

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	x	
	:	Chapter 11
	:	
Refco Inc., et al	:	Case Nos. 05-60006 – 05-60029, 06-11260 – 06-11262,
	:	and 06-12436 (RDD)
Debtors.	:	(Jointly Administered)
	x	

**DEBTORS' POST-CONFIRMATION
QUARTERLY REPORT FOR
THE PERIOD FROM OCTOBER 1, 2010 TO DECEMBER 31, 2010**

DEBTORS' ADDRESS: Refco, Inc.
c/o Capstone Advisory Group
250 Pehle Avenue, Suite 105, Park 80 West
Saddle Brook, New Jersey 07663

QUARTERLY CASH RECEIPTS RECEIVED BY REFCO INC., ET AL (IN
THOUSANDS): \$1,221

QUARTERLY CASH DISBURSEMENTS MADE BY REFCO INC., ET AL (IN
THOUSANDS): \$50,327

ATTORNEYS: Bingham McCutchen LLP
Timothy B. DeSieno
Mark Deveno
399 Park Avenue
New York, NY 10022

REPORT PREPARER: Refco Inc. et al.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

/s/ Valerie E. DePiro
Valerie E. DePiro
Refco Inc. / Refco Capital Markets, Ltd.¹

DATE: January 12, 2011

¹ Marc S. Kirschner served as Chapter 11 Trustee (the "RCM Trustee") of Refco Capital Markets, Ltd. ("RCM") from April 12, 2006, until his discharge as RCM Trustee by order of the Bankruptcy Court entered on April 12, 2007. Mr. Kirschner was also appointed, and continues to act as, the Plan Administrator of RCM (the "RCM Plan Administrator"). Upon appointment as the RCM Trustee, the RCM Trustee sought to maintain previous reporting arrangements and filed applications to retain the professionals responsible for preparing those reports. Capstone Advisory Group, LLC was engaged by the Refco Plan Administrator as of emergence from Chapter 11 on December 26, 2006 to perform management functions for Refco Inc. and in that capacity has been providing services to certain of Refco Inc.'s affiliates, including RCM. Ms. DePiro has been performing the function of Chief Financial Officer since such time. Bingham McCutchen LLP has served as counsel to the RCM Trustee until his discharge and continues to serve as counsel to the RCM Plan Administrator and the Refco Plan Administrator. See Note 2, *infra*, p.3, for further information regarding effectiveness of the Modified Joint Chapter 11 Plan of Reorganization.

Refco Inc., et al
Index to Post-Confirmation Quarterly Report

	<u>Page</u>
Notes to Post-Confirmation Quarterly Report	3
Schedules:	
Schedule I	5
Schedule II	6
Schedule III	8
Schedule IV	9
Schedule V	10

Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
NOTES TO POST-CONFIRMATION QUARTERLY REPORT
(Unaudited)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

NOTE 1—Petition for Relief under Chapter 11

On October 17, 2005, Refco Inc. and certain of its subsidiaries and affiliates each filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Court"). Refco Inc. filed jointly with the following direct and indirect subsidiaries: Bersec International LLC, Kroeck & Associates LLC, Marshall Metals, LLC, New Refco Group Ltd., LLC, Refco Administration, LLC, Refco Capital Management, LLC, Refco Capital Markets, Ltd., Refco Capital Trading LLC, Refco Capital LLC, Refco Capital Holdings, LLC, Refco F/X Associates, LLC, Refco Finance Inc., Refco Financial, LLC, Refco Fixed Assets Management, LLC, Refco Global Capital Management LLC, Refco Global Finance Limited, Refco Global Futures, LLC, Refco Global Holdings, LLC, Refco Group Ltd., LLC, Refco Information Services, LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies, LLC, and Summit Management, LLC (collectively, the "Initial Debtors"). On June 5, 2006 three additional subsidiaries and affiliates (Westminster-Refco Management LLC ("Westminster"), Refco Managed Futures, LLC ("Futures"), and Lind-Waldock Securities LLC ("Lind-Waldock")) filed petitions for relief under Chapter 11 of the Bankruptcy Code and on October 16, 2006 one additional subsidiary and affiliate (Refco Commodity Management, Inc. ("RCMI")) filed a petition for relief under Chapter 11 of the Bankruptcy Code (together Westminster, Futures, Lind-Waldock, and RCMI the "Additional Debtors") (the Initial Debtors and the Additional Debtors, collectively, the "Debtors"). On June 9, 2006 and November 15, 2006, the Court entered orders authorizing the joint administration of the Additional Debtors' cases with the Initial Debtors' cases. The Debtors remain in possession of their assets and properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code for all cases, except Refco Capital Markets, Ltd. (05-60018), in which a Chapter 11 trustee has been appointed. Certain subsidiaries of Refco Inc., consisting principally of its regulated subsidiaries, are not debtors (collectively, the "Non-Debtors") in this bankruptcy proceeding.

NOTE 2—Effectiveness of Plan of Reorganization

On December 15, 2006, the Court entered an order (the "Confirmation Order") confirming the Modified Joint Chapter 11 Plan of Refco, Inc. and Certain of its Direct and Indirect Subsidiaries (the "Plan"). The Plan became effective on December 26, 2006 (the "Effective Date"). Pursuant to the Confirmation Order, RJM, LLC was appointed Plan Administrator of Reorganized Refco, as defined under Section 1.194 of the Plan (the "Refco Plan Administrator") and Mr. Kirschner was appointed RCM Plan Administrator. Capitalized terms herein and not defined or otherwise referenced herein shall have the meaning ascribed to them in the Plan.

NOTE 3—Basis of Presentation

On October 9, 2005, after consultation by the Audit Committee with Refco Inc.'s ("Refco") independent accountants, Refco determined that its financial statements, as of, and for the periods ended, February 28, 2002, February 28, 2003, February 28, 2004, February 28, 2005, and May 31, 2005, taken as a whole, for each of Refco Inc., Refco Group Ltd., LLC and Refco Finance Inc. should no longer be relied upon. As a result of these events, Refco is unable to issue financial statements at the time of this filing. In lieu of presenting comprehensive financial statements, Refco has prepared the attached Schedule of Cash Receipts and Disbursements by Debtor. This statement has been prepared on the cash basis of accounting. This schedule eliminates certain intercompany payments (i.e. between the Debtors and other Refco entities) and intra-company transfers (i.e. transfers between different accounts held by the same Debtor) made by the Debtors as these transfers have been made to facilitate and effectuate the provisions of the Plan and do not constitute distributions of the Debtors' assets to third parties.

Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
NOTES TO POST-CONFIRMATION QUARTERLY REPORT
(Unaudited)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

NOTE 4—Merger and Liquidation of Certain Debtors and Non-Debtors

Refco Inc. filed Merger Certificates with the Delaware Secretary of State to merge certain Debtors and Non-Debtors into Refco Inc. Also, in accordance with the Plan of Liquidation filed by Refco Commodities Management Inc. ("RCMI"), RCMI was merged into Refco Inc. and the Debtors finalized the liquidation of Refco Global Finance Limited, a Bermuda Company. Final Decrees closing twenty-one Chapter 11 Cases, of merged and liquidated entities, were entered by the Court in September, 2009. The table below outlines the name of the Debtor, Case Number, Merger/Dissolution Date and the date of the Final Decree Order.

Debtor	Case Number	Merger/Dissolution Date	Final Decree Order
Bersec International LLC	05-60009	12/29/2008	09/24/2009
Kroeck & Associates LLC	05-60019	12/29/2008	09/24/2009
Lind-Waldock Securities LLC	06-11262	12/30/2008	09/24/2009
Marshall Metals, LLC	05-60012	12/29/2008	09/24/2009
New Refco Group Ltd., LLC	05-60014	12/30/2008	09/24/2009
Refco Administration, LLC	05-60020	12/29/2008	09/24/2009
Refco Capital Holdings, LLC	05-60017	3/13/2009	09/24/2009
Refco Capital Management, LLC	05-60010	12/31/2008	09/24/2009
Refco Capital Trading LLC	05-60026	12/29/2008	09/24/2009
Refco Finance Inc.	05-60016	1/8/2009	09/24/2009
Refco Financial, LLC	05-60013	12/29/2008	09/24/2009
Refco Fixed Assets Management LLC	05-60029	12/31/2008	09/24/2009
Refco Global Capital Management LLC	05-60011	12/31/2008	09/24/2009
Refco Global Finance, Ltd.	05-60007	3/10/2009	09/24/2009
Refco Global Futures, LLC	05-60024	3/13/2009	09/24/2009
Refco Global Holdings, LLC	05-60028	6/5/2009	09/24/2009
Refco Information Services, LLC	05-60008	12/31/2008	09/24/2009
Refco Managed Futures LLC	06-11261	12/30/2008	09/24/2009
Refco Mortgage Securities, LLC	05-60021	12/31/2008	09/24/2009
Summit Management, (Newco) LLC	05-60025	12/29/2008	09/24/2009
Refco Commodity Management, Inc.	06-12436	10/24/2008	09/18/2009

Schedule I
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS BY DEBTOR (UNAUDITED)
(in thousands)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

Case #	Legal Entity	Notes	10/1/2010	Cash Activity			12/31/2010
			Beginning Balance	Receipts	Inter-company	Disbursements	Ending Balance
05-60018	Refco Capital Markets, Ltd. ("RCM")	2	\$ 21,115	\$ 12	\$ 35,300	\$ (49,332)	\$ 7,095
05-60022	Refco Capital LLC ("RCC")	1,3	45,229	1,208	(35,400)	(807)	10,230
05-60023	Refco F/X Associates, LLC ("FXA")	4	4,906	1	-	(68)	4,839
05-60027	Refco Group Ltd., LLC		-	-	-	-	-
05-60015	Refco Regulated Companies, LLC		-	-	-	-	-
05-60006	Refco Inc.	5	28	-	100	(120)	8
06-11260	Westminster-Refco Management LLC		-	-	-	-	-
Totals			\$ 71,278	\$ 1,221	\$ -	\$ (50,327)	\$ 22,172

- RCC serves as the paying agent for certain Non-Debtors.
- The \$12,000 in receipts for RCM includes recoveries of miscellaneous assets and interest income. In December, the Contributing Debtors made an interim distribution of the RCM Cash Distribution of \$35.3 million to RCM. Emergence to Date, the Contributing Debtors have distributed \$648.2 million to RCM, net of the \$15 million RCM Wind-Down Reserve. RCM's \$49.3 million in disbursements includes distributions to creditors (\$49.1 million) and payment of operating expenses, including professional fees. The cash balance at December 31, 2010 includes a reserve for wind-down costs, Undelivered Distributions, and approximately \$4.5 million related to outstanding checks from the Interim Distributions of Assets in Place and Additional Property.
- The \$1.2 million in receipts for Refco Capital LLC consists of distributions received from non-Debtor Singapore entities (\$1.0 million), distribution from a non-Debtor UK entity (\$122,000), recoveries of miscellaneous assets, and interest income. Intercompany disbursements represent:
 - The funding of Refco Inc. for a catch-up distribution for an Allowed Claim.
 - \$35.3 million interim distribution to RCM of the RCM Cash Distribution.

The \$807,000 in disbursements includes the payment of approximately \$242,000 to Grant Thornton under the Grant Thornton Settlement Agreement approved by the Court on December 15, 2010 [Docket No. 7085], and the payment of operating expenses. In December 2009, RCM and the Contributing Debtors entered into an agreement with Refco, LLC whereby Refco, LLC distributed substantially all its excess cash reserves to the Contributing Debtors. In return, RCM and the Contributing Debtors agreed that the Contributing Debtors would no longer allocate certain estate costs, including document storage, to Refco, LLC. As a result, the Contributing Debtors increased the reserve for wind-down costs for the amounts, which would have been otherwise allocable to, and paid by, Refco, LLC. Disbursements during the quarter include approximately \$154,000 of costs, which would have been allocable to Refco, LLC. The cash balance at December 31, 2010 includes Reserves for Disputed Claims and wind-down costs.
- The \$1,000 in receipts for Refco F/X Associates, LLC represents interest income. \$68,000 in disbursements represents payments to Class 5a FXA General Unsecured Claims and payments of operating expenses, including professional fees.
- Intercompany receipts of \$100,000 represent the funding of catch-up payments to Allowed Contributing Debtor Class 5a Unsecured Claims. The \$120,000 in disbursements represents payments made on account of Interim Distributions and catch-up payments to Allowed Contributing Debtor Class 5a Unsecured Claims. Cash at December 31, 2010 includes \$4,300 in Undelivered Distributions from Interim Distributions to Allowed Claims.

Schedule II
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
SCHEDULE OF DISBURSEMENTS BY CREDITOR CLASS (UNAUDITED)
(in thousands)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

Class	Notes	CASH BASIS	
		Quarter Ended Dec 31, 2010	Emergence to Date (3)

Administrative and Operating Expenses	1	\$1,042	\$100,548
---------------------------------------	---	---------	-----------

Treatment of Contributing Debtors' Creditors and Interest Holders

Priority Tax Claims	2	-	1,613
Class 1 - Non Tax Priority Claims		-	-
Class 2 - Other Secured Claims		-	-
Class 3 - Secured Lender Claims	3	-	703,967
Class 4 - Senior Subordinated Note Claims	4	-	335,985
Class 5(a) - Contributing Debtors General Unsecured Claims	5	120	148,802
Class 5(b) - Related Claims		-	-
Class 6 - RCM Intercompany Claims		-	-
Class 7 - Subordinated Claims		-	-
Class 8 - Old Equity Interests		-	-

Treatment of FXA Creditors

Priority Tax Claims	2	-	90
Class 1 - FXA Non-Tax Priority Claims		-	-
Class 2 - FXA Other Secured Claims		-	-
Class 3 - FXA Secured Lender Claims (See CD Class 3)		-	-
Class 4 - FXA Senior Subordinated Note Claims (See CD Class 4)		-	-
Class 5(a) - FXA General Unsecured Claims	6	49	21,165
Class 5(b) - Related Claims		-	-
Class 6 - FXA Convenience Claims	7	-	4,827
Class 7 - FXA Subordinated Claims		-	-

Treatment of RCM Creditors

Priority Tax Claims		-	-
Class 1 - RCM Non-Tax Priority Claims		-	-
Class 2 - RCM Other Secured Claims		-	-
Class 3 - RCM FX/Unsecured Claims	8	29,201	479,168
Class 4 - RCM Securities Customer Claims	8	19,915	2,664,896
Class 5 - RCM Leuthold Metals Claims	9	-	19,364
Class 6 - Related Claims		-	-
Class 7 - RCM Subordinated Claims		-	-

1. Amount represents the payment of Administrative Claims and operating expenses, including pre-Effective Date and post-Effective Date professional fees, net of amounts funded by non-Debtors and Refco LLC. Fourth quarter disbursements include the payment of approximately \$242,000 to Grant Thornton under the Grant Thornton Settlement Agreement approved by the Court on December 15, 2010 [Docket No. 7085]. Additionally, during the fourth quarter and Emergence to Date, RCC paid approximately \$154,000 and \$1.35 million, respectively, of expenses, which prior to the December 2009 agreement among RCM, the Contributing Debtors and Refco, LLC, would have otherwise been funded by Refco, LLC.

Schedule II
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
SCHEDULE OF DISBURSEMENTS BY CREDITOR CLASS (UNAUDITED)
(in thousands)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

2. Post-Emergence, the Debtors have reached agreements with certain taxing authorities to settle claims filed for tax years beginning prior to the Filing Date.
3. Secured Lender Claims were paid in October 2006 in accordance with the Early Payment Order.
4. \$55 million was paid at the Effective Date. On June 27, 2007, the final payment on behalf of the Senior Subordinated Note Claims was paid. Under the Plan, the Senior Subordinated Note Claims were entitled to receive interest on the unpaid balance from January 1, 2007 at the same rate of interest that Refco LLC earned on its invested cash and cash equivalents. As a result, on June 27, 2007, the Senior Subordinated Note Claims were paid interest of \$4.46 million.
5. Represents cash payments made to Allowed Class 5a Contributing Debtor Creditors under the First through Eighth Interim Distributions. As of December 31, 2010, \$4,300 in payments had not cleared the bank and thus, is not included in the above schedule.
6. Represents the payments to Allowed Class 5a FXA General Unsecured Claims in April 2008 and September 2007, including catch-up payments to claims allowed subsequent thereto. Does not include payments of \$19.4 million to Japanese creditors Emergence to Date.
7. Represents the payment to the FXA convenience class in August 2007.
8. Represents actual cash payments made to RCM creditors under the First through Eighth Interim Distributions of Assets in Place as well as the First through Tenth Interim Distributions of Additional Property. As of December 31, 2010, approximately \$4.5 million in payments had not cleared the bank and thus are not reflected in the above schedule.
9. Claim was paid on December 29, 2006 with a return of the metals (not a cash distribution). Amount paid reflects the value of metals as of December 31, 2006.

Schedule III
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
SCHEDULE OF PAYROLL AND PAYROLL TAXES (UNAUDITED)
(in thousands)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

All employees were terminated by the Debtors at September 30, 2008. From time to time, the Debtors continue to utilize former employees as contractors to assist with certain wind-down activities, such as effectuating distributions to creditors, compensating these former employees on an hourly basis.

Schedule IV
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
SCHEDULE OF FEDERAL, STATE AND LOCAL TAXES
COLLECTED, RECEIVED, DUE OR WITHHELD (UNAUDITED)
(in thousands)
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

	Amount Withheld/ <u>Accrued</u>¹	Amount <u>Paid</u>
Federal ¹		
Domestic	\$ 0	\$ 0
Foreign	<u>0</u>	<u>0</u>
Total Federal Taxes	<u>0</u>	<u>0</u>
State and Local ¹		
Income, Franchise and Rent Tax	\$ 0	\$ 0
Property Tax	0	0
Sales and Use Tax	<u>0</u>	<u>0</u>
Total State and Local Taxes	<u>0</u>	<u>0</u>
Total Taxes	<u>\$ 0</u>	<u>\$ 0</u>

- 1 Tax claims and notices were received by the Debtors from the IRS and State taxing authorities in the aggregate amount of approximately \$20 million. All of the original 47 claims filed have been expunged or resolved. Allowed Claims total approximately \$1.6 million and have been paid.

Schedule V
Refco Inc., et al
CASE NO. 05-60006 (Jointly Administered)
DEBTORS' STATEMENT REGARDING INSURANCE POLICIES
For the Period from OCTOBER 1, 2010 to DECEMBER 31, 2010

All insurance policies are fully paid for the current period.