of Cash made pursuant to the Plan will be in U.S. dollars and will be made, at the option and in the sole discretion of RCMI, by (a) checks drawn on or (b) wire transfer from a domestic bank selected by RCMI. Cash payments to foreign creditors, if any, may be made, at the option of RCMI, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

**8.        *Withholding And Reporting Requirements***

In connection with the Plan and all Distributions thereunder, RCMI will comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions thereunder will be subject to any such withholding and reporting requirements. RCMI will be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

**9.        *Setoffs***

RCMI may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy laws, but will not be required to, set off against any Claim, the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, or claims of any nature whatsoever that RCMI may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim thereunder will constitute a waiver or release by RCMI or Reorganized Refco of any such claim that RCMI or Reorganized Refco may have against such Holder.

**10.      *Release Of Liens***

Except as otherwise provided in the Plan, or in any contract, instrument, release, or other agreement or document created or assumed as part of the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to this Plan, all mortgages, deeds of trust, liens, pledges, or other security interests (collectively, the "Mortgages") in and against the property of any Estate automatically will be fully released and discharged, and all such property will be free and clear of all such Mortgages.

**D.        *Treatment of Executory Contracts and Unexpired Leases***

**1.        *Rejected Contracts And Leases***

Except as otherwise provided in the Confirmation Order, the Plan, or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the Confirmation Order will constitute an order under section 365 of the Bankruptcy Code rejecting all prepetition executory contracts and unexpired leases to which RCMI is a party, to the extent such contracts or leases are executory contracts or unexpired leases, on the Confirmation Date subject only to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by RCMI, or (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date.

**2.        *Bar To Rejection Damages***

If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim will be forever barred and will not be enforceable against RCMI, its Estate, or their respective successors or properties unless a proof of Claim is filed and served on RCMI and counsel for RCMI within twenty (20) days after the Confirmation Date or such other date as is prescribed by the Bankruptcy Court.



**3. *Compensation And Benefit Programs***

All Employee Benefit Plans, including programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated or assumed and assigned by RCMI will be deemed to be, and will be treated as if they were, executory contracts that are subject to rejection in accordance with Section 7.1 of the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code).

**E. *Procedures for Resolving Disputed, Contingent and Unliquidated Claims***

**1. *Objection Deadline; Prosecution Of Objections***

No later than the Claims Objection Deadline or the Administrative Claims Objection Deadline, as applicable, RCMI may file objections to Claims with the Bankruptcy Court and serve such objections upon the Holders of each of the Claims to which objections are made. Nothing contained in the Plan, however, will limit the ability of RCMI to object to Claims, if any, filed or amended after the Claims Objection Deadline or the Administrative Claims Objection Deadline, as applicable. RCMI will be authorized to, and shall, dispose of all Disputed Claims by withdrawing or settling such objections thereto, or by litigating to judgment in the Bankruptcy Court or such other court as may have jurisdiction the validity, nature, and/or amount thereof.

**2. *No Distributions Pending Allowance***

Notwithstanding any other provision of the Plan, no payments or Distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

**F. *Confirmation and Consummation of the Plan***

**1. *Conditions To Confirmation***

Prior to confirmation of the Plan, and in order for the Plan to be confirmed, the following will have to occur:

a. The Confirmation Order must be reasonably acceptable in form and substance to RCMI, the RCM Plan Administrator and the Plan Administrator.

b. The Plan Committee shall previously consented and the RCM Plan Administrator shall have designated the Contributing Non-Debtor Affiliate Trigger Date for RCMI to be the Effective Date of the Plan and, to the extent necessary to ensure that RCMI winds up its affairs and distribute its remaining property to Reorganized Refco, deemed the subordination of the claims asserted against RCMI to be a release of such claims.

**2. *Conditions To Effective Date***

RCMI will request that the Confirmation Order include a finding by the Bankruptcy Court that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order shall take effect immediately upon its entry. The

following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived by RCMI in accordance with the terms hereof:

a. The Confirmation Order, in form and substance reasonably satisfactory to RCMI, the RCM Plan Administrator and the Plan Administrator shall have become a Final Order and shall, among other things, provide that:

(i) RCMI and Reorganized Refco are authorized to take all actions necessary or appropriate to consummate the Plan;

(ii) the provisions of the Confirmation Order are non severable and mutually dependent.

b. RCMI shall have resolved all Disputed Claims.

c. All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed.

d. RCMI shall have made all of the Distributions required by the Plan.

### **3. *Waiver Of Conditions***

Each of the conditions to the Effective Date set forth in the Plan may be waived in whole or in part by RCMI, without any notice to parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Effective Date may be asserted by RCMI regardless of the circumstances giving rise to the failure of such condition to be satisfied, including any action or inaction by RCMI. The failure of RCMI to exercise any such rights will not be deemed a waiver of any other rights, and each such right will be deemed an ongoing right that may be asserted at any time.

### **4. *Consequences Of Non-Occurrence Of Effective Date***

In the event that the Effective Date does not timely occur, RCMI reserves all rights to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Plan be null and void. In the event that the Bankruptcy Court shall enter an order vacating the Confirmation Order, the time within which RCMI may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of 60 days after the date the Confirmation Order is vacated, without prejudice to further extensions.

## **G. *Effect of Plan Confirmation***

### **1. *Binding Effect***

The Plan shall be binding upon and inure to the benefit of RCMI, all present and former Holders of Claims and Interests, and their respective successors and assigns, including but not limited to Reorganized Refco.

## **2. *Exculpation And Limitation Of Liability***

To the maximum extent permitted by the Bankruptcy Code and applicable law, none (a) RCMI, (b) Reorganized Refco, (c) any professionals retained by RCMI pursuant to an order of the Bankruptcy Court, (d) the Post-Petition Management, nor (e) any of their respective representatives, agents, officers, directors, employees, advisors, or attorneys will have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case related to, or arising out of, formulating, negotiating, or implementing the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

## **3. *No Discharge Of Claims; Injunction***

a. Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation will not discharge Claims against RCMI; provided, however, that no holder of a Claim against or Interest in RCMI may, on account of such Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against the Estate, RCMI, Reorganized Refco, or their respective successors or their respective properties, except as expressly provided in the Plan. Accordingly, except as otherwise provided in the Plan, the Confirmation Order will provide, among other things, that from and after the Confirmation Date all Persons who have held, hold, or may hold Claims against or Interests in RCMI are (i) permanently enjoined from taking any of the following actions against the Estate or any of its property on account of any such Claims or Interests and (ii) preliminarily enjoined from taking any of the following actions against RCMI, Reorganized Refco, or their property on account of such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to RCMI; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that (x) nothing contained in the Plan shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan and (y) the preliminary injunction of actions against RCMI, Reorganized Refco, and their property (if any) shall be dissolved and terminate one (1) day following the dissolution of Reorganized Refco and completion of the winding up of its affairs. Notwithstanding anything to the contrary set forth in the Plan, creditors' rights of setoff and recoupment are preserved, and the injunctions referenced in the Plan will not enjoin the valid exercise of such rights of setoff and recoupment.

b. By accepting a Distribution pursuant to the Plan, each Holder of an Allowed Claim or Allowed Interest will be deemed to have specifically consented to the injunctions set forth in Article X of the Plan.

## **4. *Term Of Bankruptcy Injunction Or Stays***

All injunctions or stays provided for in RCMI's Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until all of the property of the Estate of RCMI and Reorganized Refco have been distributed and Reorganized Debtor has been dissolved in accordance with the terms of the Refco Plan.

## **H. Retention of Jurisdiction**

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction (unless otherwise indicated) over all matters arising out of, and related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

a. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

b. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;

c. Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which RCMI is a party or may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;

d. Ensure that Distributions to Holders of Allowed Claims or Allowed Interests are accomplished pursuant to the provisions of the Plan;

e. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications involving RCMI that may be pending prior to the Effective Date (which jurisdiction shall be non-exclusive as to any such non-core matters);

f. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

g. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to the Plan, or any entity's rights arising from or obligations incurred in connection with the Plan or such documents;

h. Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;

i. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under this Plan or under sections 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code;

j. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of the Plan or the Confirmation Order;

- k. Hear and determine causes of action by or on behalf of RCMI or Reorganized Refco;
- l. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- m. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to the Plan are enjoined or stayed;
- n. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;
- o. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (which jurisdiction shall be non-exclusive);
- p. Hear and determine all matters related to (i) the property of the Estate from and after the Confirmation Date and (ii) the winding up of RCMI's affairs;
- q. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and
- r. Enter an order closing the Chapter 11 Case.

## **I. Miscellaneous Provisions**

### **1. *Effectuating Documents And Further Transactions***

RCMI will be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan.

### **2. *Corporate Action***

Prior to or on the Effective Date (as appropriate), all matters expressly provided for under the Plan that would otherwise require approval of the stockholders or directors of RCMI will be deemed to have occurred and will be in effect prior to or on the Effective Date (as appropriate) pursuant to the applicable general corporation law of the state in which RCMI is incorporated without any requirement of further action by the stockholders or directors of RCMI.

### **3. *Bar Dates For Certain Claims***

The Confirmation Order will establish an Administrative Claims Bar Date for filing Administrative Claims which date will be twenty (20) days after the Confirmation Date. Holders of asserted Administrative Claims not paid prior to the Confirmation Date will file with the Bankruptcy Court requests for the payment of administrative expenses on or before such Administrative Claims Bar Date or forever be barred from doing so. The notice of

Confirmation to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth such date and constitute notice of the Administrative Claims Bar Date. RCMI will have until the Administrative Claims Objection Deadline to object to such claims.

**4. *Payment Of Statutory Fees***

All fees payable pursuant to section 1930 of title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid on the Effective Date.

**5. *Amendment Or Modification Of The Plan***

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, RCMI reserves the right to alter, amend, or modify the Plan at any time prior to or after the Confirmation Date but prior to the substantial consummation of the Plan. A Holder of a Claim or Interest that has accepted the Plan will be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

**6. *Severability Of Plan Provisions***

If, prior to the Confirmation Date, any term or provision of the Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**7. *Successors And Assigns***

The Plan will be binding upon and inure to the benefit of RCMI, and its respective successors and assigns, including, without limitation, Reorganized Refco. The rights, benefits, and obligations of any entity named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

**8. *Revocation, Withdrawal, Or Non-Consummation***

RCMI reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to file other plans of reorganization. If RCMI revokes or withdraws the Plan, or if Confirmation or consummation of the Plan does not occur, then (i) the Plan will be null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan will be deemed null and void, and (iii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, will (A) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, RCMI or any other Person, (B) prejudice in any manner the rights of RCMI or any

Person in any further proceedings involving RCMI, or (C) constitute an admission of any sort by RCMI or any other Person.

**9. Notice**

All notices, requests, and demands to or upon RCMI to be effective will be in writing and, unless otherwise expressly provided in the Plan, will be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
Four Times Square  
New York, New York 10036-6522  
Telephone: (212) 735-3000  
Facsimile: (212) 735-2000  
Att'n: Sally McDonald Henry, Esq.

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
333 West Wacker Drive  
Chicago, Illinois 60622-1285  
Telephone: (312) 407-0700  
Facsimile: (312) 407-0411  
Att'n: Felicia Gerber Perlman, Esq.  
Stephen D. Williamson, Esq.

Attorneys for Debtor and Debtor-in-Possession

**10. Governing Law**

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to the Plan provides otherwise, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, the laws of Delaware without giving effect to the principles of conflicts of law of such jurisdiction.

**11. Schedules**

All exhibits and schedules to the Plan, including the Exhibits, are incorporated and are a part of the Plan as if set forth in full therein.

**12. Filing Of Additional Documents**

On or before substantial consummation of the Plan, RCMI shall file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**VII. RISK FACTORS RELATING TO THE CHAPTER 11 CASE**

**A. Failure of Bankruptcy Court to Confirm the Plan**

RCMI intends to seek confirmation of the Plan by the Bankruptcy Court. The Bankruptcy Court, which as a court of equity may exercise substantial discretion, may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of Reorganized Refco (*see* Section IX.B. – “Feasibility of the Plan”) and that the value of Distributions to dissenting Holders of Claims and Interests may not be less than the value such Holders would receive if RCMI was liquidated under chapter 7 of the Bankruptcy Code (*see* Section

IX.A. – “Best Interests Test”). Although RCMI believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

#### **B. Failure to Satisfy Conditions to Confirmation or Effective Date**

The Plan provides for certain conditions that must be satisfied (or waived) prior to the Confirmation Date and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. *See* Section VI.F.1. – “Conditions to Confirmation” and Section VI.F.2. – “Conditions to Effective Date.” As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

### **VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

Subject to the limitations noted below, the following discussion is a summary of certain U.S. federal income tax consequences expected to result from the implementation of the Plan relevant to Holders of Claims or Interests with respect to adoption of the Plan. This discussion is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), in effect on the date of this Disclosure Statement, on U.S. Treasury Regulations in effect (or in certain cases, proposed) on the date of this Disclosure Statement, and on judicial and administrative interpretations thereof available on or before such date. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurance that the Internal Revenue Service (the “IRS”) will not take a contrary view with respect to one or more of the issues discussed below, and no ruling from the IRS or opinion of counsel has been or will be sought with respect to any issues that may arise under the Plan.

The following summary is for general information only and does not purport to address all of the U.S. federal income tax consequences that may be applicable to any particular Holder. The tax treatment of a Holder of an Allowed Claim or Interest may vary depending upon such Holder’s particular situation. The following discussion does not address state, local or foreign tax considerations that may be applicable to RCMI and Holders of an Allowed Claim or Interest. This summary does not address tax considerations applicable to Holders that may be subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, dealers or traders in securities or currencies, tax-exempt entities, persons that hold an Allowed Claim as a position in a “straddle” or as part of a “hedging,” “conversion” or “integrated” transaction for U.S. federal income tax purposes, persons that have a “functional currency” other than the U.S. dollar, and persons who are not U.S. persons (as defined in the Tax Code).

EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN.

#### **TREASURY DEPARTMENT CIRCULAR 230 DISCLOSURE**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF ALLOWED CLAIMS OR INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS OF ALLOWED CLAIMS OR INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF ALLOWED CLAIMS OR INTERESTS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF



CIRCULAR 230) BY RCMI OF THE PLAN OF REORGANIZATION; AND (C) HOLDERS OF ALLOWED CLAIMS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

**A. U.S. Federal Income Tax Consequences of Receipt of Plan Consideration to Holders of Allowed Claims or Interests**

**1. *General Tax Considerations for Holders of Allowed Claims or Interests***

The U.S. federal income tax consequences to Holders of Allowed Claims or Interests arising from the distributions to be made in satisfaction of their Claims or Interests pursuant to the Plan may vary, depending upon, among other things: (a) the manner in which a Holder acquired an Allowed Claim or Interest; (b) the type of consideration received by the Holder of an Allowed Claim or Interest in exchange for the interest it holds; (c) the nature of the indebtedness owed to it; (d) whether the Holder previously claimed a bad debt or worthless securities deduction in respect of the Allowed Claim or Interest; (e) whether the Holder of the Allowed Claim or Interest is a citizen or a resident of the U.S. for tax purposes; (f) whether the Holder of the Allowed Claim or Interest reports income on the accrual or cash basis; and (g) whether the Holder receives distributions in more than one taxable year. In addition, where gain or loss is recognized by a Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder, whether the Allowed Claim or Interest constitutes a capital asset in the hands of the Holder and how long it has been held or is treated as having been held, and whether the Allowed Claim or Interest was acquired at a market discount.

**2. *Accrued but Unpaid Interest***

In general, to the extent that a holder of a debt instrument receives property in satisfaction of interest accrued during the holding period of such instrument, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, such holder may recognize a deductible loss to the extent that any accrued interest claimed or amortized original issue discount ("OID") previously was included in its gross income and is not paid in full.

The extent to which property received by a holder of a debt instrument will be attributable to accrued but unpaid interest is unclear. Pursuant to the Plan, all distributions in respect of any Allowed Claim will be allocated first to the principal amount of such Allowed Claim, and thereafter to accrued but unpaid interest, if any. Certain legislative history indicates that an allocation of consideration between principal and interest provided in a bankruptcy plan of reorganization generally is binding for U.S. federal income tax purposes. However, there is no assurance that such allocation will be respected by the IRS for U.S. federal income tax purposes.

Each Holder of an Allowed Claim or Interest is urged to consult its tax advisor regarding the inclusion in income of amounts received in satisfaction of accrued but unpaid interest, the allocation of consideration between principal and interest, and the deductibility of previously included unpaid interest and OID for U.S. federal income tax purposes.

**3. *Bad Debt Deduction and Worthless Securities Deduction***

A Holder of an Allowed Claim or Interest that is not a security for purposes of section 165(g) of the Tax Code and who receives, pursuant to the Plan, an amount of consideration that is less than such Holder's tax basis in the Allowed Claim in exchange for that Claim, may be entitled in the year of receipt (or in an earlier year) to a bad debt deduction under section 166(a) of the Tax Code, or may be entitled to a loss under section 165(a) in the year of

receipt. A Holder of an Allowed Claim or Interest that is a security and which is wholly worthless may be entitled to a worthless securities deduction under sections 165(g) and 165(a) of the Tax Code. The rules governing the timing and amount of such deductions place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a deduction is claimed. Any such loss would be limited to the Holder's tax basis in the indebtedness underlying its Claim or Interest. Holders of Allowed Claims or Interests, therefore, are urged to consult their tax advisors with respect to their ability to claim such deductions.

#### **4. *Market Discount***

If a Holder of an Allowed Claim purchased the underlying debt obligation at a price less than its adjusted issue price, the difference would constitute "market discount" for U.S. federal income tax purposes. Any gain recognized by a holder of a debt obligation with market discount should be treated as ordinary income to the extent of any market discount accrued on the underlying debt obligation by the holder on or prior to the date of the exchange.

#### **5. *Receipt of Cash in Exchange from Allowed Claim or Interest***

In general, the receipt of Cash in exchange for an Allowed Claim or Interest should result in the recognition of gain or loss in an amount equal to the difference between (i) the sum of the amount of any Cash and (ii) the Holder's tax basis in its Allowed Claim or Interest (other than any Claim for accrued but unpaid interest). If amounts are received by a Holder in more than one taxable year, a portion of such amounts may be characterized as interest.

#### **6. *Backup Withholding Tax and Information Reporting Requirements***

U.S. federal backup withholding tax and information reporting requirements generally apply to certain payments to certain noncorporate Holders. Information reporting generally will apply to payments under the Plan, other than payments to an exempt recipient. A payor will be required to withhold backup withholding tax from any payments made under the Plan, other than payments to an exempt recipient, if such Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements.

**THE ABOVE SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN.**

### **IX. FEASIBILITY OF THE PLAN AND THE BEST INTERESTS OF CREDITORS**

#### **A. *Feasibility of the Plan***

RCMI believes that it and Reorganized Refco will be able to perform their obligations under the Plan. In connection with confirmation of the Plan, the Bankruptcy Court will determine if the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which requires that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Reorganized Refco.

## **B. Best Interests Test**

Section 1129(a)(7) of the Bankruptcy Code requires that any holder of an impaired claim or interest voting against a proposed plan of reorganization must be provided in the plan with a value, as of the effective date of the plan, at least equal to the value that the holder would receive if the debtor's operations were terminated and its assets liquidated under chapter 7 of the Bankruptcy Code. There are no Impaired classes of Claims or Interests under the Plan. However, if there were any impaired class, or the Court determines there is an impaired class, to determine what the holders of claims and interests in each impaired class would receive if a debtor were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from a liquidation of the debtor's assets in the context of a hypothetical liquidation. Such a determination must take into account the fact that secured claims, and any administrative claims resulting from the chapter 11 cases or from the hypothetical chapter 7 cases, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay unsecured creditors and make distributions to holders of preferred interests or equity interests.

## **C. Liquidation Analysis**

After consideration of the effect that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to the Chapter 11 Debtor's creditors and Interest Holders, including (i) the increased cost and expenses of liquidation under chapter 7 arising from fees payable to the chapter 7 trustee and the attorneys and other professional advisors to such trustee, (ii) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation, (iii) the cost and expense attributable to the time value of money resulting from what is likely to be a more protracted proceeding and (iv) the application of the rule of absolute priority to distributions in a chapter 7 liquidation, RCMI has determined that confirmation of the Plan will provide each Holder of a Claim or Interest entitled to vote with an equal or greater recovery than such Holder would have received under a chapter 7 liquidation of RCMI.

## **X. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

RCMI believes that the Plan affords Holders of Claims and Interests the potential for the greatest realization on RCMI's assets and, therefore, is in the best interests of such Holders. If, however, the Plan is not subsequently confirmed and consummated, the theoretical alternatives include: (a) formulation of an alternative plan of liquidation or (b) liquidation of RCMI under chapter 7 of the Bankruptcy Code.

## **XI. NO SOLICITATION OF VOTES; DEEMED ACCEPTANCE**

### **A. Notice for Informational Purposes Only**

RCMI is providing copies of the Disclosure Statement (including all Exhibits) and related materials (the "Notice Package") to all Holders of Claims and Interests for information purposes only. As set forth in the Plan and below, all Classes of Claims and Interests (i.e., Class 1 Non-Tax Priority Claims, Class 2 Secured Claims, Class 3 General Unsecured Claims, Class 4 Old Equity Interests and Class 5 Subordinated Claims) are Unimpaired by the Plan. Pursuant to Bankruptcy Code section 1126(f), each Class of Claims and Interests, and each Holder of a Claim or Interest in such Class, are conclusively presumed to have accepted the Plan, and solicitation of acceptances with respect to such Class from the Holders of Claims or Interests of such Class is not required. Accordingly, the votes of the Holders of Claims and Interests will not be solicited.

By separate motion, RCMI is requesting the Bankruptcy Court to conduct a combined hearing to consider adequacy of this Disclosure Statement and confirmation of the Plan. If the Bankruptcy Court approves the Disclosure Statement at such hearing, RCMI thereafter will immediately seek confirmation of the Plan at such hearing.

**B. No Classes Impaired Under the Plan**

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be “Impaired” under a plan unless (i) the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. The Plan leaves unaltered the legal, equitable and contractual rights to which Claims and Interests entitle the Holder. Although the Holders of Class 5 Subordinated Claims shall neither receive or retain, nor are entitled to receive or retain, any Distribution or property under the Plan on account of their Claims, such treatment results from the provisions of the Refco Plan rather than any provision of the Plan. Accordingly, there are no Impaired Classes of Claims or Interests under the Plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the plan.

**C. No Parties Entitled to Vote**

There are no Classes of Claims and Interests that are Impaired under the Plan or entitled to vote. Accordingly, under section 1126(f) of the Bankruptcy Code, all such Classes of Claims and Interests are deemed to have accepted the Plan and are not entitled to vote in respect of the Plan.

**D. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code**

Although there are no Impaired Classes of Claims or Interests under the Plan, if the Bankruptcy Court deems any Class of Claims or Interests to be Impaired, and to the extent that any such Impaired Class votes to reject the Plan or is deemed to have rejected it, RCMI may request Confirmation of the Plan under the “cramdown” provisions of section 1129(b) of the Bankruptcy Code.

**E. Further Information; Additional Copies**

If you have any questions or require further information about your Claim or Interest or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, the Disclosure Statement, or any exhibits to such documents (at your own expense, unless otherwise specifically required by Fed. R. Bankr. P. 3017(d)), please contact RCMI’s Counsel, as specified below.

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## **XII. CONCLUSION**

For all of the reasons set forth in the Disclosure Statement, RCMI believes that confirmation and consummation of the Plan is preferable to all other alternatives.

Dated: New York, New York  
May 9, 2008

REFCO COMMODITY MANAGEMENT, INC.

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Name: Robert I. Shapiro  
Title: President

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**EXHIBIT A**  
**TO DISCLOSURE STATEMENT WITH RESPECT TO**  
**REFCO COMMODITY MANAGEMENT, INC.'S PLAN OF LIQUIDATION**

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**REFCO COMMODITY MANAGEMENT, INC.'S PLAN OF LIQUIDATION**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
In re: : Chapter 11  
Refco Commodity Management, Inc., : Case No. 05-60006 (RDD)  
Debtor. : (Jointly Administered)  
----- X

**REFCO COMMODITY MANAGEMENT, INC.'S PLAN OF LIQUIDATION**

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EXHIBITS

EXHIBIT A

IDS Settlement Agreement

## INTRODUCTION

Refco Commodity Management, Inc. (“RCMI” or the “Debtor”) proposes the following plan of liquidation that contemplates the disposition of RCMI’s assets and the resolution of the outstanding Claims against and interests in RCMI. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, for a discussion of (i) RCMI’s history, the disposition of its business operations and the liquidation of its assets, (ii) a summary and analysis of this Plan, and (iii) certain related matters, including risk factors relating to the consummation of this Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, RCMI reserves the right to alter, amend, modify, revoke, or withdraw this plan prior to its substantial consummation.

RCMI’s Plan is based in large part upon specific provisions set forth in the Modified Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries (the “Refco Plan”), which was confirmed by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on December 15, 2006. Pursuant to the Refco Plan, and subject to the exercise of certain rights provided in the Refco Plan for the RCM Trustee, each of the remaining claims asserted against RCMI prior to the Bar Date may be deemed to be subordinated to all other claims against or equity interests in RCMI or otherwise released in order to allow RCMI to wind-up its affairs and distribute its remaining property to Reorganized Refco in accordance with the Refco Plan. RCMI prepared the Plan in consultation with the RCM Plan Administrator (successor in interest to the RCM Trustee) and the Plan Administrator to establish the processes by which RCMI will wind-up its affairs and distribute its remaining property in accordance with the Refco Plan, and to provide notice of the same to the parties who have asserted claims against RCMI and the Bankruptcy Court.

The RCM Plan Administrator has advised RCMI that, if the Bankruptcy Court approves the Disclosure Statement, the Plan Committee has previously consented to and the RCM Plan Administrator shall designate the Contributing Non-Debtor Affiliate Trigger Date for RCMI to be the Effective Date of the Plan and, to the extent necessary to ensure that RCMI winds up its affairs and distribute its remaining property to Reorganized Refco, deem the subordination of the claims asserted against RCMI to be a release of such claims.

By separate motion, RCMI has requested the Bankruptcy Court to conduct a combined hearing to consider adequacy of the Disclosure Statement and confirmation of this Plan. If the Bankruptcy Court approves the Disclosure Statement at such hearing, RCMI thereafter will seek immediate confirmation of the Plan.

## ARTICLE I

### DEFINED TERMS AND RULES OF INTERPRETATION

*Defined Terms.* As used herein, capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

**1.1** *Administrative Claim* means an Allowed Claim for costs and expenses of administration of the Chapter 11 Case under sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating the business of RCMI (such as wages, salaries, and commissions for services and payments for inventory, leased equipment, and premises) and Claims of governmental units for taxes (including tax audit Claims related to tax years commencing after the Petition Date, but excluding Claims relating to tax periods, or portions thereof, ending on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting, and other

services and reimbursement of expenses under sections 327, 328, 330, 331, or 503(b) of the Bankruptcy Code to the extent incurred after the Petition Date and prior to the Effective Date; (c) all fees and charges assessed against the Estate under 28 U.S.C. § 1930; and (d) all other claims entitled to administrative claim status pursuant to a Final Order of the Bankruptcy Court.

**1.2** *Administrative Claims Bar Date* means the last day for filing with the Bankruptcy Court requests for allowance and payment of Administrative Claims in accordance with Section 12.4 of this Plan, which date shall be twenty (20) days after the Confirmation Date.

**1.3** *Administrative Claims Objection Deadline* means the last day for filing an objection to any request for the payment of an Administrative Claim, which shall be (a) 40 days after the Confirmation Date or (b) such other date specified in this Plan or ordered by the Bankruptcy Court. The filing of a motion to extend the Administrative Claims Objection Deadline shall automatically extend the Administrative Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Administrative Claims Objection Deadline is denied by the Bankruptcy Court, the Administrative Claims Objection Deadline shall be the later of the current Administrative Claims Objection Deadline (as previously extended, if applicable) or 10 days after the Bankruptcy Court's entry of an order denying the motion to extend the Administrative Claims Objection Deadline.

**1.4** *Allowed Claim* means a Claim or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court, (b) as to which, on or by the Effective Date, (i) no proof of claim has been filed with the Bankruptcy Court and (ii) the liquidated and noncontingent amount of which is Scheduled, other than a Claim that is Scheduled at zero, in an unknown amount, or as disputed, (c) for which a proof of claim in a liquidated amount has been timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, any Final Order of the Bankruptcy Court, or other applicable bankruptcy law, and as to which either (i) no objection to its allowance has been filed by the Claims Objection Deadline or the Administrative Claims Objection Deadline (as applicable), or within any period specified by the Bankruptcy Code or an order of the Bankruptcy Court, or (ii) any objection to its allowance has been settled or withdrawn, or has been denied by a Final Order, or (d) that is expressly allowed in a liquidated amount in the Plan.

**1.5** *"Allowed ... Claim"* means an Allowed Claim of the particular type or Class described.

**1.6** *Ballot* means each of the ballot forms distributed to each Holder of a Claim or Interest entitled to vote to accept or reject this Plan.

**1.7** *Bankruptcy Code* means title 11 of the United States Code, as now in effect or hereafter amended.

**1.8** *Bankruptcy Court* means the United States Bankruptcy Court for the Southern District of New York, or any other court with jurisdiction over the Chapter 11 Case.

**1.9** *Bankruptcy Rules* means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended.

**1.10** *Bar Date* means the bar date established by the Bankruptcy Court for filing proofs of Claim in RCMI's Chapter 11 Case, which date was May 11, 2007.

**1.11** *Business Day* means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

**1.12** *Cash* means legal tender of the United States of America and equivalents thereof.

**1.13** *Chapter 11 Case* means the case under chapter 11 of the Bankruptcy Code commenced by RCMI in the Bankruptcy Court.

**1.14** *Claim* means a “claim” as defined in section 101(5) of the Bankruptcy Code.

**1.15** *Claims Objection Deadline* means the last day for filing objections to Claims, which day shall be (a) thirty (30) days after the Confirmation Date or (b) such other date as the Bankruptcy Court may order. The filing of a motion to extend the Claims Objection Deadline shall automatically extend the Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Claims Objection Deadline is denied, the Claims Objection Deadline shall be the later of the current Claims Objection Deadline (as previously extended, if applicable) or 10 days after Bankruptcy Court’s entry of an order denying the motion to extend the Administrative Claims Objection Deadline.

**1.16** *Class* means a category of Holders of Claims or Interests, as described in Article II hereof.

**1.17** *Confirmation* means the confirmation of the Plan by the Bankruptcy Court under section 1129 of the Bankruptcy Code.

**1.18** *Confirmation Date* means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court in RCMI’s Chapter 11 Case.

**1.19** *Confirmation Hearing* means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

**1.20** *Confirmation Order* means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

**1.21** *Contributing Non-Debtor Affiliate Trigger Date* shall have the meaning ascribed to such term in Section 1.57 of the Refco Plan.

**1.22** *Debtor* means Refco Commodity Management, Inc.

**1.23** *Disclosure Statement* means the disclosure statement (including all exhibits and schedules thereto) approved by the Bankruptcy Court, relating to this Plan, distributed contemporaneously herewith in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

**1.24** *Disputed Claim* means (a) any Claim as to which RCMI has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, or any claim otherwise disputed by RCMI or other party-in-interest in accordance with applicable law, which objection has not been withdrawn or determined by a Final Order, (b) any Claim scheduled by RCMI as contingent, unliquidated, or disputed, or (c) any Claim which amends a claim scheduled by RCMI as contingent, unliquidated, or disputed.

**1.25** *“Disputed ... Claim”* means a Disputed Claim of the type described.

**1.26** *Disputed Claims Amount* means (a) with respect to contingent or unliquidated Claims, zero or the amount estimated by the Bankruptcy Court for purposes of distributions in respect of such Claim in accordance with section 502(c) of the Bankruptcy Code or (b) with respect to any Disputed Claim that is not contingent or unliquidated, the amount set forth in a timely filed proof of claim.

**1.27** *Distribution* means any distribution pursuant to the Plan to the Holders of Allowed Claims and Interests.

**1.28** *Effective Date* means the Business Day this Plan becomes effective as provided in Article IX hereof.

**1.29** *Employee Benefit Plans* means those “employee benefit plans” (as defined in Section 3(3) of ERISA (whether or not such plan is subject to ERISA)), other material plans, policies, programs, practice, agreements, and understandings or arrangements maintained, sponsored, or contributed to for the benefits of current or former employees of RCMI.

**1.30** *ERISA* shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

**1.31** *Estate* means, individually, the estate of Refco Commodity Management, Inc.

**1.32** *Exhibit* means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

**1.33** *Final Order* means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Case, the operation or effect of which has not been stayed, reversed, or amended and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

**1.34** *General Unsecured Claim* means a Claim that is not an Administrative Claim, Priority Tax Claim, Non-Tax Priority Claim, Other Secured Claim, Intercompany Claim, Old Equity Interest, or Subordinated Claim.

**1.35** *Holder* means an entity holding a Claim or Interest who has completed and executed a Ballot in accordance with the voting instructions.

**1.36** *IDS Settlement Agreement* means that certain Settlement Agreement dated as of April [26], 2008, among IDS Managed Futures, L.P., IDS Managed Futures II, L.P., IDS Futures Corporation, Ameriprise Financial Services, Inc., and RCMI, a copy of which is attached to this Plan as Exhibit B.

**1.37** *Impaired* means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.38** *Interest* means the legal, equitable, contractual, and other rights of any Person with respect to any capital stock or other ownership interest in RCMI, whether or not transferable, and any option, warrant, or right to purchase, sell, or subscribe for an ownership interest or other equity security in RCMI.

**1.39** *Lien* shall mean any lien, security interest, pledge, title retention agreement, encumbrance, charge, mortgage or hypothecation, other than, in the case of securities and any other equity ownership interests, any restrictions imposed by applicable United States or foreign securities laws.

**1.40** *Litigation Claims* means the claims, rights of action, suits, or proceedings, whether in law or in equity, whether known or unknown, that RCMI may hold against any Person.

**1.41** *Non-Tax Priority Claim* means a Claim, other than an Administrative Claim or Priority Tax Claim, that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

**1.42** *Old Equity* means the common stock of Refco Commodity Management, Inc. outstanding immediately prior to the Petition Date, including treasury stock and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such common stock.

**1.43** *Person* means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, or other entity.



**1.44** *Petition Date* means October 16, 2006.

**1.45** *Plan* means this chapter 11 plan of reorganization, including the Exhibits and all supplements, appendices, and schedules hereto, either in its current form or as the same may be altered, amended, or modified from time to time.

**1.46** *Plan Administrator* shall have the meaning ascribed to such term in Section 1.128 of the Refco Plan.

**1.47** *Plan Administration Costs* means any costs incurred between the Confirmation Date and the Effective Date in the administration and winding-up of RCMI's Estate.

**1.48** *Plan Committee* shall have the meaning ascribed to such term in Section 1.130 of the Refco Plan.

**1.49** *Post-Petition Management* means any person serving as an officer or director of RCMI during any portion of the period commencing on the Petition Date and ending on the Effective Date.

**1.50** *Priority Tax Claim* means a Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**1.51** *Professional* means (a) any professional employed in this Chapter 11 Case pursuant to sections 327, 328, or 1103 of the Bankruptcy Code or otherwise and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with this Chapter 11 Case pursuant to section 503(b)(4) of the Bankruptcy Code.

**1.52** *RCM Plan Administrator* means March S. Kirshner, who was appointed pursuant to the Refco Plan as the successor in interest to the RCM Trustee.

**1.53** *RCM Trustee* shall have the meaning ascribed to such term in Section 1.176 of the Refco Plan.

**1.54** *RCMI Director* means the sole officer and director of RCMI.

**1.55** *Refco Plan* means the Modified Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries dated December 14, 2006.

**1.56** *Remaining Equity* means the Cash from liquidating RCMI's assets after (i) any Distributions to the Holders of Allowed Claims and (ii) payment of any Plan Administration Costs.

**1.57** *Remaining Equity Distribution* means the Distribution of the Remaining Equity.

**1.59** *Reorganized Refco* means Refco, Inc. after the effective date of the Modified Joint Chapter 11 Plan of Refco Inc. and Certain of its Direct and Indirect Subsidiaries dated December 14, 2006.

**1.60** *Scheduled* means, with respect to any Claim, the status, priority, and amount, if any, of such Claim as set forth in the Schedules.

**1.61** *Schedules* means the schedules of assets and liabilities, the list of Holders of Interests, and the statements of financial affairs filed by RCMI pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rules, as such schedules have been or may be further modified, amended, or supplemented in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

**1.62** *Secured Claim* means a Claim (other than an Administrative Claim) that is secured by a lien on property in which RCMI's Estate has an interest or that is subject to setoff under section 553 of the

Bankruptcy Code, to the extent of the value of the Claim Holder's interest in RCMI's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.

**1.63**     ***Subordinated Claims*** means any Claim which is subordinated pursuant to the Refco Plan.

**1.64**     ***Unclassified Claims*** means Administrative Claims and Priority Tax Claims

**1.65**     ***Unimpaired*** means a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

*Rules Of Interpretation And Computation Of Time.* For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity's successors and assigns; (e) all references in this Plan to sections and articles are references to sections and articles of or to this Plan; (f) the words "herein," "hereunder," and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to the provisions of any contract, certificates of incorporation, by-laws, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (j) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply; (k) "including" means "including without limitation;" and (l) with reference to any Distribution under this Plan, "on" a date means on or as soon as reasonably practicable after that date.

*Exhibits.* All Exhibits to the Plan are incorporated into and are a part of this Plan as if set forth in full herein. To the extent any Exhibit is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-Exhibit portion of this Plan shall control.

## ARTICLE II

### TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are not entitled to vote on the Plan.

**2.1**     ***Administrative Claims.*** On the Effective Date, each Holder of an Allowed Administrative Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim. Notwithstanding the foregoing, (a) any Allowed Administrative Claim based on a liability incurred by RCMI in the ordinary course of business during the Chapter 11 Case may be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto and (b) any Allowed Administrative Claim may be paid on such other terms as may be agreed on between the Holder of such Claim and RCMI. Subsection (b) of the second sentence in this section 2.1 of the Plan shall not be construed to avoid relieving the

need for Court approval of an Administrative Claim when such Court approval is otherwise specifically required by the Bankruptcy Code.

**2.2 Priority Tax Claims.** On the Effective Date, each Holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of its Allowed Priority Tax Claim, (b) treatment in any other manner such that its Allowed Priority Tax Claims shall not be impaired pursuant to section 1124 of the Bankruptcy Code, including payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code, or (c) such other treatment as to which RCMI and such Holder shall have agreed upon in writing. Clause (c) of the preceding sentence shall not be construed to avoid the need for Bankruptcy Court approval of a Priority Tax Claim when such Bankruptcy Court approval is otherwise required by the Bankruptcy Code.

### ARTICLE III

#### CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

##### 3.1 Introduction

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims against and Interests in RCMI. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims, as described above, have not been classified and are not entitled to vote on the Plan. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

##### 3.2 Summary Of Classes

<i>Class</i>	<i>Impaired/Unimpaired; Entitlement To Vote</i>
Class 1 - Non-Tax Priority Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 2 - Secured Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 3 - General Unsecured Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 4 - Old Equity Interests	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 5 - Subordinated Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote

### 3.3 *Treatment Of Classes*

(a) *Class 1 - Non-Tax Priority Claims*

(i) *Claims In Class:* Class 1 consists of a separate Class for all Non-Tax Priority Claims against RCMI. RCMI does not believe that there are any Non-Tax Priority Claims and, therefore, this Plan constitutes an objection to any such Non-Tax Priority Claims which may be asserted.

(ii) *Treatment:* On the Effective Date, each Holder of an Allowed Class 1 Non-Tax Priority Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Non-Tax Priority Claim, Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Non-Tax Priority Claim.

(b) *Class 2 - Secured Claims*

(i) *Claims In Class:* Class 2 consists of a separate Class for Secured Claims against RCMI. RCMI does not believe that there are any Secured Claims and, therefore, this Plan constitutes an objection to any such Secured Claims which may be asserted.

(ii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 2 Secured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Secured Claim, Cash equal to the unpaid portion of such Allowed Secured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed Secured Claim.

(c) *Class 3 - General Unsecured Claims*

(i) *Claims In Class:* Class 3 consists of a separate Class for all General Unsecured Claims against RCMI. RCMI does not believe that there are any General Unsecured Claims and, therefore, this Plan constitutes an objection to any such General Unsecured Claims which may be asserted.

(ii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 General Unsecured Claim, if any, shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed General Unsecured Claim, Cash equal to the unpaid portion of such General Unsecured Claim in full satisfaction, release, settlement of, and in exchange for, such Allowed General Unsecured Claim.

(d) *Class 4 - Old Equity Interests*

(i) *Interests In Class:* Class 4 consists of Old Equity Interests and any claims directly or indirectly arising from or under, or relating in any way to, the Old Equity Interests.

(iii) *Treatment:* On, or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Old Equity Interest shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Old Equity Interest, its Pro Rata share of the Remaining Equity Distribution.

(e) *Class 5 - Subordinated Claims*

(i) *Claims In Class:* Class 5 consists of a separate Class for all Subordinated Claims against RCMI.

(iii) *Treatment:* No Holder of a Class 5 Subordinated Claim shall be entitled to, nor shall it receive or retain, any property or interest in property on account of such Subordinated Claim. On the Effective Date, all Subordinated Claims shall be expunged.

**3.4 *Allowed Claims and Interests.*** Notwithstanding any provision herein to the contrary, RCMI shall make Distributions only to Holders of Allowed Claims. A Holder of a Disputed Claim shall receive only a Distribution on account thereof when and to the extent that its Disputed Claim becomes an Allowed Claim. Pursuant to section 9.2 of the Plan, RCMI intends to resolve all Disputed Claims prior to the occurrence of the Effective Date.

**3.5 *Alternative Treatment.*** Notwithstanding any provision herein to the contrary, any Holder of an Allowed Claim may receive, instead of the Distribution or treatment to which it is entitled hereunder, any other Distribution or treatment to which it and RCMI may agree in writing.

**3.6 *Special Provision Regarding Unimpaired Claims.*** Except as otherwise provided in this Plan, nothing shall affect RCMI's and Reorganized Refco's rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including but not limited to all rights with respect to legal and equitable defenses to setoffs against or recoupments of Unimpaired Claims.

## ARTICLE IV

### DEEMED ACCEPTANCE OF THE PLAN

**4.1 *No Impaired Classes.*** There are no Impaired Classes of Claims against or Interests in RCMI under this Plan. Each Class of Claims and Interests under this Plan is Unimpaired.

**4.2 *Presumed Acceptance by Unimpaired Classes.*** Classes 1, 2, 3, 4 and 5 are Unimpaired by this Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims are conclusively presumed to accept this Plan, and the votes of the Holders of such Claims and Interests will not be solicited.

**4.3 *No Classes Entitled to Vote.*** There are no Impaired Classes of Claims against or Interests in RCMI under this Plan. Accordingly, there is no Class of Claims or Interests that is entitled to vote to accept or reject this Plan. Each Class of Claims and Interests under this Plan is Unimpaired. By operation of law, each Unimpaired Class of Claims or Interests is deemed to have accepted this Plan and, therefore, is not entitled to vote.

**4.4 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.** Although there are no Impaired Classes of Claims or Interests under the Plan, if the Bankruptcy Court deems any Class of Claims or Interests to be Impaired, and to the extent that any such Impaired Class votes to reject the Plan or is deemed to have rejected it, RCMI shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

## ARTICLE V

### MEANS FOR IMPLEMENTATION OF THE PLAN

**5.1 Merger Of RCMI Into Refco Inc.** On the Effective Date, (a) RCMI shall be merged with and into Refco Inc., with Refco Inc. as the surviving entity, and (b) RCMI's Chapter 11 Case shall be closed. Notwithstanding anything to the contrary in this section of the Plan, the merger in fact of RCMI with and into Refco Inc. referenced in such section shall occur no earlier than the Effective Date.

**5.2 Director And Officer: Effectuating Documents; Further Transactions.** On the Effective Date, the RCMI Director shall be deemed to have resigned, except that the RCMI Director shall be authorized to execute, deliver, file, or record such documents, instruments, releases, and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and take such actions as specified in this Article V of the Plan.

**5.3 Preservation Of Rights Of Action; Settlement Of Litigation.**

(a) *Preservation Of Rights Of Action.* Except as otherwise provided in the Plan, the Confirmation Order, or in any document, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, RCMI, prior to the Effective Date, and Reorganized Refco, after the Effective Date, shall retain any Litigation Claims. RCMI and Reorganized Refco may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of the Litigation Claims.

(b) *Settlement Of Litigation Claims.* At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, RCMI may settle any or all of the Litigation Claims with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019. After the Effective Date, Reorganized Refco may settle any or all of the Litigation Claims without the approval of the Bankruptcy Court.

**5.4 Cancellation Of Securities, Instruments, And Agreements Evidencing Claims And Interests.** Except as otherwise provided in the Plan and in any contract, instrument, or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Article V, the promissory notes, share certificates (including treasury stock), other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such Interests shall be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of RCMI under the notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be discharged. The Holders of or parties to such canceled notes, share certificates, and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates, and other agreements and instruments, or the cancellation thereof, except the rights provided pursuant to the Plan.

**5.5 Sources Of Cash For Plan Distributions.** Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for RCMI to make payments pursuant to the Plan shall be obtained from RCMI's Cash balances and the liquidation of RCMI's and the Estate's remaining non-Cash assets, if any. Cash payments to be made pursuant to the Plan to Holders of Allowed Claims and Interests shall be made by RCMI on the Effective Date.

**5.6 Exemption From Transfer Taxes.** Pursuant to section 1146(c) of the Bankruptcy Code, any transfer under, in furtherance of, or in connection with, the Plan shall not be subject to any stamp tax, recording tax, transfer tax, or other similar tax. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and

assignments of owned and leased property, approved by the Bankruptcy Court on or prior to the Effective Date, shall be deemed to have been in furtherance of, or in connection with, the Plan. Notwithstanding anything in this section of the Plan to the contrary, the exemption from taxes referenced in this section of the Plan shall only be to the extent permitted for under section 1146(c) of the Bankruptcy Code.

## ARTICLE VI

### PROVISIONS GOVERNING DISTRIBUTIONS

**6.1 *Distributions For Allowed Claims.*** Except as otherwise provided herein or as ordered by the Bankruptcy Court or provided under this Plan, Distributions to be made on account of Claims and Interests that are Allowed Claims and Interests as of the Effective Date shall be made on the Effective Date.

**6.2 *Interest And Penalties On Claims.*** Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest and penalties shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest and penalties accruing on or after the Petition Date through the date such Claim is satisfied in accordance with the terms of this Plan.

**6.3 *Distributions By Debtor.*** RCMI shall make all Distributions of Cash required to be distributed under applicable provisions of the Plan. RCMI may employ other entities to assist in or make the Distributions required by this Plan.

**6.4 *Delivery Of Distributions And Undeliverable Or Unclaimed Distributions.***

(a) *Delivery Of Distributions In General.* Distributions to Holders of Allowed Claims and Interests shall be made at the addresses set forth in RCMI's records unless such addresses are superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001.

(b) *Time Bar to Cash Payments.* Checks issued by RCMI on account of Allowed Claims and Interests shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. After such date, all Claims in respect of voided checks shall be discharged and forever barred and Reorganized Refco shall retain all monies related thereto for distribution in accordance with the Refco Plan.

**6.5 *Record Date For Distributions.*** With respect to all Claims, RCMI shall have no obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Effective Date, and shall be entitled for all purposes herein to recognize and distribute only to those Holders of Claims or Interests who are Holders of such Claims or Interests, or participants therein, as of the close of business on the Effective Date. RCMI shall instead be entitled to recognize and deal for all purposes under this Plan with only those record Holders stated on the official claims register as of the close of business on the Effective Date.

**6.6 *Allocation Of Plan Distributions Between Principal And Interest.*** To the extent that any Allowed Claim entitled to a Distribution under this Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent that the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

**6.7 *Means Of Cash Payment.*** Payments of Cash made pursuant to this Plan shall be in U.S. dollars and shall be made, at the option and in the sole discretion of RCMI, by (a) checks drawn on or (b) wire transfer from a domestic bank selected by RCMI. Cash payments to foreign creditors, if any, may be made, at the option of RCMI, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

**6.8 *Withholding And Reporting Requirements.*** In connection with this Plan and all Distributions thereunder, RCMI shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions hereunder shall be subject to any such

withholding and reporting requirements. RCMI shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

**6.9 Setoffs.** RCMI may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy laws, but shall not be required to, set off against any Claim, the payments or other Distributions to be made pursuant to this Plan in respect of such Claim, or claims of any nature whatsoever that RCMI may have against the Holder of such Claim; *provided, however*, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by RCMI or Reorganized Refco of any such claim that RCMI or Reorganized Refco may have against such Holder.

**6.10 Release Of Liens.** Except as otherwise provided in this Plan, or in any contract, instrument, release, or other agreement or document created or assumed as part of this Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to this Plan, all mortgages, deeds of trust, liens, pledges, or other security interests (collectively, the "Mortgages") in and against the property of any Estate automatically shall be fully released and discharged, and all such property shall be free and clear of all such Mortgages.

## ARTICLE VII

### TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

**7.1 Rejected Contracts And Leases.** Except as otherwise provided in the Confirmation Order, the Plan, or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the Confirmation Order shall constitute an order under section 365 of the Bankruptcy Code rejecting all prepetition executory contracts and unexpired leases to which any Debtor is a party, to the extent such contracts or leases are executory contracts or unexpired leases, on the Confirmation Date subject only to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by RCMI, or (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date.

**7.2 Bar To Rejection Damages.** If the rejection of an executory contract or unexpired lease pursuant to Section 7.1 above gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against RCMI, its Estate, or their respective successors or properties unless a proof of Claim is filed and served on RCMI and counsel for RCMI within twenty (20) days after the Confirmation Date or such other date as is prescribed by the Bankruptcy Court.

**7.3 Compensation And Benefit Programs.** All Employee Benefit Plans, including programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated or assumed and assigned by RCMI shall be deemed to be, and shall be treated as if they were, executory contracts that are subject to rejection in accordance with Section 7.1 of the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code).

## ARTICLE VIII

### PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS

**8.1 Objection Deadline; Prosecution Of Objections.** No later than the Claims Objection Deadline or the Administrative Claims Objection Deadline, as applicable, RCMI may file objections to Claims with the Bankruptcy Court and serve such objections upon the Holders of each of the Claims to which objections are made. Nothing contained herein, however, shall limit the ability of RCMI to object to Claims, if any, filed or amended after the Claims Objection Deadline or the Administrative Claims Objection Deadline, as applicable.



RCMI shall be authorized to, and shall, dispose of all Disputed Claims by withdrawing or settling such objections thereto, or by litigating to judgment in the Bankruptcy Court or such other court as may have jurisdiction the validity, nature, and/or amount thereof.

**8.2 *No Distributions Pending Allowance.*** Notwithstanding any other provision of this Plan, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

## ARTICLE IX

### CONFIRMATION AND CONSUMMATION OF THE PLAN

**9.1 *Conditions To Confirmation.*** Prior to confirmation of the Plan, and in order for the Plan to be confirmed, the following shall have occurred:

(a) The Confirmation Order shall be reasonably acceptable in form and substance to RCMI, the RCM Plan Administrator and the Plan Administrator.

(b) The Plan Committee shall have previously consented and the RCM Plan Administrator shall have designated the Contributing Non-Debtor Affiliate Trigger Date for RCMI to be the Effective Date of the Plan and, to the extent necessary to ensure that RCMI winds up its affairs and distribute its remaining property to Reorganized Refco, deemed the subordination of the claims asserted against RCMI to be a release of such claims.

**9.2 *Conditions To Effective Date.*** RCMI shall request that the Confirmation Order include a finding by the Bankruptcy Court that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order shall take effect immediately upon its entry. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived by RCMI in accordance with the terms hereof:

(a) The Confirmation Order, in form and substance reasonably satisfactory to RCMI, the RCM Plan Administrator and the Plan Administrator shall have become a Final Order and shall, among other things, provide that:

(i) RCMI and Reorganized Refco are authorized to take all actions necessary or appropriate to consummate the Plan;

(ii) the provisions of the Confirmation Order are non severable and mutually dependent.

(b) RCMI shall have resolved all Disputed Claims.

(c) All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed.

(d) RCMI shall have made all of the Distributions required by the Plan.

**9.3 Waiver Of Conditions.** Each of the conditions to the Effective Date set forth herein may be waived in whole or in part by RCMI, without any notice to parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Effective Date may be asserted by RCMI regardless of the circumstances giving rise to the failure of such condition to be satisfied, including any action or inaction by RCMI. The failure of RCMI to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

**9.4 Consequences Of Non-Occurrence Of Effective Date.** In the event that the Effective Date does not timely occur, RCMI reserves all rights to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Plan be null and void. In the event that the Bankruptcy Court shall enter an order vacating the Confirmation Order, the time within which RCMI may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of 60 days after the date the Confirmation Order is vacated, without prejudice to further extensions.

## ARTICLE X

### EFFECT OF PLAN CONFIRMATION

**10.1 Binding Effect.** This Plan shall be binding upon and inure to the benefit of RCMI, all present and former Holders of Claims and Interests, and their respective successors and assigns, including but not limited to Reorganized Refco.

**10.2 Exculpation And Limitation Of Liability.** To the maximum extent permitted by the Bankruptcy Code and applicable law, none of the (a) Debtor, (b) Reorganized Refco, (c) any professionals retained by RCMI pursuant to an order of the Bankruptcy Court, (d) the Post-Petition Management, nor (e) any of their respective representatives, agents, officers, directors, employees, advisors, or attorneys shall have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case related to, or arising out of, formulating, negotiating, or implementing this Plan, the solicitation of acceptances of this Plan, the pursuit of confirmation of this Plan, the confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for gross negligence or willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

**10.3 No Discharge Of Claims; Injunction.**

(a) Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation will not discharge Claims against RCMI; *provided, however*, that no holder of a Claim against or Interest in RCMI may, on account of such Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against the Estate, RCMI, Reorganized Refco, or their respective successors or their respective properties, except as expressly provided herein. Accordingly, except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date all Persons who have held, hold, or may hold Claims against or Interests in RCMI are (i) permanently enjoined from taking any of the following actions against the Estate or any of its property on account of any such Claims or Interests and (ii) preliminarily enjoined from taking any of the following actions against RCMI, Reorganized Refco, or their property on account of such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to RCMI; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided, however*, that (x) nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of this Plan and (y) the preliminary injunction of actions against RCMI, Reorganized Refco, and their

property (if any) shall be dissolved and terminate one (1) day following the dissolution of Reorganized Refco and completion of the winding up of its affairs. Notwithstanding anything to the contrary set forth in this section of the Plan, creditors' rights of setoff and recoupment are preserved, and the injunctions referenced in this section of the Plan shall not enjoin the valid exercise of such rights of setoff and recoupment.

(b) By accepting a Distribution pursuant to this Plan, each Holder of an Allowed Claim or Allowed Interest shall be deemed to have specifically consented to the injunctions set forth in this Article X.

**10.4 Term Of Bankruptcy Injunction Or Stays.** All injunctions or stays provided for in RCMI's Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until all of the property of the Estate of RCMI and Reorganized Refco have been distributed and Reorganized Debtor has been dissolved in accordance with the terms of the Refco Plan.

## ARTICLE XI

### RETENTION OF JURISDICTION

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction (unless otherwise indicated) over all matters arising out of, and related to, the Chapter 11 Case and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

(b) Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before the Effective Date;

(c) Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which RCMI is a party or may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;

(d) Ensure that Distributions to Holders of Allowed Claims or Allowed Interests are accomplished pursuant to the provisions of this Plan;

(e) Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications involving RCMI that may be pending prior to the Effective Date (which jurisdiction shall be non-exclusive as to any such non-core matters);

(f) Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

(g) Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

(h) Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

(i) Hear and determine all applications for compensation and reimbursement of expenses of Professionals under this Plan or under sections 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code;

(j) Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

(k) Hear and determine causes of action by or on behalf of RCMI or Reorganized Refco;

(l) Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(m) Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

(n) Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

(o) Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (which jurisdiction shall be non-exclusive);

(p) Hear and determine all matters related to (i) the property of the Estate from and after the Confirmation Date and (ii) the winding up of RCMI's affairs;

(q) Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and

- (r) Enter an order closing the Chapter 11 Case.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

**12.1 *Effectuating Documents And Further Transactions.*** RCMI shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

**12.2 *Corporate Action.*** Prior to or on the Effective Date (as appropriate), all matters expressly provided for under this Plan that would otherwise require approval of the stockholders or directors of RCMI shall be deemed to have occurred and shall be in effect prior to or on the Effective Date (as appropriate) pursuant to the applicable general corporation law of the state in which RCMI is incorporated without any requirement of further action by the stockholders or directors of RCMI.

**12.3 *Approval of IDS Settlement Agreement.*** The Confirmation Order shall approve and authorize RCMI to enter into and consummate the IDS Settlement Agreement.

**12.4 *Bar Dates For Certain Claims.*** The Confirmation Order shall establish an Administrative Claims Bar Date for filing Administrative Claims which date shall be twenty (20) days after the Confirmation Date. Holders of asserted Administrative Claims not paid prior to the Confirmation Date shall file with the Bankruptcy Court requests for the payment of administrative expenses on or before such Administrative Claims Bar Date or forever be barred from doing so. The notice of Confirmation to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) shall set forth such date and constitute notice of this Administrative Claims Bar Date. RCMI shall have until the Administrative Claims Objection Deadline to object to such claims.

**12.5 *Payment Of Statutory Fees.*** All fees payable pursuant to section 1930 of title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date.

**12.6 *Amendment Or Modification Of The Plan.*** Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, RCMI reserves the right to alter, amend, or modify this Plan at any time prior to or after the Confirmation Date but prior to the substantial consummation of this Plan. A Holder of a Claim that has accepted this Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

**12.7 *Severability Of Plan Provisions.*** If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**12.8 *Successors And Assigns.*** This Plan shall be binding upon and inure to the benefit of RCMI, and its respective successors and assigns, including, without limitation, Reorganized Refco. The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

**12.9 Revocation, Withdrawal, Or Non-Consummation.** RCMI reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to file other plans of reorganization. If RCMI revokes or withdraws the Plan, or if Confirmation or consummation of the Plan does not occur, then (i) the Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (A) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, RCMI or any other Person, (B) prejudice in any manner the rights of RCMI or any Person in any further proceedings involving RCMI, or (C) constitute an admission of any sort by RCMI or any other Person.

**12.10 Notice.** All notices, requests, and demands to or upon RCMI to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
Four Times Square  
New York, New York 10036-6522  
Telephone: (212) 735-3000  
Facsimile: (212) 735-2000  
Att'n: Sally McDonald Henry, Esq.

-- and --

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
333 West Wacker Drive  
Chicago, Illinois 60622-1285  
Telephone: (312) 407-0700  
Facsimile: (312) 407-0411  
Att'n: Felicia Gerber Perlman, Esq.  
Stephen D. Williamson, Esq.

Attorneys for Debtor and Debtor-in-Possession

**12.11 Governing Law.** Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Delaware without giving effect to the principles of conflicts of law of such jurisdiction.

**12.12 Schedules.** All exhibits and schedules to this Plan, including the Exhibits, are incorporated and are a part of this Plan as if set forth in full herein.

**12.13 Filing Of Additional Documents.** On or before substantial consummation of this Plan, RCMI shall file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Dated: New York, New York  
May 9, 2008

REFCO COMMODITY MANAGEMENT, INC.

By: /s/ Robert I. Shapiro  
Name: Robert I. Shapiro  
Title: President

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
Attorneys for Refco Commodity Management, Inc.,  
Debtor and Debtor-in-Possession

By: /s/ Sally McDonald Henry  
Sally McDonald Henry  
Four Times Square  
New York, New York 10036-6522  
(212) 735-3000

-- and --

Felicia Gerber Perlman  
Stephen D. Williamson  
333 West Wacker Drive  
Chicago, Illinois 60606-1285  
(312) 407-0700

**EXHIBIT A**

IDS SETTLEMENT AGREEMENT



## **SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into as of April 25, 2008, among IDS Managed Futures, L.P., IDS Managed Futures II, L.P., IDS Futures Corporation, Ameriprise Financial Services, Inc., and Refco Commodity Management, Inc. The foregoing parties to this Agreement may be referred to hereinafter collectively as the "Parties" or individually as a "Party."

### **RECITALS**

A. IDS Managed Futures, L.P. ("IDS I") and IDS Managed Futures II, L.P. ("IDS II," together with IDS I, the "Partnerships") are Delaware limited partnerships organized under the Delaware Revised Uniform Limited Partnership Act ("Act") on December 16, 1986 and April 21, 1987, respectively. The Partnerships were formed to trade a wide range of U.S. and international futures and forward contracts and related options pursuant to the trading instructions of professional trading advisors.

B. IDS Futures Corporation ("IDS Futures") and Refco Commodity Management, Inc. ("RCMI") acted as co-general partners of the Partnerships through December 31, 2006, pursuant to certain partnership agreements ("Partnership Agreements"). In their capacities as co-general partners, IDS Futures and RCMI managed and controlled all aspects of the business of the Partnerships under and pursuant to the terms of the Act and the Partnership Agreements.

C. On October 17, 2005, and certain dates thereafter, Refco Inc., the ultimate parent of RCMI, and certain of its subsidiaries and affiliates (collectively, but excluding RCMI, the "Refco Debtors") filed voluntary chapter 11 petitions under title 11 of the United States Code ("Refco Bankruptcy Cases") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court").

D. As a result of the Refco Bankruptcy Cases, on or about June 1, 2006, Gary L. Franzen, as trustee of the Gary L. Franzen Declaration of Trust, individually and on behalf of a putative class that included the Partnerships' limited partners, filed a complaint against IDS Futures and RCMI, as general partners, in the United States District Court for the Northern District of Illinois, Eastern Division, as amended on September 15, 2006 ("Franzen Litigation").

E. On October 16, 2006, RCMI filed its chapter 11 petition with the Bankruptcy Court. RCMI's bankruptcy petition constituted a notice of withdrawal as a general partner of the Partnerships. As part of its bankruptcy case, RCMI sold and assigned substantially all of its assets to R.J. O'Brien Fund Management, Inc.

F. The Partnership Agreements do not prescribe a process for winding down the activities of the Partnerships. Accordingly, on September 27, 2006, IDS Futures filed applications for dissolution of the Partnerships, as amended and supplemented on or about January 26, 2007 (as amended, the "Applications"), in the Court of Chancery of the State of Delaware in and for New Castle County ("Court of Chancery"). Pursuant to the Applications,

IDS Futures sought an order and direction from the Court of Chancery to dissolve the Partnerships and to distribute the Partnerships' remaining assets for the benefit of its partners.

G. Prior to the hearing on the Applications, and as an accommodation to its clients and to resolve the Franzen Litigation, Ameriprise Financial Services, Inc., the Partnerships' selling agent and introducing broker and an affiliate of IDS Futures ("Ameriprise Financial"), offered to purchase the remaining interests of limited partners in the Partnerships ("Ameriprise Purchase Offer"). Notwithstanding the fact that the Partnerships will not recover full payment from the Refco Debtors, the net asset value paid by Ameriprise Financial pursuant to the Ameriprise Purchase Offer assumed a 100% recovery from the Refco Debtors.

H. The Court of Chancery entered orders ("Orders") approving the Applications on February 20, 2007. Pursuant to the Orders, the Court of Chancery approved the Ameriprise Purchase Offer, and authorized and instructed IDS Futures to continue to act as sole general partner for the purpose of winding down the Partnerships' affairs. The Orders deem the Partnerships dissolved, effective as of December 31, 2006.

I. In March 2007, Ameriprise Financial began purchasing the remaining interests of limited partners pursuant to the Ameriprise Purchase Offer. A significant portion of the limited partners participated in the Ameriprise Purchase Offer, effectively resolving the Franzen Litigation and any alleged claims the Partnerships or their limited partners may have had as a result of the Refco Bankruptcy Cases, and settling the action as against IDS Futures.

J. On November 13, 2007, IDS Futures filed final applications ("Final Applications") in the Court of Chancery. Pursuant to the Final Applications, IDS Futures sought an order and direction from the Court of Chancery to cancel the Partnerships' certificates of limited partnership and for certain other relief to complete the wind up process.

K. The Court of Chancery entered orders ("Final Orders") approving the Final Applications on December 4, 2007, under which Ameriprise Financial was authorized to pay the remaining, non-participating limited partners the purchase price under the Ameriprise Purchase Offer. Absent payment by Ameriprise Financial, the remaining limited partners would have received their pro rata share of the Partnerships' remaining net assets, which recovery would have been less than they received from Ameriprise Financial.

L. RCMI continues to hold an interest in each of the Partnerships. These interests, which were not purchased by Ameriprise Financial pursuant to the Ameriprise Purchase Offer, are currently being held in a reserve account ("General Partner Reserve"). Pursuant to the Final Orders, the Chancery Court authorized IDS Futures to withhold RCMI's interest in the General Partner Reserve until the Partnerships' and IDS Futures' claims against RCMI were resolved.

M. The Bankruptcy Court established May 11, 2007 as the deadline for creditors to file proofs of claim in RCMI's bankruptcy case. The deadline was extended by agreement of the Parties pending settlement discussions. None of the Partnerships, IDS Futures or Ameriprise Financial have filed proofs of claim against RCMI, but such parties assert that they would have filed proofs of claims against RCMI absent the settlement of claims set forth in this Agreement. Such claims would have included, without limitation, claims for reimbursement as a result of a

redemption error made by RCMI and for contribution in connection with the Ameriprise Purchase Offer.

N. In recognition of the time and expense associated with resolving any claims and/or interests by and among themselves, the Parties have reached an agreement to settle their mutual claims and/or interests by this Agreement.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals.** The Parties adopt the recitals as true and correct statements of fact.
2. **Settlement of Claims and Interests.** In full and final settlement of any claims of the Partnerships, IDS Futures and/or Ameriprise Financial against RCMI, RCMI hereby agrees to assign to IDS Futures all of its right, title and interest in and to the Partnerships, including, without limitation, those interests of RCMI currently held in the General Partner Reserve. RCMI warrants that it has not previously assigned, conveyed, or otherwise transferred to any other party such right, title and interest in and to the Partnerships.
3. **Bankruptcy Court Approval.** This Agreement remains subject to Bankruptcy Court approval and shall not be effective until the date upon which the Bankruptcy Court enters an order approving this Agreement (“Agreement Effective Date”)
4. **Payment to RCMI.** Within thirty (30) days of the Agreement Effective Date, IDS Futures will pay \$10,000 from the General Partner Reserve to RCMI, which payment shall be in full and final satisfaction of RCMI’s interest in the General Partner Reserve and its investment in the Partnerships.
5. **Release.** Effective as of the Agreement Effective Date, (a) IDS Futures, Ameriprise Financial and the Partnerships and (b) RCMI, on behalf of itself and its estate, hereby release and discharge each other, and their respective agents, affiliates, predecessors, subsidiaries, successors in interest, parent corporations, assigns, insurers, employees, attorneys, officers and directors from any and all claims, counterclaims, rights, demands, costs, damages, losses, liabilities, attorneys’ fees, actions and causes of action whatsoever, whether known or unknown, liquidated, unliquidated, fixed, contingent, material, immaterial, disputed, undisputed, legal or equitable, which (a) IDS Futures, Ameriprise Financial and the Partnerships or (b) RCMI, on behalf of itself and its estate, may have or hereafter may have against the other party arising from or related to the Partnerships.
6. **Compromise of Claims.** It is understood that this Agreement is a compromise of disputed claims and shall not be construed as an admission of liability of any party. No statement made or action taken in the negotiation of this Agreement may be used by any party for any purpose whatsoever.

7. Claims Against Refco Debtors. The settlement and release set forth in this Agreement shall not in any way affect the allowance or disallowance of any claims filed by the Partnerships in the Refco Bankruptcy Cases, or right of distribution from the Refco Debtors to the Partnerships.

8. Counterparts and Authorization. This Agreement may be executed in multiple counterparts, any of which may be transmitted by facsimile, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each undersigned counsel represents that he/she is authorized to execute this Agreement on behalf of his/her respective client.

9. Amendments and Waivers. This Agreement constitutes the entire agreement between the Parties and may not be modified, altered, amended or vacated without the written consent of all Parties hereto.

10. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of each party and its respective successors, assigns, heirs, and personal representatives, as applicable.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

12. Bankruptcy Court Jurisdiction. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Agreement.

**WHEREOF**, the Parties execute this Agreement, effective as of the date set forth above.

Date: April 15, 2008

Refco Commodity Management, Inc.

By: /s/ Robert I. Shapiro

Robert I. Shapiro

Date: April 25, 2008

IDS Managed Futures, L.P.

IDS Managed Futures II, L.P.

By: /s/ Frank A. McCarthy

Frank A. McCarthy

Date: April 25, 2008

IDS Futures Corporation

Ameriprise Financial Services, Inc.

By: /s/ Frank A. McCarthy

Frank A. McCarthy