Hearing Date: June 22, 2016 at 3:00 p.m. (Prevailing Eastern Time)
Response Deadline: June 15, 2016 at 4:00 p.m. (Prevailing Eastern Time)

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Counsel for Plaintiffs and the Certified Class

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA,	:	

SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

NOTICE OF JOINT MOTION PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 7023 AND 9019 TO: (A) PRELIMINARILY APPROVE A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; (B) APPROVE THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT AGREEMENT; (C) SCHEDULE A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT; (D) FINALLY APPROVE THE SETTLEMENT AGREEMENT AFTER THE FAIRNESS HEARING; AND (E) GRANT RELATED RELIEF

PLEASE TAKE NOTICE that an initial hearing on the *Joint Motion Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 7023 and 9019 to: (A) Preliminarily Approve a Settlement Agreement Between Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, on Behalf of Themselves and as Class Representatives on Behalf of the Other Class Members, and MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc.; (B) Approve the Form and Manner of Notice to Class Members of the Settlement Agreement; (C) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement; (D) Finally Approve the Settlement Agreement after the Fairness Hearing; and (E) Grant Related Relief* (the "Motion")

will be held before the Honorable Martin Glenn, United States Bankruptcy Judge, in Room 523 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004-1408, on **June 22, 2016 at 3:00 p.m. (Prevailing Eastern Time)**, or as soon thereafter as counsel may be heard (the "Initial Hearing"), at which the Movants will seek, among other things, preliminary approval of the Settlement (as defined in the Motion).

PLEASE TAKE FURTHER NOTICE that responses, if any, to preliminary approval of the Settlement (the "Responses") must be made in writing, stating in detail the reasons therefor, and must be filed with the Clerk of the Bankruptcy Court, with paper copies delivered to Bankruptcy Judge Martin Glenn's Chambers, and served upon: (i) Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10023, Attn: Melissa A. Hager, Esq., as counsel for MF Global Holdings Ltd., as Plan Administrator; (ii) Outten & Golden LLP, 3 Park Avenue, 29th Floor, New York, New York 10016, Attn: Jack A. Raisner, Esq. and René S. Roupinian, Esq., as co-counsel for the Plaintiffs and the Certified Class; (iii) Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, Pennsylvania 19103, Attn: Charles A. Ercole, Esq. and Lee Moylan, Esq., as co-counsel for the Plaintiffs and the Certified Class; and (iv) The Gardner Firm, P.C., 210 S. Washington Avenue, Mobile, AL 36602, Attn: Mary E. Olsen, Esq., as co-counsel for the Plaintiffs and the Certified Class, so that such Responses are actually received by the aforementioned parties not later than **June 15, 2016 at 4:00 p.m. (Prevailing Eastern Time)** (the "Response Deadline").

PLEASE TAKE FURTHER NOTICE that if no Reponses are timely filed and served, the Movants may, on or before the Response Deadline, submit to the Court an order substantially

in the form of the proposed order attached to the Motion as Exhibit D, which order may be entered with no further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that the Initial Hearing may be adjourned from time to time, without further written notice to any party.

Dated: May 25, 2016
New York, New York

MORRISON & FOERSTER LLP

/s/ Melissa A. Hager
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Counsel for Plaintiffs and the Certified Class

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN	:	

DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

JOINT MOTION PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 7023 AND 9019 TO: (A) PRELIMINARILY APPROVE A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; (B) APPROVE THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT AGREEMENT; (C) SCHEDULE A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT; (D) FINALLY APPROVE THE SETTLEMENT AGREEMENT AFTER THE FAIRNESS HEARING; AND (E) GRANT RELATED RELIEF

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MF Global Holdings Ltd. ("Holdings Ltd."), as Plan Administrator under the confirmed *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.* (the "Plan")[1] and on behalf of the Debtors (as defined below), and Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles and Arton Sina (the "MFGI Representatives"), on behalf of themselves and as class representatives on behalf of the MFGI Designated Subclass[2], and Scott L. Kisch (the "Holdings Representative" and, together with the MFGI Representatives, the "Class Representatives,"), on behalf of himself and as a class representative on behalf of the Holdings Designated Subclass, by and through their respective counsel, hereby jointly move (the "Motion"), pursuant to Section 105 of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 23 of the Federal Rules of Civil Procedure (the "Civil Rules"), made applicable hereto by Bankruptcy Rule 7023, to: (a) preliminarily approve the settlement and release agreement (the "Settlement Agreement" or "Settlement") among Holdings Ltd., MF Global Holdings USA Inc. ("Holdings USA"), and MF Global Finance USA Inc. ("Finance USA", and collectively with Holdings Ltd. and Holdings USA, the "Debtors") and the Class Representatives (collectively, the "Parties")[3]; (b) approve the form and manner of notice to members of the MFGI Designated Subclass and the Holdings Designated Subclass (together, the "Class Members" or the "Class") of the Settlement Agreement; (c) schedule a fairness hearing (the "Fairness Hearing") to consider final approval of the Settlement Agreement;

[1] Pursuant to the Plan, the Plan Administrator is empowered, on behalf of the Debtors, to review, reconcile, compromise, settle or object to claims. See Plan Art. IV. C. i.

[2] Capitalized terms utilized but not otherwise defined in this Motion shall have the meanings ascribed to them in the Settlement Agreement.

[3] The Class Representatives and the Plan Administrator are referred to herein collectively as the "Movants".

(d) after the Fairness Hearing, finally approve the Settlement Agreement; and (e) grant related relief. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit A. This Motion is supported by (a) the *Declaration of Laurie R. Ferber in Support of Joint Motion Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 7023 and 9019 to: (A) Preliminarily Approve a Settlement Agreement Between Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, on Behalf of Themselves and as Class Representatives on Behalf of the Other Class Members, and MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc.; (B) Approve the Form and Manner of Notice to Class Members of the Settlement Agreement; (C) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement; (D) Finally Approve the Settlement Agreement after the Fairness Hearing; and (E) Grant Related Relief* (the "Ferber Declaration" or "Ferber Decl."), attached hereto as Exhibit B, and (b) the *Declaration of Charles A. Ercole in Support of Joint Motion Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 7023 and 9019 to: (A) Preliminarily Approve a Settlement Agreement Between Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, on Behalf of Themselves and as Class Representatives on Behalf of the Other Class Members, and MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc.; (B) Approve the Form and Manner of Notice to Class Members of the Settlement Agreement; (C) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement; (D) Finally Approve the Settlement Agreement after the Fairness Hearing; and (E) Grant Related Relief* (the "Class Counsel Declaration" or "Class Counsel Decl."), attached hereto as Exhibit C. In support of the Motion, the Movants respectfully represent as follows:

PRELIMINARY STATEMENT

1. This Motion seeks the Court's approval of a Settlement Agreement that resolves a class action brought against the Debtors for allegedly failing to provide notice required by the WARN Acts before ordering any mass layoff and/or plant closing. If approved, the Settlement Agreement would result in the release of claims by the Class Members against the Debtors related to the WARN Action in exchange for the establishment of a $5,000,000 Settlement Fund to be distributed to Class Members and Class Counsel in accordance with the terms of the Settlement Agreement.

2. The terms of the proposed Settlement are fair and reasonable from the perspective of each of the constituencies directly affected by the Settlement Agreement. For the Debtors and their estates and creditors, the Settlement Agreement is fair and reasonable, as continued litigation of the WARN Action would be protracted and expensive and the outcome uncertain. Moreover, the amount of the Settlement Fund is certainly within the range of outcomes that could be anticipated. In light of these factors, and to prevent the delay associated with litigating claims that could postpone and/or reduce further distributions to the Debtors' creditors, the Plan Administrator has determined that the Settlement Agreement is well within the range of reasonableness.

3. The Settlement Agreement is also fair and reasonable to the Class Members. Absent the Settlement Agreement, the Class Members may have to wait years for any payment on their alleged WARN Act claims. Continued litigation of the WARN Action, among other things, would require the Parties to engage in additional discovery and briefing at significant expense and with inherently uncertain results.

4. Based on the foregoing, and as set forth more fully below, the Movants submit that the Court should preliminarily approve the Settlement Agreement, approve the proposed form and manner of notice to the Class Members, and ultimately approve the Settlement Agreement on a final basis after the Fairness Hearing.

JURISDICTION, VENUE AND STATUTORY PREDICATES

5. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought in this Motion are Section 105 of the Bankruptcy Code, Bankruptcy Rules 9019 and 7023, and Civil Rule 23.

BACKGROUND

A. General Background

6. On October 31, 2011, Holdings Ltd. and Finance USA filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with this Court, consolidated under Lead Case No. 11-15059-MG. See Ferber Decl., ¶ 5.

7. Also on October 31, 2011, the United States District Court entered an Order Commencing Liquidation (the "MFGI Liquidation Order") pursuant to the provisions of the Securities Investor Protection Act ("SIPA") in the case captioned *Securities Investor Protection Corp. v. MF Global Inc.* The MFGI Liquidation Order, among other things, removed MF Global Inc.'s case to this Court for all purposes (as required by SIPA) in the case captioned *In re MF Global Inc.*, Case No. 11-2790 (MG).

8. On or about November 4, 2011 and November 11, 2011, and within 30 days of those dates, certain employees who worked at or reported to facilities operated by the Debtors in

New York, New York and Chicago, Illinois (the "Facilities"), including the Class Representatives and Class Members, were terminated.[4] See Ferber Decl., ¶ 6.

9. On March 2, 2012, Holdings USA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court, Case No. 12-10863-MG, which was subsequently consolidated under Lead Case No. 11-15059-MG. See Ferber Decl., ¶ 7.

B. The WARN Action

10. Between November 11, 2011 and November 14, 2011, certain of the Class Representatives filed three adversary class action complaints, on behalf of themselves and the Class Members, seeking to recover sixty (60) days' wages and benefits for employees who worked at the Facilities and who were allegedly terminated by the Debtors without being provided proper notice as required by the WARN Acts. See Ferber Decl., ¶ 8.

11. On January 30, 2012, the Bankruptcy Court appointed Class Counsel as interim counsel and consolidated these actions into the WARN Action [ECF No. 35].

12. On June 30, 2015, the Plaintiffs filed the Third Amended Complaint, adding Scott L. Kisch as a putative Class Representative [ECF No. 125].

13. After engaging in months of class certification discovery and preparing pre-trial submissions, just days before the multi-day class certification hearing was set to begin, the Parties agreed to enter into a stipulation and order certifying the Class into two subclasses. On September 8, 2015, this Court entered that stipulation and order certifying the Class (the "Stipulation and Order Regarding Class Certification") [ECF No. 168].

14. On November 4, 2015, Class Counsel filed a declaration affirming compliance with the Stipulation and Order Regarding Class Certification [ECF No. 181], attesting that the

[4] The Settlement Agreement is the result of a compromise and nothing set forth in this Motion, including the facts and recitals set forth herein, shall be used or construed to the prejudice of the Debtors, including as an admission by any of the Debtors of any liability or wrongdoing or of the validity of any claim against any of the Debtors.

Class Members were served with a notice of class action that provided procedures for Class Members to opt-out of the Class, and that one Class Member opted-out of the Class pursuant to such notice.

15. This Court set deadlines for fact and expert discovery, held a pretrial conference with the Movants, and set a date for a trial on the merits to begin at the end of March 2016.

16. At the request of the Movants, on January 15, 2016, this Court entered an order appointing the Honorable Robert D. Drain to serve as the mediator in the WARN Action and establishing procedures with respect to the mediation. [ECF No. 186]. The Movants participated in the mediation before Judge Drain on February 4, 2016 and thereafter continued to have several communications with Judge Drain and numerous communications with each other with respect to the WARN Action and a potential settlement. See Ferber Decl., ¶ 9. The mediation ultimately was successful and led to a consensual resolution of the WARN Action for which approval is being sought by this Motion. See Ferber Decl., ¶ 9.

17. By virtue of the agreement in principle reflected in the proposed Settlement Agreement, the trial of the WARN Action (which, after one extension, was scheduled to begin on April 4, 2016) has been adjourned *sine die*. See Ferber Decl., ¶ 10.

C. The Settlement Agreement

18. After extensive, good faith, and arms-length negotiations, the Parties have entered into the Settlement Agreement to resolve the WARN Action. See Ferber Decl., ¶ 11. The essential terms of the Settlement Agreement are as follows:[5]

a. Settlement Fund: Holdings USA will pay a total of $5,000,000 to Class Counsel or their designee via wire transfer, pursuant to the terms of the Settlement

[5] This summary of the Settlement Agreement is qualified in its entirety by the terms and provisions of the Settlement Agreement. To the extent that there are any inconsistencies between the description of the Settlement Agreement contained in the Motion and the terms and provisions of the Settlement Agreement, the Settlement Agreement shall control.

Agreement (the "Settlement Fund"), within five (5) calendar days of the Final Approval Date.

b. Responsibilities of Class Counsel: Class Counsel will be responsible for the administration of the Settlement, including the mailing of notices to all Class Members containing information about the WARN Action, the Settlement Agreement, and the ability to object to the Settlement and procedures with respect thereto (the "Class Notices"), the mailing of Notices of Exclusion, and the appointment and retention of American Legal Claim Services, LLC as "Settlement Administrator" to distribute the Settlement Fund to the Class Members as set forth in the Settlement Agreement and to manage all applicable tax withholdings and reporting.

c. Settlement Administrator: The Settlement Administrator shall be responsible for issuing payment to Class Members and handling all other aspects of the administration of the Settlement, including, but not limited to: (i) the formation of a Qualified Settlement Fund as authorized by Treasury Regulation section 1.486B-1(c) to accept, distribute, and otherwise administer the Settlement; (ii) the determination, subject to Class Counsel's and the Debtors' review and approval, of the payroll tax and withholding amounts for each of the individual payments to each Class Member; (iii) the preparation and mailing of settlement checks to each Class Member; (iv) the withholding, transmittal, and reporting, as appropriate, of all payroll taxes, and preparing and mailing of all W-2 Forms and/or 1099 Forms; and (v) the processing of returned notices or settlement checks as undeliverable, including re-mailing to forwarding addresses and tracing of current addresses.

d. Class Counsel's Fees and Class Counsel's Expenses: Class Counsel, subject to Bankruptcy Court approval, will receive Class Counsel's Fees in an amount not to exceed $2,000,000 plus Class Counsel's Expenses up to $164,100 as payment in full for their professional fees and expenses in connection with this matter to be paid from the Settlement Fund on the later of thirty (30) business days after the Final Approval Date or submission by Class Counsel of a valid and effective W-9 Form to the Settlement Administrator.

e. Allocation of Settlement Fund: The net pre-tax amount of the Settlement Fund (after being reduced to account for allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments) shall be allocated as follows: $1,600,000 for members of the Holdings Designated Subclass and $1,156,900 for members of the MFGI Designated Subclass.

f. Treatment of Residual Funds: If there are any funds in the Settlement Fund remaining for any reason, including Settlement checks that are not deposited, endorsed or negotiated within ninety (90) calendar days of their date of issuance (the "Residual Funds"), these Residual Funds will be held for sixty (60) calendar days (the "Residual Fund Waiting Period") to be used to make distributions to any individual who is subsequently determined to have been eligible to receive a distribution but was not on the Class Member distribution list and/or to make a

distribution to the individual who previously opted out of the Class, should that individual choose to rescind her opt-out. Undistributed funds remaining after the Residual Fund Waiting Period shall revert to Holdings USA and the Class Members shall have no further claim to such funds.

g. Service Payments: The Settlement Administrator shall distribute from the Settlement Fund $12,500 to each Class Representative and $2,000 to each Contributing Non-Plaintiff as a one-time Service Payment, to be paid, in addition to and contemporaneously with other distributions from the Settlement Fund described above, within thirty (30) business days after the Final Approval Date.

h. Administration Fee: Class Counsel shall pay the Settlement Administrator all fees and costs of administering the Settlement Fund from the Settlement Fund.

i. Taxes: Payments from the Settlement Fund to Class Members shall be made net of all applicable employment taxes to be withheld from such payments as determined to be due by the Settlement Administrator, including, without limitation, FICA tax and federal, state and local income tax withholding. All applicable employer tax contributions, including, without limitation, the Debtors' share of FICA tax, and federal unemployment tax due, shall be paid by the Debtors to the Settlement Administrator in addition to the Settlement Fund, and shall not be paid out of the Settlement Fund. The Debtors and the Plan Administrator shall not be responsible for (1) any payroll taxes or any federal, state or local income tax imposed on employees (which taxes shall be properly withheld and remitted to the applicable taxing authorities as required by the Settlement Agreement), (2) any employer tax payments, including, without limitation, the Debtors' share of FICA tax and federal unemployment tax, except to the extent that such taxes shall not have been paid over to the Settlement Administrator by the Debtors in accordance with the Settlement Agreement, (3) any taxes imposed with respect to the payment of attorneys' fees to Class Counsel under the Settlement Agreement, (4) any taxes imposed with respect to the payment of the Service Payments, (5) any taxes imposed with respect to the payment of administration fees to the Settlement Administrator, or (6) any and all taxes imposed on the income and earnings of the Qualified Settlement Fund. Class Counsel shall hold the Debtors harmless from and against any and all taxes, interest, penalties, attorneys' fees and other costs imposed on the Debtors as a result of the Settlement Administrator's failure to timely and accurately compute, prepare and file tax returns and pay any applicable taxes pursuant to the Settlement Agreement.

j. Release By Settlement Class: As of the Final Approval Date, except for any Class Members who timely opted-out of the Class, all Class Members and Contributing Non-Plaintiffs will fully and forever release and discharge the Debtors, the Debtors' estates, the Plan Administrator, and their current and former shareholders and investors, subsidiaries and affiliated entities, any potential "single employer" under the WARN Acts, and their respective officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys,

representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all Claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity or otherwise, whether known or unknown, anticipated, suspected or disclosed, which the Releasing Parties may now have or hereafter may have against the Released Parties, arising out of the termination of the Class Members' employment within thirty (30) days of November 4, 2011 or November 11, 2011 which relate to or are based on (i) any Claims asserted or that could have been asserted in the WARN Action; and (ii) any alleged violation of the WARN Acts, or any other federal, state, or municipal law or legal claim based on similar factual allegations.

k. Individually Filed Proofs of Claim: Any proof of claim (or portion thereof) filed by a Class Member against the Debtors pertaining to his or her employment on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations shall be deemed disallowed and expunged as of the Final Approval Date pursuant to the terms of the Settlement and without further order of the Bankruptcy Court.

l. Notices: Class Counsel shall bear the cost and responsibility of the preparation and service of the Class Notices and Notices of Exclusion. One of the Class Counsel's addresses will be used as the return address for the Class Notices and Notices of Exclusion. Class Counsel shall mail the Class Notices to the Class Members and Notices of Exclusion by first-class mail by no later than five (5) business days after preliminary approval of the Settlement by the Bankruptcy Court. The Class Notices and Notices of Exclusion shall be substantially in the form as may be approved by the Bankruptcy Court. In the event that a Class Notice or Notice of Exclusion is returned as undeliverable, Class Counsel shall re-mail the Class Notice or Notice of Exclusion to the corrected address, if any, of the intended recipient as may be determined by Class Counsel through a search of a national database or as may otherwise be obtained by the Parties.

m. Contents of the Class Notices: The Class Notices shall contain the following information: (i) the Settlement shall become effective only if it is finally approved by the Bankruptcy Court; (ii) if approved, the Settlement shall be effective as to all Class Members who did not timely opt-out of the Class;[6] (iii) a Class Member has the right to object to the Settlement, either in person or through counsel, and to be heard at the Fairness Hearing; (iv) any and all Claims released under the Settlement Agreement shall be waived, and that no person, including each Class Member, shall be entitled to any further distribution thereon; and (v)

[6] The Movants do not believe that there is a requirement that Class Members be provided with an additional opportunity to opt out of the Settlement. This is consistent with Second Circuit case law which rejects "the contention that Class Members must be given a second opportunity to opt out after the terms of the settlement are announced." In re WorldCom, Inc. Sec. Litig., 388 F. Supp. 2d 319, 342 (S.D.N.Y. 2005) (citing Wal-Mart Stores, Inc. v. Visa U.S.A. Inc., 396 F.3d 96, 114 (2d Cir. 2005) (emphasis added)).

upon final approval of the Settlement, any proofs of claim (or portions thereof) filed by a Class Member on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations who did not timely opt-out of the Class shall be deemed disallowed and expunged without further order of the Bankruptcy Court.

n. Objection to Settlement Procedures: A Class Member may object to the approval of the Settlement by sending a timely written Notice of Objection to Class Counsel and counsel to the Plan Administrator at the addresses set forth in the Class Notice, and filing such Notice of Objection with the Bankruptcy Court so that it is received by the Bankruptcy Court and the above counsel within thirty (30) calendar days after the Class Notice is mailed to Class Members. Such objection shall clearly specify the relief sought and the grounds for such relief. In the event that five percent or more of the Class Members object to the Settlement, the Debtors may, at their option and in their sole discretion, rescind the Settlement Agreement and the Settlement Agreement shall become null and void and of no further effect or consequence.

o. Acceptance and Effectiveness of the Settlement: The effectiveness of the Settlement Agreement is subject to and contingent upon the entry of an order of the Bankruptcy Court at the Fairness Hearing, reasonably satisfactory to each of the Parties to the Settlement Agreement, approving the Settlement, and upon such order having become final and non-appealable. The effective date of the Settlement is the Final Approval Date. The Settlement shall be binding upon, and inure to the benefit of the Parties as well as their representatives, heirs, executors, administrators, personal representatives, legal representatives, agents, and attorneys. The Settlement shall not inure to the benefit of any assignees or transferees of the Class Members' claims resolved under the Settlement. Class Members shall not have the power or right to assign Settlement payments under the Settlement Agreement and any such assignment shall be void.

See Ferber Decl., ¶ 11.

RELIEF REQUESTED

19. By this Motion, the Movants seek entry of an order substantially in the form attached to this Motion as Exhibit D: (a) preliminarily approving the Settlement Agreement pursuant to Bankruptcy Rule 7023; (b) approving the form and manner of notice to Class Members of the Settlement Agreement; (c) scheduling a Fairness Hearing to consider final approval of the Settlement Agreement pursuant to Bankruptcy Rule 7023; and (d) granting related relief. After the Fairness Hearing, the Movants seek entry of an order substantially in the

form attached to this Motion as Exhibit E finally approving the Settlement Agreement pursuant to Bankruptcy Rules 7023 and 9019.

BASIS FOR RELIEF REQUESTED

A. The Court Should Preliminarily Approve the Settlement Agreement Pursuant to Bankruptcy Rule 7023

20. The Movants jointly request that the Court preliminarily approve the Settlement Agreement and schedule a Fairness Hearing for final approval of the Settlement Agreement as a class action settlement under Bankruptcy Rule 7023, which incorporates Civil Rule 23 into adversary proceedings. See Fed. R. Bankr. P. 7023. Civil Rule 23(e) provides that "[t]he claims, issues, or defenses of a certified class may be settled, voluntarily dismissed, or compromised only with the court's approval." Id.

21. After class certification, approval of a class settlement generally requires two hearings: one preliminary approval hearing and a subsequent "fairness hearing." See In re Initial Pub. Offering Sec. Litig., 243 F.R.D. 79, 87 (S.D.N.Y. 2007). Once a settlement is preliminarily approved, notice of the proposed settlement and of the fairness hearing is provided to class members. See id. At the fairness hearing, class members may "present their views of the proposed settlement, and the parties may present arguments and evidence for and against the terms, before the court makes a final determination as to whether the proposed settlement is fair, reasonable and adequate." Id.

22. "Preliminary approval of a settlement agreement requires only an initial evaluation of the fairness of the proposed settlement on the basis of written submissions and an informal presentation by the settling parties." Kelen v. World Fin. Network Nat'l Bank, 302 F.R.D. 56, 68 (S.D.N.Y. 2014) (citations omitted). "Preliminary approval may be granted if the court finds that there is 'probable cause to submit the [proposed settlement] to class members

and hold a full-scale hearing as to its fairness.'" Id. (quoting In re Traffic Exec. Ass'n, 627 F.2d 631, 634 (2d Cir. 1980)).

23. In assessing whether to grant preliminary approval, the Kelen court considered the following factors: (a) the settlement was "within the range of possible approval;" (b) the settlement "was the result of lengthy and comprehensive arm's-length negotiations," which were conducted with the assistance of a mediator; (c) plaintiffs' counsel "possessed the experience and ability to satisfactorily represent the class's interests;" (d) the parties did not enter into the settlement agreement "until after a comprehensive investigation of the claims and defenses;" and (e) the class representatives would "not receive any unduly preferential treatment." Id. at 68-69.

24. Each of the Kelen factors weighs in favor of preliminary approval of the Settlement Agreement. First, the Settlement Agreement falls well within the range of reasonableness because continued litigation would be protracted and expensive and the outcome uncertain for all Parties. See Ferber Decl., ¶ 12; Class Counsel Decl., ¶ 4. Second, the Settlement Agreement is the result of good faith, arms-length negotiations between the Movants, with the assistance of an experienced mediator. See Ferber Decl., ¶ 12; Class Counsel Decl., ¶ 4. Third, the Class Representatives are represented by experienced and capable counsel. See Class Counsel Decl., ¶ 4. Fourth, the Movants exchanged a significant amount of information during discovery and their negotiations, and have engaged in a comprehensive investigation of their respective claims and defenses. See Ferber Decl., ¶ 12; Class Counsel Decl., ¶ 4. Fifth, the Class Representatives are not receiving unduly preferential treatment under the Settlement Agreement, which proposes to pay each Class Representative $12,500 and entitles each Class Member to receive its pro rata share of the net amount of the Settlement Fund for the respective

Subclass. See Class Counsel Decl., ¶ 4. Accordingly, the Court should preliminarily approve the Settlement Agreement pursuant to Bankruptcy Rule 7023.

B. The Court Should Approve the Form and Manner of the Proposed Notice of the Settlement

25. Civil Rule 23(c)(2)(B) provides:

> For any class certified under Rule 23(b)(3), the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort. The notice must clearly and concisely state in plain, easily understood language: (i) the nature of the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members under Rule 23(c)(3).

Fed. R. Civ. P. 23(c)(2)(B).

26. In addition, Civil Rule 23(e) requires that all members of the class be notified of the terms of any proposed settlement. See Fed. R. Civ. P. 23(e). Although no rigid standards govern the contents of notice to class members, the notice must "fairly apprise the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with [the] proceedings." Weinberger v. Kendrick, 698 F.2d 61, 70 (2d Cir. 1982) (internal citations omitted).

27. The proposed Class Notice, substantially in the form attached to the Motion as Exhibit F, will be served by Class Counsel upon each Class Member. No later than five (5) business days following entry of an order preliminarily approving this Motion, Class Counsel shall mail the Class Notices by first-class mail to the Class Members. See Class Counsel Decl., ¶ 5.

28. The Class Notice includes the information required by Civil Rule 23(c)(2)(B).[7] The Class Notice also outlines the terms of the Settlement Agreement, including the proposed attorneys' fees and expenses proposed to be paid to Class Counsel, and describes how each Class Member may obtain a copy of the pleadings in the WARN Action and a copy of the Settlement Agreement. See Ferber Decl., ¶ 13. The Class Notice also states the date, time, location and purpose of the Fairness Hearing, informs each Class Member of its right to appear at the Fairness Hearing, and describes the procedures for objecting to the Settlement Agreement. See Ferber Decl., ¶ 13. The Class Notice states that no Class Member may present an objection at the Fairness Hearing unless he or she has filed a timely objection that complies with the procedures for objecting to the Settlement Agreement. See Ferber Decl., ¶ 13. Finally, the Class Notice will contain a personalized attachment for each Class Member setting forth the projected pre-tax dollar amount such Class Member would receive under the Settlement Agreement after the deduction of Class Counsel's Fees and Class Counsel's Expenses. See Class Counsel Decl., ¶ 5. Accordingly, the form and manner of the Class Notice is sufficient and should be approved.

29. The proposed Notice of Exclusion, substantially in the form attached to the Motion as Exhibit G, will be served by Class Counsel upon the three employees set forth in the Settlement Agreement excluded from the Class. The Notice of Exclusion will contain a brief explanation of the basis for exclusion from the Class. No later than five (5) business days following entry of an order preliminarily approving this Motion, Class Counsel shall mail the Notices of Exclusion by first-class mail. See Class Counsel Decl., ¶ 6.

[7] In addition, the Parties intend to satify the requirements of the Class Action Fairness Act, 28 U.S.C. §1711 *et seq*, by providing notice to the appropriate state and federal officials.

C. The Court Should Finally Approve the Settlement at the Fairness Hearing Pursuant to Bankruptcy Rule 7023

30. A court may approve a class settlement on a final basis only "after a hearing and on finding that it is fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2); see also Mba v. World Airways, Inc., 369 F. App'x 194, 197 (2d Cir. 2010). Moreover, to approve a class settlement on a final basis, a court must also determine that the settlement is "not a product of collusion, and that the class members' interests were represented adequately." Grant v. Bethlehem Steel Corp., 823 F.2d 20, 22 (2d Cir. 1987).

31. In the Second Circuit, the nine so-called Grinnell factors are generally considered when evaluating the "fairness, reasonableness, and adequacy" of a class settlement. See In re Elec. Books Antitrust Litig., No. 14-4649 (L), 2016 WL 624505, at *2 (2d Cir. Feb. 17, 2016) (citing City of Detroit v. Grinnell Corp., 495 F.2d 448, 463 (2d Cir. 1974)). These factors are:

a. the complexity, expense and likely duration of the litigation;

b. the reaction of the class to the settlement;

c. the stage of the proceedings and the amount of discovery completed;

d. the risks of establishing liability;

e. the risks of establishing damages;

f. the risks of maintaining the class through the trial;

g. the ability of the defendants to withstand a greater judgment;

h. the range of reasonableness of the settlement fund in light of the best possible recovery; and

i. the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

See id.

32. The Settlement Agreement was not a product of collusion, and the Class Members' interests were adequately represented by Class Counsel. See Class Counsel Decl., ¶ 7.

Furthermore, the relevant Grinnell factors strongly support approval of the Settlement Agreement. For example:

a. the WARN Action involves complex legal and factual issues, and continued litigation of the WARN Action will be protracted and expensive;

b. the Class Representatives support the Settlement Agreement and Class Counsel believes that very few, if any, Class Members will object to the Settlement Agreement;

c. the Settlement Agreement was reached after extensive discovery, significant motion practice, and extensive mediation;

d. given the complexity of the issues raised in the WARN Action and the strengths of each Movant's position, continued litigation is risky; and

e. the Settlement Agreement falls well within the range of reasonableness in light of the attendant costs and risks associated with continued litigation.

See Ferber Decl., ¶ 14; Class Counsel Decl., ¶ 7.

33. Based on the foregoing, the Court should finally approve the Settlement Agreement at the Fairness Hearing pursuant to Bankruptcy Rule 7023.

D. The Court Should Finally Approve the Settlement at the Fairness Hearing Pursuant Bankruptcy Rule 9019

34. Bankruptcy Rule 9019 provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). Section 105(a) of the Bankruptcy Code empowers a court to issue any order that is "necessary or appropriate." 11 U.S.C. § 105(a).

35. The authority to approve a compromise or settlement is within the sound discretion of the Court. See Newman v. Stein, 464 F.2d 689, 692 (2d Cir. 1972). The Court may exercise its discretion "in light of the general public policy favoring settlements." In re Hibbard Brown & Co., Inc., 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); see also Nellis v. Shugrue, 165 B.R.

115, 123 (S.D.N.Y. 1994) ("the general rule [is] that settlements are favored, in fact, encouraged . . . .").

36. When exercising its discretion, the Court must determine whether the Settlement is fair and equitable, reasonable and in the best interest of the Debtors' estates. See, e.g., The Airline Pilots Ass'n, Int'l v. Am. Nat'l Bank & Trust Co. (In re Ionosphere Clubs, Inc.), 156 B.R. 414, 426 (S.D.N.Y. 1993), aff'd, 17 F.3d 600 (2d Cir. 1994); In re Purofied Down Prods. Corp., 150 B.R. 519, 523 (S.D.N.Y. 1993).

37. The Court must find that the Settlement Agreement is fair and equitable based on "the probabilities of ultimate success should the claim be litigated," and "an educated estimate of the complexity, expense, and likely duration of . . . litigation, the possible difficulties of collecting on any judgment which might be obtained, and all other factors relevant to a full and fair assessment of the wisdom of the proposed compromise." Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968).

38. The Court need not decide the numerous issues of law and fact raised in the underlying dispute, "but must only 'canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness.'" In re Adelphia Commc'ns Corp., 327 B.R. 143, 159 (Bankr. S.D.N.Y. 2005) (quoting Cosoff v. Rodman (In re W.T. Grant, Co.), 699 F.2d 599, 608 (2d Cir. 1983)); see also Purofied, 150 B.R. at 522.

39. In making this determination, courts in this jurisdiction generally consider the following seven so-called Texaco factors: (a) the balance between the likelihood of plaintiff's or defendant's success should the case go to trial vis-á-vis the concrete present and future benefits held forth by the settlement without the expense and delay of a trial and subsequent appellate procedures; (b) the prospect of complex and protracted litigation if the settlement is not

approved; (c) the proportion of the class members who do not object or who affirmatively support the proposed settlement; (d) the competency and experience of counsel who support the settlement; (e) the relative benefits to be received by individuals or groups within the class; (f) the nature and breadth of releases to be obtained by the directors and officers as a result of the settlement; and (g) the extent to which the settlement is truly the product of arms-length bargaining, and not fraud or collusion. In re Texaco, Inc., 84 B.R. 893, 902 (Bankr. S.D.N.Y. 1988); see also Adelphia, 327 B.R. at 159-60. The Settlement Agreement clearly falls within the range of reasonableness and satisfies the Texaco factors, thus warranting approval under Bankruptcy Rule 9019.

i. Likelihood of Success Versus Benefits of Settlement

40. Although each side believes it would prevail, given the complexity of the issues raised and the strengths of each Movant's position, continued litigation of the WARN Action (which would include completing fact and expert discovery, additional motion practice, trial preparation, the trial itself, post-trial briefing and motions, and any appeals) is inherently risky. See Ferber Decl., ¶ 15; Class Counsel Decl., ¶ 8. The Settlement Agreement provides the Parties with certainty and avoids these risks. See Ferber Decl., ¶ 15; Class Counsel Decl., ¶ 8. Moreover, the Settlement Agreement reduces the costs and delay of further litigation to the Parties. See Ferber Decl., ¶ 15; Class Counsel Decl., ¶ 8.

ii. Prospect of Complex and Protracted Litigation if the Settlement is Not Approved

41. Due to the complex nature of the issues involved, the final outcome of the WARN Action is uncertain, and continued litigation would be costly and time consuming. See Ferber Decl., ¶ 16; Class Counsel Decl., ¶ 9. Significant, complex legal and factual issues exist

regarding the application of the WARN Acts to the facts and circumstances at issue and the viability of the WARN Action, including, without limitation:

a. whether the Debtors had any direct or indirect employment relationship with members of the MFGI Designated Subclass;

b. whether the Debtors terminated any members of the MFGI Designated Subclass;

c. whether the Debtors were liquidating fiduciaries at the time Class Members were laid off;

d. whether the WARN Notices provided to the Holdings Designated Subclass constitute proper and sufficient notice to the members of the Holdings Designated Subclass in accordance with the WARN Acts; and

e. whether the Debtors have other defenses to the application of the WARN Acts including, without limitation, a good faith defense.

See Ferber Decl., ¶ 16.

42. Hundreds of hours and millions of dollars in legal fees already have been spent analyzing the claims in the WARN Action and engaging in discovery, briefing, mediation and negotiation. See Ferber Decl., ¶ 17. Continued litigation would be costly, time-consuming and expose the Debtors' estates to significant risks and uncertainty, as the trial in this matter would have most certainly involved the introduction of hundreds of exhibits, approximately a dozen witnesses, and significant expenses. See Ferber Decl., ¶ 17. Moreover, the outcome of the litigation is likely to be followed by extensive, time-consuming, and costly appeals. See Ferber Decl., ¶ 17.

43. All of the foregoing would delay the ability of the Class to recover any amounts in the WARN Action, possibly for years, and this is, of course, assuming the Plaintiffs eventually would prevail on their claims.

iii. The Proportion of the Class Members Who Will Support the Proposed Settlement

44. The Class Representatives fully support the Settlement Agreement, and Class Counsel anticipates that the Class also will fully support the Settlement Agreement. See Class Counsel Decl., ¶ 10. Absent the Settlement Agreement, the Class Members may have to wait years (after they already have waited over four years), following likely appeals, for any payment on their alleged WARN Act claims. See Class Counsel Decl., ¶ 10.

iv. Competent and Experienced Counsel Support the Settlement

45. Respective counsel to the Movants played an active role in formulating and negotiating the Settlement Agreement. See Ferber Decl., ¶ 18; Class Counsel Decl., ¶ 11. The Plan Administrator, the Debtors and the Class Representatives, and their respective counsel, all support the Settlement Agreement. See Ferber Decl., ¶ 18; Class Counsel Decl., ¶ 11.

v. The Nature and Breadth of Releases

46. As part of the Settlement, the Parties are providing mutual releases of any and all claims associated with or related to the WARN Action or arising under the WARN Acts. See Ferber Decl., ¶ 19. These releases represent significant certainty to the Debtors' estates and are a valuable step in the Debtors' efforts to make final distributions to the holders of allowed claims against the Debtors. See Ferber Decl., ¶ 19.

vi. Benefits of the Settlement to the Class Members

47. The Settlement Agreement provides for the payment of $2,756,900 of the Settlement Fund to Class Members within thirty (30) business days after the Final Approval Date. See Ferber Decl., ¶ 20. In addition, the Debtors shall pay the employer's portion of the payroll and unemployment taxes, which could exceed $375,000. See Ferber Decl., ¶ 20. The Settlement provides the Class Members with certainty and avoids the risk of litigation. See Class Counsel

Decl., ¶ 12. Further, as noted, even if the Class Members were to prevail in the WARN Action, there likely would be appeals that would result in the Class Members having to wait years for any payment. See Class Counsel Decl., ¶ 12.

vii. Good Faith Negotiations

48. The Settlement Agreement is the product of informal settlement communications between the Class Representatives and the Plan Administrator over the course of numerous months, as well as arm's length mediation between the Parties. See Ferber Decl., ¶ 21; Class Counsel Decl., ¶ 13.

49. Based on a consideration of all of the foregoing Texaco factors, the Settlement Agreement is fair, reasonable, and in the best interests of the Debtors' estates and the Class Members and falls well within the range of reasonableness. See Ferber Decl., ¶ 22; Class Counsel Decl., ¶ 14. The Movants have reached this conclusion after considering the uncertainties, delay and costs that would be incurred by further litigation. See Ferber Decl., ¶ 22; Class Counsel Decl., ¶ 14. Therefore, the Movants submit that entry into and approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019 is warranted and should be approved at the Fairness Hearing.[8]

THE CLASS REPRESENTATIVES AND CLASS COUNSEL SHOULD BE AWARDED REASONABLE FEES AND EXPENSES

A. The Class Representatives Should Be Awarded a Service Fee for Their Service to the Class

50. Courts acknowledge that named plaintiffs in class and collective actions play a crucial role in bringing justice to those who would otherwise be hidden from judicial scrutiny.

[8] In the event that the Settlement Agreement is not approved by the Court or the Settlement Agreement does not become binding and enforceable for any reason, the Parties reserve all their rights, and nothing herein shall be deemed or construed as an admission of any fact, liability, stipulation, or waiver, but rather as a statement made in furtherance of settlement discussions.

See, e.g., Parker v. Jekyll & Hyde Entm't Holdings, L.L.C., No. 08 Civ. 7670 (BSJ)(JCF), 2010 WL 532960, at *1 (S.D.N.Y. Feb. 9, 2010) ("Enhancement awards for class representatives serve the dual functions of recognizing the risks incurred by named plaintiffs and compensating them for their additional efforts."); Velez v. Majik Cleaning Serv., No. 03 Civ. 8698 (SAS) (KNF), 2007 WL 7232783, at *7 (S.D.N.Y. June 25, 2007) ("in employment litigation, the plaintiff is often a former or current employee of the defendant, and thus, by lending his name to the litigation, he has, for the benefit of the class as a whole, undertaken the risk of adverse actions by the employer or co-workers"); Clark v. Ecolab, Nos. 07 Civ. 8623, 04 Civ. 4488 and 06 Civ. 5672 (PAC), 2010 WL 1948198, at *9 (S.D.N.Y May 11, 2010); McMahon v. Oliver Cheng Catering and Events, No. 08 Civ. 8713 (PGG), 2010 WL 2399328, at *8-9 (S.D.N.Y. Mar. 3, 2010); Khait v. Whirlpool, No. 06-6381 (ALC), 2010 WL 2025106, at *9 (E.D.N.Y Jan. 20, 2010); Roberts v. Texaco, Inc., 979 F. Supp. 185, 200 (S.D.N.Y. 1997) ("The guiding standard in determining an incentive award is broadly stated as being the existence of special circumstances including the personal risk (if any) incurred by the plaintiff-applicant in becoming and continuing as a litigant, the time and effort expended by that plaintiff in assisting in the prosecution of the litigation or in bringing to bear added value (*e.g.*, factual expertise), any other burdens sustained by that plaintiff in lending himself or herself to the prosecution of the claim, and, of course, the ultimate recovery.").

51. Bankruptcy and district courts in this Circuit have approved service awards in the $3,000-$15,000 range to class representatives in WARN Act settlements similar to this one. Class Counsel Decl., ¶ 15. The Class Representatives each seek a Service Payment of $12,500, which is well within this range, and particularly appropriate given the outcome of the case and the recovery to the Class. Class Counsel Decl., ¶ 15. Similarly, the $2,000 Service Payment

proposed to be made to each Contributing Non-Plaintiff is well within this range. Class Counsel Decl., ¶ 15.

52. This Court has approved similar service awards to class representatives in WARN Act settlements. See, e.g., Conn v. Dewey & Leboeuf LLP, No. 12-01672-MG (Bankr. S.D.N.Y. Aug. 20, 2014), ECF No. 57 (approving a $15,000 service payment to a class representative on behalf of a certified class of 425 employees for a $4.5 million WARN distribution); Pinsker v. Borders, Inc., Case No. 11-02586-MG (Bankr. S.D.N.Y. Dec. 20, 2011), ECF No. 9 (approving a $3,000 service payment for the class representative out of a settlement comprised of $240,000 on behalf of 198 class members); Mochnal v. EOS Airlines, No. 08-08279-RDD (Bankr. S.D.N.Y Sept. 4, 2008), ECF No. 14. (approving a $15,000 service payment for the class representative out of a settlement comprised of $350,000 cash plus 35% of general unsecured distributions on behalf of 375 class members).

53. "Incentive awards . . . are within the discretion of the court." Frank v. Eastman Kodak Co., 228 F.R.D. 174, 187 (W.D.N.Y. 2005) (discussing service awards in a Rule 23 class action settlement). In examining the reasonableness of service awards, courts consider: (a) the personal risk incurred by the named plaintiff; (b) time and effort expended by the named plaintiff in assisting the prosecution of the litigation; and (c) the ultimate recovery in vindicating statutory rights. See id. "The amount of the incentive award is related to the personal risk incurred by the individual or any additional effort expended by the individual for the benefit of the lawsuit." Parker v. Time Warner Entm't Co., 631 F. Supp. 2d 242, 279 (E.D.N.Y. 2009) (citation omitted). Here, the Class Representatives satisfy these factors.

54. First, the Class Representatives agreed to bring the action in their names and potentially be deposed and testify if there was a trial. See Class Counsel Decl., ¶ 16. In so doing,

they undertook the time, expense and stress of litigation. See Frank, 228 F.R.D. at 187 (Incentive awards are "particularly appropriate in the employment context . . . [where] the plaintiff is often a former or current employee of the defendant, and thus, by lending his name to the litigation, he has, for the benefit of the class as a whole, undertaken the risk of adverse actions by the employer or co-workers"); see also Silberblatt v. Morgan Stanley, 524 F. Supp. 2d 425, 435 (S.D.N.Y. 2007) ("A class representative who has been exposed to a demonstrable risk of employer retaliation or whose future employability has been impaired may be worthy of receiving an additional payment, lest others be dissuaded").

55. Even where there is no record of actual retaliation, notoriety, or personal difficulties, class representatives merit recognition for assuming the risk of such for the sake of absent class members. See Frank, 228 F.R.D. at 187-88 ("Although this Court has no reason to believe that Kodak has or will take retaliatory action towards either Frank or any of the plaintiffs in this case, the fear of adverse consequences or lost opportunities cannot be dismissed as insincere or unfounded."). The Class Representatives filed federal lawsuits that are searchable on the internet and may become known to prospective employers when evaluating those persons. See Class Counsel Decl., ¶ 16. The Class Representatives each retained Class Counsel to commence or pursue in their name the WARN Action. See Class Counsel Decl., ¶ 16. The Class Representatives agreed to pursue the class action at a point when their futures were uncertain and employment prospects potentially dimmed by suing their former employer. See Class Counsel Decl., ¶ 16.

56. Second, the Class Representatives should be awarded a service payment for the significant work they undertook on behalf of the Class Members. The Class Representatives expended time and effort to assist with the preparation of the complaints in the WARN Action.

See Class Counsel Decl., ¶ 17. They assisted with the class certification motion and discovery and with discovery on the merits by, among other things, being deposed, provided Class Counsel with relevant documents in their possession, and assisted in the ongoing investigation of their claims. See Class Counsel Decl., ¶ 17. These contributions were material to the Parties being able to reach a settlement. Indeed, courts recognize the important factual knowledge that a named plaintiff brings to employment class actions, including information about employer policies and practices that can affect the outcome of the case. See Frank, 228 F.R.D. at 187-88 (recognizing the important role that class representatives play as the "primary source of information concerning the claims[,]" including by responding to counsel's questions and reviewing documents).

57. The Class Representatives performed important services for the benefit of the Class either in commencing the litigation, in obtaining class certification, in the preparation for the mediation, and at the mediation itself. Accordingly, the proposed Service Payments to the Class Representatives are appropriate and justified in light of the value of the Class Representatives' services to the Class and risks taken on behalf of the Class.[9] See Class Counsel Decl., ¶ 18.

58. In addition, the proposed Service Payments to the Contributing Non-Plaintiffs are appropriate, given the contributions they made to the WARN Action. Marianne Corrigan contacted and retained Outten & Golden days after the layoff of November 11, 2011 regarding her layoff. Then, and throughout the litigation, she provided the invaluable information that supported the allegations in the filed complaints. She volunteered to act as class representative for the Holdings Designated Subclass. Towards that end, she provided incisive information that

[9] In addition to the Service Payments, the Class Representatives will be authorized to participate in the Settlement as a Class Member.

formed the basis of the allegations that were added to the Third Amended Complaint concerning the interaction between Holdings USA and the other defendants, attended the Court hearing on the amendment prepared to testify, and was subsequently deposed by the Debtors prior to the class certification hearing. She was placed on witness lists and was prepared to testify at that evidentiary hearing on class certification, and, again, at the merits hearing. See Class Counsel Decl., ¶ 19.

59. Therese Dyman retained Outten & Golden after being laid off in November 2011. Having participated in drafting MF Global's SEC filings and other regulatory documents, Ms. Dyman provided counsel with unique insight into the structure and operations of MF Global. Ms. Dyman was first to offer to serve as class representative for the Holdings Designated Subclass, and was so named, along with Ms. Corrigan, in the proposed Third Amended Complaint. She provided detailed information that formed the basis of allegations that were added to the Third Amended Complaint concerning the interaction between Holdings USA and the other defendants. Ms. Dyman prepared for and attended the hearing on the amended complaint for which she was prepared and ready to testify in court. See Class Counsel Decl., ¶ 20.

60. The Contributing Non-Plaintiffs were instrumental in developing the factual basis for the claims against Holdings Ltd., and exposed themselves to the risk of reputational harm by putting themselves forward as Class Representatives in the publicly-filed proposed amended complaint. Their efforts conferred direct and substantial benefits on the Class. See Class Counsel Decl., ¶ 21.

61. Moreover, the Plan Administrator does not object to the proposed Service Payments. See Ferber Decl., ¶ 23.

62. Finally, the amount of the proposed Service Payments is also consistent and on scale with amounts awarded in WARN class actions in bankruptcy courts outside of the Southern District of New York. See Aguiar, et al. v. Quaker Fabric Corp., No. 07-51716-KG (Bankr. D. Del. Aug. 27, 2008), ECF No. 46 ($15,000 service payment to class representative on behalf of a certified class of 900 for $1 million); Binford v. First Magnus Capital, Inc., No. 08-01494- GBN (Bankr. D. Ariz. Dec. 29, 2009), ECF No. 331 (awarding eight class representatives service payments of $7,500, totaling $60,000, from settlement fund of $2.6 million cash plus $2.9 million contingent proceeds); Updike, et al. v. Kitty Hawk Cargo, Inc., No. 07-44536-RFN (Adv. Proc. No. 07-4179) (Bankr. N.D. Tex. Apr. 13, 2009), ECF No. 1046 (awarding $10,000 service payments to two class representatives in a settlement of $1.4 million on behalf of a certified class of 392 members); Bridges v. Cont'l AFA Dispensing Co., No. 08-45921-KSS (Bankr. E.D. Mo. Aug. 21, 2012), ECF No. 820 (awarding $10,000 service payment to class representative in a class settlement of $1.5 million for approximately 325 employees); Johnson, et al. v. First NLC Fin. Servs., LLC, No. 08-01130 (Bankr. S.D. Fla. July 17, 2009), ECF No. 146 ($5,000 service payments to two class representatives in a $400,000 chapter 7 settlement).

B. The Court Should Award Class Counsel the Reasonable Fee of Forty Percent of the Settlement Fund

63. Class Counsel is entitled to be paid a reasonable fee out of the Settlement Fund created for the benefit of the Class. See Fed. R. Civ. P. 23(h); see also Boeing Co. v. R. Van Gemert, 444 U.S. 472, 478-79 (1980) (the Supreme Court has consistently recognized the common fund doctrine to permit attorneys who obtain a recovery for a class to be compensated from the benefits achieved as a result of their efforts); Blum v. Stenson, 465 U.S. 886, 900 n. 16 (1984) (calculation of fees based on the common-fund doctrine is based on a percentage of the

common fund recovered). An award of attorneys' fees is committed to the sound discretion of the Court.

64. In the Second Circuit, the trend is to use the percentage-of-recovery method for class counsel fee awards in common fund cases. Boeing, 444 U.S. at 478-79 (courts should determine the appropriateness of attorneys' fees by measuring the fees against the settlement fund created); Frank, 228 F.R.D. at 188. In class settlement funds like this one, courts prefer to award fees as a share of the fund. See Strougo ex rel. The Brazilian Equity Fund, Inc. v. Bassini, 258 F. Supp. 2d 254, 261-62 (S.D.N.Y. 2003) (collecting cases); In re NASDAQ Market-Makers Antitrust Litig., 187 F.R.D. 465, 483-85 (S.D.N.Y. 1998) (collecting cases).

65. "Percentages awarded have varied considerably, but most fees [in class actions] appear to fall in the range of nineteen to forty-five percent." In re Marsh & McLennan Cos., Inc. Secs. Litig., No. 04 Civ. 8144 (CM), 2009 WL 5178546, at *19 (S.D.N.Y. Dec. 23, 2009) (quoting Karcich v. Stuart (In re Ikon Office Sols., Inc., Secs. Litig.), 194 F.R.D. 166, 194 (E.D. Pa. 2000)); see also Frank, 228 F.R.D. at 188-89 (awarding 40% of the fund in counsel fees and expenses); Mulroy v. Nat'l Water Main Cleaning Co. of N.J., No. 12-3669 (WJM) (MF), 2014 WL 7051778, at *7 (D.N.J. Dec. 12, 2014) (approving settlement of class action, which allowed class counsel up to 40% in attorneys' fees and expenses); In re Ampicillin Antitrust Litig., 526 F. Supp. 494, 499 (D.C. Cir. 1981) (awarding attorneys' fees equal to 45% of fund) (citing other cases awarding over 40% in fees).

66. Regarding the "'percentage of the award' method," the court stated in Frank:

> Under the percentage method, the court awards counsel a percentage of the total award received by the plaintiffs. To calculate the percentage, the court considers the effort expended and risks undertaken by plaintiffs' counsel and the results of those efforts, including the value of the benefits obtained for the class.

228 F.R.D. at 188 (citations omitted).

67. In evaluating attorneys' fees, courts in the Second Circuit are also guided by the six factors articulated in Goldberger v. Integrated Res., Inc., which are:

(1) the time and labor expended by counsel;
(2) the magnitude and complexities of the litigation;
(3) the risk of litigation …;
(4) the quality of representation;
(5) the requested fee in relation to the settlement; and
(6) public policy considerations.

209 F.3d 43, 50 (2d Cir. 2000) (quotations and citation omitted).

i. Class Counsel's Time and Labor

68. In this case, Class Counsel:

- conducted extensive research, review, and analysis of public filings, articles, and analyst reports about MF Global;
- defended against two motions to dismiss, including, but not limited to, successfully appealing a ruling on one of those motions;
- engaged in extensive discovery on class certification, including reviewing thousands of pages of documents and defending and taking many depositions;
- moved for certification under Fed. R. Civ. P. 23;
- on the merits of the class claims, propounded extensive discovery, reviewed over a hundred thousand pages of documents, and participated in more depositions;
- conferred with the Debtors' counsel on several occasions concerning issues that, if unresolved, would have resulted in a contested discovery motion;
- completed substantial preparation for a class certification hearing and trial, including the preparation of pre-trial memoranda and exhibits; and
- participated in a day-long mediation with The Honorable Robert D. Drain and, thereafter, continued to communicate with the mediator and Defendants to finally reach a settlement.

See Class Counsel Decl., ¶ 22.

69. As a result, importantly, Class Counsel submits that the lodestar value of the time Class Counsel spent in this litigation is significantly higher than the Class Counsel's Fees requested in this Motion. See Class Counsel Decl., ¶ 23.

ii. Magnitude and Complexity of the Litigation

70. The WARN Action was complex given the circumstances surrounding the layoffs and the range of affirmative defenses asserted by the Debtors. See Class Counsel Decl., ¶ 24.

iii. Risk of Litigation

71. "Courts of this Circuit have recognized the risk of litigation to be perhaps the foremost factor to be considered in determining the award of appropriate attorneys' fees." Taft v. Ackermans, No. 02 Civ. 7951 (PKL), 2007 WL 414493, at *10 (S.D.N.Y. Jan. 31, 2007) (quoting In re Elan Secs. Litig., 385 F. Supp. 2d 363, 374 (S.D.N.Y. 2005) (quotations omitted)); Hicks v. Stanley, No. 01 Civ. 10071 (RJH), 2005 WL 2757792, at *9 (S.D.N.Y. Oct. 24, 2005) (citing In re Global Crossing Secs. and ERISA Litig., 225 F.R.D. 436, 467 (S.D.N.Y. Nov. 24, 2004)) ("The risk of success in the litigation effort may be the most important factor to be considered in determining a reasonable attorneys' fee.").

72. As a general matter, large-scale WARN Act cases of this type are, by their very nature, complicated and time-consuming. Any lawyer undertaking representation of large numbers of affected employees in WARN Act actions inevitably must be prepared to make a tremendous investment of time, energy and resources, especially when discovery involves over a hundred thousand pages of documents and about a dozen witnesses, as the Parties had here. Due also to the contingent nature of the customary fee arrangement, lawyers must be prepared to make this investment with the very real possibility of an unsuccessful outcome and no fee of any kind. In re Veeco Instruments Inc. Secs. Litig., No. 05 MDL01695 (CM), 2007 WL 4115808, at *6 (S.D.N.Y. Nov. 7, 2007) (noting that the risk of non-payment in complex cases is very real

and "even a victory at trial does not guarantee recovery"). The demands and risks of this type of litigation overwhelm the resources -- and deter participation -- of many traditional claimants' firms. Class Counsel stood to gain nothing in the event the case was unsuccessful. Because the attendant risk has always been on, and still rests in its entirety on, Class Counsel, the Court should grant the requested Class Counsels' fees. See Class Counsel Decl., ¶ 25.

73. Not only this, but, in this particular case, both liability and damages were vigorously contested by the Debtors and there was not only no guarantee of ultimate recovery, but a significant risk of that occurring. See Class Counsel Decl., ¶ 26.

74. Among other things, the Debtors argued that they were liquidating fiduciaries under the WARN Act. The liquidating fiduciary exception does not appear in the WARN Act or its regulations and, to date, there is a relative dearth of case law analyzing its application. Additionally, its applicability hinges on the particular facts of each case concerning the nature and extent of the company's business activities when the company knew it would effect a mass layoff or plant closing. Thus, the Plaintiffs' ability to overcome this defense was inherently uncertain and carried with it extraordinary risk. See Class Counsel Decl., ¶ 27.

75. Also, in an attempt to reduce the size of the Class by about 82%, the Debtors made, upon Class Counsel's information and belief, the unprecedented argument that the employer of record was not an "employer" under the WARN Act. According to the Debtors, among other things, the entity the Court exonerated from WARN Act liability, the SIPA Trustee for MFGI, was the "employer" at the time of the layoffs.[10] To overcome this defense, the Plaintiffs faced a potentially serious obstacle to obtaining any recovery for the MFGI Designated Subclass members. The Plaintiffs had the risky and challenging task of either proving: (a) that

[10] Conversely, the Plaintiffs made, upon the Debtors' information and belief, the unprecedented argument that a company that the Debtors assert was an "employment services provider" was the direct employer, and, therefore, liable to all of the purported employees.

all of the Class Members (including the MFGI Designated Subclass members), in fact, were employed by one or more of the Debtors (and not MFGI or the SIPA Trustee); or (b) that the Class Members were employed by one or more of the Debtors and MFGI acting as a single employer, in which instance the Debtors could be held jointly and severally liable even if MFGI, itself, could not be liable. Upon information and belief, no court precedent exists wherein any other court determined such questions. See Class Counsel Decl., ¶ 28.

76. In addition, the chance of no recovery in the WARN Action was extremely high given the circumstances upon filing. WARN Act class actions often arise in the early stages of a bankruptcy and require Class Counsel to take extreme risks without knowing the potential assets in the estate. See Class Counsel Decl., ¶ 29.

77. Moreover, as this case was a proceeding in bankruptcy, Class Counsel was required to navigate a delicate balance to protect its clients' rights - - former employees - - while at the same time working with the Debtors to ensure that funds remained available to satisfy the employees' claims and were not depleted by the litigation itself. See Class Counsel Decl., ¶ 30.

iv. Quality of Representation

78. "To determine the 'quality of the representation,' courts review, among other things, the recovery obtained and the backgrounds of the lawyers involved in the lawsuit." Taft, 2007 WL 414493, at *10 (citing Global Crossing, 225 F.R.D. at 467).

79. "[A]s a case requires more expertise—and, consequently, as fewer lawyers could competently bring the case—a larger percentage of the fund should be awarded to those lawyers." In re Colgate-Palmolive Co. ERISA Litig., 36 F. Supp. 3d 344, 352 (S.D.N.Y. 2104). Here, Class Counsel are among a small and distinct group of Class Counsel experienced in WARN Act class actions (inside and outside of the bankruptcy context). As a result of that expertise, Class Counsel was able to adeptly prosecute the WARN Action for the benefit of the

Class in a disciplined and pragmatic fashion. Indeed, the litigation required considerable skill and experience to successfully conclude. See Class Counsel Decl., ¶ 31.

80. Class Counsel was retained by the Class Representatives based on each firm's experience, expertise, and willingness to expend the time necessary to effectively litigate this case. Class Counsel has been consistently retained in other WARN class actions by thousands of plaintiffs in many federal circuits. The paucity of expert WARN counsel implies few, if any, other counsel have the skill, experience and expertise required to handle such cases. These facts amply support a finding that this factor is satisfied. See Class Counsel Decl., ¶ 32.

81. The amounts allocated to each Class Member are significant. In light of the legal and factual complexities of this case, there is no doubt that this is an extremely favorable settlement for Class Members. The fact that these substantial amounts are available to Class Members without the uncertainty of trial, and are being delivered through this expeditious settlement rather than potentially years of litigation and appeals, qualifies the results of this settlement as reasonable under the circumstances. See Class Counsel Decl., ¶ 33.

82. As shown by the very favorable settlement of this matter achieved in the face of the difficult liability issues, Class Counsel provided legal services with considerable skill. The services were rendered with efficiency, in light of the complexity of the issues, the difficulty of addressing the several defenses, and the need for discovery. Class Counsel's experienced representation in this case was directly responsible for bringing about the positive settlement and weighs in favor of granting the requested fees. The Class Representatives support the Settlement and Class Counsel believes that few, if any, Class Members will object and that those objections, if any, will not be substantial or merited. See Class Counsel Decl., ¶ 34.

83. Further, the fact that Class Counsel was able to achieve a settlement is significant. Not only were the Debtors' fees and costs covered by insurance as stated below, but the Debtors had little incentive to settle because the pool of funds from which an adverse judgment would have come is limited and exists only to be divided up among creditors. See Class Counsel Decl., ¶ 35.

v. Fee Relation to the Settlement

84. Some courts have followed the general rule that "[a]s the size of the settlement fund increases, the percentage of the fund awarded as fees often decreases so as to prevent a windfall to plaintiff's attorneys." Hicks, 2005 WL 2757792, at *9 (citation omitted). The basis for this inverse relationship is the belief that a large fund often is more a function of the size of the class rather than the skill of the counsel. Smith v. Dominion Bridge Corp., No. 96-7580, 2007 WL 1101272, at *8 (E.D. Pa. Apr. 11, 2007) (citing Welch & Forbes, Inc. v. Cendant Corp. (In re Cendant Corp. PRIDES Litig.), 243 F.3d 722, 736 (3d Cir. 2001)). Here, the size of the fund (including not just $1,600,000 to be awarded to the Holdings Designated Subclass but also $1,156,900 to be awarded to the MFGI Designated Subclass) and the concomitant inclusion of a total of 1,150 people in the Class rather than just the 155 people in the Holdings Designated Subclass had everything to do with Class Counsel's skill and continued effort to litigate the single employer issue. See Class Counsel Decl., ¶ 36. Thus, this Court should not apply this general rule to this case.

85. In any event, New York courts routinely award high percentage fees in cases with settlement funds substantially larger than this case. See Hicks, 2005 WL 2757792, at *9 (awarding 30% fee from a $10 million fund); Maley v. Del Global Techs. Corp., 186 F. Supp. 2d 358, 370 (S.D.N.Y. 2002) (awarding 33 1/3% fee on fund valued at $11.5 million); see also In re

Combustion, Inc., 968 F. Supp. 1116, 1131-41 (W.D. La. 1997) (awarding maximum reserve of 36% fee from $127 million fund).

86. Therefore, this Court should not reduce Class Counsel's requested fee simply because Class Counsel obtained a substantial settlement for the entire Class.

87. Further, as stated above in paragraph 44, the Class Representatives fully support the Settlement Agreement, including the requested Class Counsel Fees.

vi. Public Policy Considerations

88. Public policy weighs in favor of granting Class Counsel's requested fees. As outlined above, but for the work of Class Counsel and their willingness to bear the entire risk of bringing this litigation to fruition, Class Members likely would receive nothing on their claims. See Class Counsel Decl., ¶ 37. The WARN Act is a remedial statute designed to protect the rights of employees. See Local Union 7107 v. Clinchfield Coal Co., 124 F.3d 639, 640 (4th Cir. 1997) ("[b]ecause the WARN Act is remedial legislation, its exceptions are construed narrowly") (citations omitted); Washington v. Aircap Indus., Inc., 860 F. Supp. 307, 315 (D.S.C. 1994) (holding that because WARN is remedial, exceptions to its application are to be narrowly construed) (citations omitted); Bradley v. Sequoyah Fuels Corp., 847 F. Supp. 863, 867 (E. D. Okla. 1994) (WARN is a remedial statute and must be broadly construed). Fair compensation for attorneys who take on such litigation furthers the remedial purpose of such statutes. Moreover, awarding Class Counsel's requested percentage of the Settlement Fund encourages prompt and efficient resolution of class litigation such as this WARN Action. See Swedish Hosp. Corp. v. Shalala, 1 F.3d 1261, 1268 (D.C. Cir. 1993).

89. Second, Class Counsel believe that awarding them their requested fees is particularly appropriate given the circumstances here. In addition to the recovery under this settlement, Class Counsel pursued a vacation pay class action against MFGI that resulted in the

recovery of nearly three million dollars for MFGI class members, many, if not all, of whom are MFGI Designated Subclass members here. They otherwise would not have been compensated. The court did not award any fees in that settlement, in part, because counsel demonstrated their willingness to go beyond the call in vindicating the class members' entitlement to lost vacation pay without taxing them or imposing extra burdens on the estate. See In re MF Global, Inc., No. 11-02790-MG (Bankr. S.D.N.Y. 2014), ECF No. 8092, at 15. In the present situation, awarding Class Counsel their requested fees would not have that result. The Debtors already have committed to paying the $5 million Settlement Fund and it is from this fund that the attorneys' fees would be paid.[11] See Class Counsel Decl., ¶ 38.

90. In addition, the Debtors' defense costs and fees were covered by an insurance policy. This magnified a circumstance often confronted by Class Counsel whereby it has the choice to either try to settle early (to try to receive some reasonable percentage of the fees/costs incurred) or remain committed to the class and litigate as far as would be necessary to achieve a fair and reasonable result for the former employees. Class Counsel made the latter choice. Putting a standard cap on the amount of fees that Class Counsel may obtain would discourage other Class Counsel to make the same choice and might result in premature and possibly inadequate settlements. See Class Counsel Decl., ¶ 39.

91. Finally, as stated above, Class Counsel certainly will not experience a windfall by the Court granting their request for fees. To the contrary, Class Counsel asserts that the lodestar amount is significantly higher than the amount of Class Counsel's Fees requested herein. See Class Counsel Decl., ¶ 40.

[11] Also, as stated above, a purpose of the common fund doctrine is to compensate attorneys for the benefits achieved as a result of their efforts. Boeing Co., 444 U.S. at 478-79. Under this principle, Class Counsel believe that it is appropriate for this Court to consider the fact that Class Counsel benefitted the Class not only in the amount of $5 million, but also in the amount of $3 million on the vacation pay claims, for a total of $8 million. Class Counsel's requested fees are only 25% of that amount.

C. Class Counsel is Entitled to Seek Reimbursement of Expenses under the Settlement Agreement

92. Class Counsel requests reimbursement of its actual expenses to be paid from the Settlement Fund. "Attorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were incidental and necessary to the representation of those clients." In re Indep. Energy Holdings PLC Secs. Litig., 302 F. Supp. 2d 180, 183 n. 3 (S.D.N.Y. 2003) (citing Miltland Raleigh-Durham v. Myers, 840 F. Supp. 235, 239 (S.D.N.Y. 1993) (quotations omitted)). In this case, Class Counsel's unreimbursed expenses were incidental and necessary to the representation of the Class Members. See Class Counsel Decl., ¶ 41.

NOTICE

93. Notice of this Motion has been provided in accordance with the Case Management Order entered in the Debtors' Chapter 11 cases. See Docket No. 256. The Movants submit that no other or further notice need be provided.

NO PRIOR REQUEST

94. No prior request for the relief sought in this Motion has been made to this or any other Court.

[*The remainder of this page is intentionally left blank.*]

CONCLUSION

WHEREFORE, the Movants respectfully request that the Court enter an order substantially in the form attached to this Motion as Exhibit D: (a) preliminarily approving the Settlement Agreement; (b) approving the form and manner of notice to Class Members of the Settlement Agreement; (c) scheduling a Fairness Hearing to consider final approval of the Settlement Agreement; and (d) granting such other relief as the Court deems just and proper. After the Fairness Hearing, the Movants respectfully request that the Court enter an order substantially in the form attached to this Motion as Exhibit E finally approving the Settlement Agreement and granting such other relief as the Court deems just and proper.

Dated: May 25, 2016
New York, New York

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Counsel for Plaintiffs and the Certified Class

Exhibit A

Settlement Agreement

SETTLEMENT AND RELEASE AGREEMENT

between

TODD THIELMANN, PIERRE-YVAN DESPAROIS,

NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA,

AND SCOTT L. KISCH,

ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES

ON BEHALF OF THE OTHER CLASS MEMBERS,

and

MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC.,

AND MF GLOBAL FINANCE USA INC.

Dated as of May 25, 2016

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement,[1] dated as of May 25, 2016, is entered into by and among MF Global Holdings Ltd. ("Holdings Ltd."), MF Global Holdings USA Inc. ("Holdings USA"), and MF Global Finance USA Inc. ("Finance USA") and their successors, predecessors and assigns, on the one hand; and Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, and Arton Sina, on behalf of themselves and on behalf of all similarly-situated members of the MFGI Designated Subclass, and Scott L. Kisch on behalf of himself and on behalf of all similarly-situated members of the Holdings Designated Subclass, on the other hand.

RECITALS

WHEREAS, the Debtors operated facilities in New York, New York and Chicago, Illinois (the "Facilities");

WHEREAS, on or around November 4 and November 11, 2011, and within thirty (30) days of those dates, certain employees who worked at or reported to the Facilities were terminated;

WHEREAS, the Debtors contend that, on or around November 4, 2011, and within thirty (30) days of that date, Holdings Ltd. and Holdings USA terminated members of the Holdings Designated Subclass;

WHEREAS, the Debtors contend that, on or around November 11, 2011, and within thirty (30) days of that date, the SIPA Trustee terminated members of the MFGI Designated Subclass;

[1] This Settlement and Release Agreement is the result of a compromise and nothing set forth herein, including the facts and recitals set forth herein, shall be used or construed to the prejudice of the Debtors, including as an admission by any of the Debtors of any liability or wrongdoing or of the validity of any claim against any of the Debtors.

WHEREAS, the Debtors contend that, on or around November 17, 2011, Holdings Ltd. and Holdings USA delivered WARN Notices to members of the Holdings Designated Subclass that constituted proper and sufficient notice in accordance with the WARN Acts of any plant closing or mass layoff affecting such persons to the extent the WARN Acts were applicable;

WHEREAS, on October 31, 2011, Holdings Ltd. and Finance USA filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), consolidated under Lead Case No. 11-15059-MG;

WHEREAS, on March 2, 2012, Holdings USA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court, Case No. 12-10863-MG, which was subsequently consolidated under Lead Case No. 11-15059-MG;

WHEREAS, between November 11, 2011 and November 14, 2011, Plaintiffs Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, and Arton Sina filed three adversary class action complaints on behalf of themselves and the Class Members, seeking to recover sixty (60) days' wages and benefits for employees who worked at the Facilities and who were allegedly terminated by the Debtors without being provided proper notice as required by the WARN Acts;

WHEREAS, on January 30, 2012, the Bankruptcy Court appointed Class Counsel as interim counsel and consolidated the adversary proceedings [ECF No. 35];

WHEREAS, on June 30, 2015, the Plaintiffs filed the Third Amended Complaint, adding Scott L. Kisch as a putative Class Representative [ECF No. 125];

WHEREAS, on September 8, 2015, the Bankruptcy Court entered a stipulation and order certifying the Class (the "Stipulation and Order Regarding Class Certification") [ECF No. 168];

WHEREAS, on November 4, 2015, Class Counsel filed a declaration affirming compliance with the Stipulation and Order Regarding Class Certification [ECF No. 181], attesting that the Class Members were served with a notice of class action that provided procedures for Class Members to opt-out of the Class, and that one Class Member opted-out of the Class pursuant to such notice;

WHEREAS, the Debtors contend, among other things, that: (i) at the time the Class Members were terminated, the Debtors were liquidating fiduciaries as defined by 54 Fed. Reg. 16042-01 and *In re United Healthcare Sys., Inc.*, 200 F.3d 170 (3d Cir. 1999); (ii) the Debtors did not employ the members of the MFGI Designated Subclass; and (iii) the Debtors did not terminate the members of the MFGI Designated Subclass;

WHEREAS, the Parties entered into good faith, arm's-length mediation regarding a resolution of the WARN Action;

WHEREAS, there exist significant, complex legal and factual issues regarding the application of the WARN Acts to the facts and circumstances at issue and the viability of the WARN Action, including, without limitation:

- whether the Debtors had any direct or indirect employment relationship with any members of the MFGI Designated Subclass;
- whether the Debtors terminated any members of the MFGI Designated Subclass;
- whether the Debtors were liquidating fiduciaries at the time Class Members were laid off;
- whether the WARN Notices provided to the Holdings Designated Subclass constitute proper and sufficient notice to the members of the Holdings Designated Subclass in accordance with the WARN Acts; and
- whether the Debtors have other defenses to the application of the WARN Acts;

WHEREAS, the Plaintiffs have the burden of proof on some issues and the Debtors have the burden of proof on others, and the trial of this matter likely would be lengthy, complex, time-consuming, and costly;

WHEREAS, due to the complex nature of the issues involved, the Parties recognize that the outcome of the WARN Action is uncertain;

WHEREAS, to avoid extensive, costly and uncertain litigation, the Parties desire to enter into a final settlement and release of all demands, Claims, damages and causes of action, present and future, arising out of or relating in any way to the WARN Action and the WARN Acts; and

WHEREAS, the Parties have agreed to settle all Claims relating to or arising out of the WARN Action in accordance with the terms of this Settlement Agreement, subject to Bankruptcy Court approval.

NOW, THEREFORE, as material consideration and inducements to the execution of this Settlement Agreement, and in consideration of the mutual promises and agreements set forth in this Settlement Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intended to be binding, the Parties hereby agree as follows:

1. Definitions of Terms in Settlement Agreement.

In addition to terms defined elsewhere in this Settlement Agreement, and as used in this Settlement Agreement, the terms below shall have the following meanings:

(a) "1099 Form" means IRS Form 1099-MISC, "Miscellaneous Income."

(b) "Claim" or "Claims" shall have the meaning ascribed to such term in section 101(5) of the Bankruptcy Code.

(c) "Class Counsel" means the law firms Outten & Golden LLP; Klehr Harrison Harvey Branzburg LLP; The Gardner Firm, P.C.; and Lankenau & Miller, LLP.

(d) "Class Counsel's Fees" means the reasonable attorneys' fees payable to Class Counsel, subject to the approval of the Bankruptcy Court.

(e) "Class Counsel's Expenses" means the reimbursement of actual expenses to Class Counsel, including, without limitation, amounts owed to the Settlement Administrator for fees and costs associated with the administration of this Settlement Agreement, all subject to the approval of the Bankruptcy Court. Class Counsel's Expenses shall not exceed $164,100, which shall be reserved from the Settlement Fund for such expenses. Should any portion of the $164,100 remain after the payment of Class Counsel's Expenses, such funds shall be deemed Residual Funds and utilized accordingly.

(f) "Class Members" or the "Class" means the individuals named on the electronic spreadsheets provided by the Debtors to Class Counsel pursuant to paragraph 9 of the Stipulation and Order Regarding Class Certification[2,] which are divided into the following two subclasses:

(i) The "MFGI Designated Subclass": All persons on the Oracle 10/27 List designated with the entity MF Global Inc. who were terminated without cause on or around November 11, 2011 or within thirty (30) days of that date, and who are affected employees, within the meanings of the WARN Acts, have not previously released WARN Acts claims against any MF Global entity, and have not filed a timely request to opt out of the Class.

[2] The Debtors recently notified Class Counsel that Francis LaMantia, Graham Siegel and Kumar Vijayakumar were inadvertently included on the electronic spreadsheets provided by the Debtors to Class Counsel pursuant to paragraph 9 of the Stipulation and Order Regarding Class Certification. These individuals will be sent Notices of Exclusion.

(ii) The "Holdings Designated Subclass": All persons on the Oracle 10/27 List designated with the entity MF Global Holdings Ltd. or MF Global Holdings USA, Inc. who were terminated without cause on or around November 4, 2011 or within thirty (30) days of that date, and who are affected employees, within the meanings of the WARN Acts, have not previously released WARN Acts claims against any MF Global entity, and have not filed a timely request to opt out of the Class.

(g) "Class Notices" are the notices which Class Counsel shall send in accordance with the terms of this Settlement Agreement to all Class Members containing information about the WARN Action, the Settlement Agreement, and the ability to object to the Settlement and procedures with respect thereto.

(h) "Class Representatives" or "Plaintiffs" means, collectively, Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch.

(i) "Contributing Non-Plaintiffs" means, together, Marion Corrigan and Therese Dyman.

(j) "Debtors" means, collectively, Holdings Ltd., Holdings USA, and Finance USA, and their successors, predecessors and assigns.

(k) "Fairness Hearing" means the hearing at which the Bankruptcy Court considers final approval of the Settlement.

(l) "FICA" means the Federal Insurance Contributions Act and, without limiting the foregoing, includes both old-age, survivors, and disability insurance subject to IRC Section 3101(a) and hospital insurance subject to IRC Section 3101(b).

(m) "Final Approval Date" means the date the order approving the Settlement becomes final and non-appealable.

(n) "Initial Hearing" means the hearing, to be scheduled as soon as the Bankruptcy Court is available, at which the Bankruptcy Court considers preliminary approval of the Settlement.

(o) "IRC" means the Internal Revenue Code of 1986, as amended, and as the same may be further amended from time to time.

(p) "MFGI" means MF Global Inc.

(q) "Motion" means the joint motion the Parties shall file within ten (10) business days of execution of this Settlement Agreement, seeking the Bankruptcy Court's approval of the Settlement.

(r) "Notices of Exclusion" mean the notices that Class Counsel shall send in accordance with the terms of this Settlement Agreement to Francis LaMantia, Graham Siegel and Kumar Vijayakumar, who the Debtors have indicated were inadvertently included on the electronic spreadsheets provided by the Debtors to Class Counsel pursuant to paragraph 9 of the Stipulation and Order Regarding Class Certification. The Notices of Exclusion will contain a brief explanation of the basis for exclusion from the Class.

(s) "Notice of Objection" means an objection made by a Class Member to this Settlement by sending a timely written notice of such objection to Class Counsel and counsel for the Plan Administrator at the addresses set forth herein and filing such Notice of Objection with the Bankruptcy Court so that it is received by the above counsel and the Bankruptcy Court within thirty (30) calendar days after the post-marked mailing date of the Class Notice to Class Members.

(t) "Oracle 10/27 List" means the Debtors' internal company spreadsheet generated on or about October 27, 2011, which contains a designation for each employee that, where applicable, corresponds to one of the following: MF Global Inc., Holdings Ltd., or Holdings USA.

(u) "Parties" means both the Debtors and the Class Members, and "Party" refers to either the Debtors or the Class Members.

(v) "Plan Administrator" means Holdings Ltd., as Plan Administrator under the confirmed *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.* (the "Plan"). Pursuant to the Plan, the Plan Administrator is empowered, on behalf of the Debtors, to review, reconcile, compromise, settle or object to Claims.

(w) "Released Claims" means those claims released as set forth in Section 7 of this Settlement Agreement.

(x) "Releasing Parties" means all Class Members who have not timely opted-out of the Class, the Contributing Non-Plaintiffs, and all of their respective predecessors, heirs, successors and assigns.

(y) "Residual Funds" means any funds in the Settlement Fund remaining for any reason, including, without limitation, (i) Settlement checks that are not deposited, endorsed or negotiated within ninety (90) calendar days of their dates of issuance and (ii) any refunds received from federal and state taxing authorities in connection with Settlement checks that are not timely deposited, endorsed or negotiated.

(z) "Settlement Administrator" means American Legal Claim Services, LLC, the entity retained by Class Counsel to distribute the Settlement Fund to the Class Members as set forth herein and further manage all applicable tax withholdings and reporting. The Settlement Administrator shall be responsible for issuing payment to Class Members and handling all other aspects of the administration of the Settlement.

(aa) "Settlement Agreement" or "Settlement" means this Settlement and Release Agreement.

(bb) "Settlement Fund" means the settlement amount to be paid by Holdings USA and distributed to Class Members and Class Counsel in accordance with the terms of this Settlement Agreement.

(cc) "Service Payment" means a payment of $12,500 to each Class Representative and a payment of $2,000 to each Contributing Non-Plaintiff for his or her service in the WARN Action, which shall be paid from the Settlement Fund.

(dd) "SIPA Trustee" means James W. Giddens as trustee for the liquidation of MF Global Inc.

(ee) "W-2 Form" means IRS Form W-2, "Wage and Tax Statement."

(ff) "W-4 Form" means IRS Form W-4, "Employee's Withholding Allowance Certificate."

(gg) "W-9 Form" means IRS Form W-9, "Request for Taxpayer Identification Number and Certification."

(hh) "WARN Action" means the consolidated adversary proceeding by the Class Representatives against the Debtors, captioned Thielmann et al. v. MF Global Holdings Ltd. et al., pending before the Bankruptcy Court, Adv. Proc. No. 11-02880.

(ii) "WARN Acts" means, collectively, the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, *et seq*., the New York State Worker Adjustment and Retraining Notification Act, the New York Labor Law § 860, *et seq*., the Illinois Worker Adjustment and Retraining Notification Act, 820 Illinois Compiled Statute §65, *et seq*., and any other corresponding law(s), to the extent applicable, which govern layoffs for plant closings.

(jj) "WARN Notices" means the notices the Debtors contend (i) were delivered to employees on or around November 17, 2011 and (ii) were issued pursuant to the WARN Acts.

2. Hearings. The Parties shall file the Motion within ten (10) business days of execution of the Settlement Agreement. The Motion shall request an Initial Hearing at which time the Parties shall seek entry of an order from the Bankruptcy Court preliminarily approving the Settlement, and approving the form and manner of notice to the Class Members of the Settlement, including, among other things, their right to object to the Settlement in person or appear by counsel. The Parties also shall request a date for a Fairness Hearing. The Parties agree and shall request that the Bankruptcy Court's issuance of a final order approving the Settlement shall not be deemed effective sooner than ninety (90) calendar days from the filing of the Settlement Agreement with the Bankruptcy Court. The Debtors shall be responsible for sending any notices required under 28 U.S.C. § 1715(a)–(d), provided that Class Counsel shall, at or before the time the Motion is filed, provide to the Debtors the information described in 28 U.S.C. §1715(b)(7)(A). At the Fairness Hearing, the Bankruptcy Court will consider the final approval of the Settlement, including the award of Class Counsel's Fees and Class Counsel's Expenses.

3. The Settlement Fund. The Settlement Fund shall consist of $5,000,000, to be paid to Class Counsel or their designee by Holdings USA via wire transfer pursuant to the terms of

this Settlement Agreement within five (5) calendar days after the Final Approval Date. The net amount of the Settlement Fund (after being reduced to account for allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments) shall be divided further into a dedicated settlement pool of $1,600,000 for members of the Holdings Designated Subclass and a dedicated settlement pool of $1,156,900 for members of the MFGI Designated Subclass. With the sole exception of any Residual Funds, in no event shall either the $1,600,000 allocated to members of the Holdings Designated Subclass or the $1,156,900 allocated to members of the MFGI Designated Subclass be reduced for any reason including, without limitation, for the payment of allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments. The net amount of the Settlement Fund shall be payable to Class Members within thirty (30) business days after the Final Approval Date.

4. Responsibilities of Class Counsel. Class Counsel shall bear all responsibilities related to the administration of the Settlement including mailing of the Class Notices and Notices of Exclusion and the appointment and retention of the Settlement Administrator to distribute the Settlement Fund to the Class Members as set forth herein and further manage all applicable tax withholdings and reporting. The Settlement Administrator shall be responsible for issuing payment to Class Members and handling all other aspects of the administration of the Settlement, including, but not limited to:

(i) the formation of a qualified settlement fund (the "Qualified Settlement Fund") as authorized by Treasury Regulation section 1.486B-1(c) to accept, distribute, and otherwise administer the Settlement;

(ii) the determination, subject to Class Counsel's and the Debtors' review and approval, of the payroll tax and withholding amounts for each of the individual payments to each Class Member;

(iii) the preparation and mailing of settlement checks to each Class Member;

(iv) the withholding, transmittal, and reporting, as appropriate, of all payroll taxes, and preparing and mailing of all W-2 Forms and/or 1099 Forms; and

(v) the processing of returned notices or settlement checks as undeliverable, including re-mailing to forwarding addresses and tracing of current addresses.

Class Counsel shall calculate the amount of the distribution to be issued to each Class Member in accordance with the terms of this Settlement Agreement and, within five (5) business days of the entry of the Bankruptcy Court's final order approving the Settlement, shall provide the Settlement Administrator with a list of the names, addresses, and distribution amount for all payments due under this Settlement Agreement, including the pre-tax amount due to each Class Member. As set forth in Section 6 below, the Settlement Administrator shall determine the amount due to each Class Member less all applicable taxes and withholdings. The address of Class Counsel will be used as the return address for the Class Notices and Notices of Exclusion and Class Counsel will respond to any inquiries from Class Members arising from or relating to this Settlement. Additionally, Class Counsel shall use their best reasonable efforts to contact the Class Member who opted-out of the Class to determine whether she may wish to reconsider their participation in the Settlement. To the extent available from the Debtors' or MFGI's books and records, within ten (10) calendar days of execution of this Settlement Agreement, the Debtors shall provide Class Counsel with the social security or taxpayer identification number for each Class Member on encrypted media or encrypted services. Class Counsel agrees to protect such information by keeping the social security numbers confidential and secure, using encryptions to protect the information in transit, on any portable media and in storage, and using such information only in connection with and to carry out their obligations under this Settlement Agreement. Class Counsel further agrees that they will be responsible for the protection of the social security numbers they receive. In the event that the Debtors do not have the social security or taxpayer identification number for any Class Member, Class Counsel shall use their

reasonable best efforts to obtain an executed W-9 Form for each such Class Member. The Settlement Administrator shall not be obligated to issue a distribution check to a Class Member for whom it does not have such a social security or taxpayer identification number, however, to the extent the Settlement Administrator has a social security or taxpayer identification number, but no W-4 Form, for a Class Member, the Settlement Administrator may do so by withholding taxes at the appropriate rate for such Class Member. After payment of the net amount of the Settlement Fund to Class Members and the reversion of any Residual Funds to Holdings USA in accordance with this Settlement Agreement, Class Counsel shall destroy and cause the Settlement Administrator to destroy the social security and/or taxpayer identification numbers of all Class Members provided by the Debtors to Class Counsel.

5. Class Counsel's Fees and Class Counsel's Expenses. Subject to the approval of the Bankruptcy Court, Class Counsel shall receive Class Counsel's Fees in an amount not to exceed $2,000,000 plus Class Counsel's Expenses up to $164,100 as payment in full for their professional fees and expenses in connection with this matter to be paid from the Settlement Fund on the later of thirty (30) business days after the Final Approval Date or submission by Class Counsel of a valid and effective W-9 Form to the Settlement Administrator.

6. Allocation of the Settlement Fund and Disbursement of the Settlement Fund Payments to Class Members.

(a) Allocation of the Settlement Fund. As set forth in Section 3 above, the net pre-tax amount of the Settlement Fund (after being reduced to account for allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments) shall be allocated as follows: $1,600,000 for members of the Holdings Designated Subclass and $1,156,900 for members of the MFGI Designated Subclass. With the sole exception of any Residual Funds, in no event shall either the

$1,600,000 allocated to members of the Holdings Designated Subclass or the $1,156,900 allocated to members of the MFGI Designated Subclass be reduced for any reason. Class Counsel shall be responsible for defining the population of employees entitled to receive payments from the Settlement Fund and for calculating pre-tax payments to individual Class Members. Subject to Section 6(f) below, the Settlement Administrator shall determine the amount of all applicable employment taxes to be withheld from each Class Member payment and shall distribute the amounts due to each Class Member net of taxes.

(b) Returned Settlement Checks. In the event that a Settlement Fund distribution is returned as undeliverable, Class Counsel (or the Settlement Administrator) shall promptly re-mail the returned Settlement check to the corrected address of the intended Class Member recipient as may be determined by Class Counsel through a search of a national database or as may otherwise be obtained by Class Counsel. If a corrected address cannot be obtained for the intended Class Member recipient and its Settlement check is not deposited, endorsed, or negotiated within ninety (90) calendar days of the date of issuance, such unclaimed distribution will be deemed to be Residual Funds. Class Counsel (or the Settlement Administrator) shall notify the Debtors of the checks that (i) have been returned as undeliverable or (ii) remain uncashed or are not negotiated.

(c) Treatment of Residual Funds. In the event that there are any funds in the Settlement Fund remaining for any reason, including Settlement checks that are not deposited, endorsed, or negotiated within ninety (90) calendar days of their date of issuance, such Residual Funds shall be held for sixty (60) calendar days (the "Residual Fund Waiting Period") to be used to make distributions to any individual who is subsequently determined to have been eligible to receive a distribution but who was not on the Class Member distribution list and/or to make a

distribution to the individual who previously opted out of the Class, should that individual choose to rescind her opt-out. The Debtors shall pay any employers' employment taxes on such distributions pursuant to Section 6(f) below, as if the Class Member had been an original Class distributee. Undistributed funds remaining after the Residual Fund Waiting Period shall revert to Holdings USA and the Class Members shall have no further claim to such funds.

(d) Service Payments. Following the Final Approval Date and funding of the Settlement Fund, the Settlement Administrator shall distribute from the Settlement Fund a one-time Service Payment of $12,500 to each Class Representative and $2,000 to each Contributing Non-Plaintiff. Such Service Payments shall be paid, in addition to and contemporaneously with other distributions from the Settlement Fund described above, within thirty (30) business days after the Final Approval Date.

(e) Administration Fee. Class Counsel shall pay the Settlement Administrator all fees and costs of administering the Settlement Fund from the Settlement Fund.

(f) Taxes.

(i) Payments from the Settlement Fund to Class Members shall be made net of all applicable employment taxes to be withheld from such payments as determined to be due by the Settlement Administrator, including, without limitation, FICA tax and federal, state and local income tax withholding. Any and all applicable amounts withheld from the Class Members, including, without limitation, the employee portion of FICA tax and federal, state and local income tax withholding, and any and all applicable employer tax contributions, including, without limitation, the Debtors' share of FICA tax and any federal and state unemployment tax due, shall be reported to the Internal Revenue Service ("IRS") or other applicable taxing authorities when payment becomes due and owing and reported under the payee's name and

social security number on a W-2 Form and any applicable state or local tax form. All applicable employer tax contributions, including, without limitation, the Debtors' share of FICA tax, and federal unemployment tax due, shall be paid by the Debtors to the Settlement Administrator in addition to the Settlement Fund, and shall not be paid out of the Settlement Fund.

(ii) Within ten (10) business days of the Final Approval Date, the Settlement Administrator shall determine the amount of such employer tax contributions and shall certify to the Debtors in writing, with a copy to the Plan Administrator's counsel, the amount attributable to each Class Member and the computation thereof, in sufficient detail to permit the Debtors to determine with reasonable accuracy the aggregate amount of such taxes for which the Debtors are responsible, and such further information as is reasonably necessary for the Debtors to verify the amounts thereof. Within ten (10) business days of receiving such certification, absent manifest error in the Settlement Administrator's calculations, the Debtors shall remit the amount of employer tax contributions to the Settlement Administrator, which is responsible for transmitting said amounts to the appropriate taxing authorities as set forth herein. Verification of payment of such taxes to the appropriate taxing authorities shall be provided to Class Counsel and counsel for the Plan Administrator in accordance with the provisions of Section 6(f)(vi) hereof.

(iii) Payments of Class Counsel's Fees and Class Counsel's Expenses shall be made to Class Counsel without withholding and reported to the IRS and the payee under the payee's name and taxpayer identification number, which such payee shall provide for this purpose, on a 1099 Form.

(iv) The Service Payments shall be made by the Settlement Administrator without withholding and reported to the IRS and the payee under the payee's name and social security number on a 1099 Form.

(v) Class Counsel's payment of administration fees to the Settlement Administrator shall be made without withholding and reported to the IRS and the payee under the payee's name and social security number on a 1099 Form.

(vi) The Settlement Administrator shall prepare, file and provide copies (within fifteen (15) business days of filing) of all of the foregoing to Class Counsel and the Plan Administrator's counsel, together with proof of transmittal of all necessary taxes, and shall prepare and file all returns, reports, information references, other reporting and other documents with, and remit all necessary taxes to, the taxing authorities in connection with the payments to be made under this Settlement so as to ensure compliance with all federal and state tax laws and related reporting requirements.

(vii) For the avoidance of doubt, the Debtors and the Plan Administrator shall not be responsible for (1) any payroll taxes or any federal, state or local income tax imposed on employees (which taxes shall be properly withheld and remitted to the applicable taxing authorities as required herein), (2) any employer tax payments, including, without limitation, the Debtors' share of FICA tax and federal unemployment tax, except to the extent that such taxes shall not have been paid over to the Settlement Administrator by the Debtors in accordance herewith, (3) any taxes imposed with respect to the payment of attorneys' fees to Class Counsel under this Settlement Agreement, (4) any taxes imposed with respect to the payment of the Service Payments, (5) any taxes imposed with respect to the payment of administration fees to the Settlement Administrator, or (6) any and all taxes imposed on the income and earnings of the

Qualified Settlement Fund. The Debtors, the Plan Administrator and Class Counsel agree that no state employer tax payments are due, including, without limitation, state unemployment taxes.

(viii) The Debtors and the Plan Administrator shall bear no responsibility for the payment of taxes as set forth in Sub-Section (vii) above and Class Counsel shall hold the Debtors harmless from and against any and all taxes, interest, penalties, attorneys' fees and other costs imposed on the Debtors as a result of the Settlement Administrator's failure to timely and accurately compute, prepare and file tax returns and pay any applicable taxes pursuant to this Section.

7. Release By Class Members.

(a) Release. As of the Final Approval Date, except for any Class Members who timely opted-out of the Class, all Class Members and Contributing Non-Plaintiffs do hereby fully and forever release and discharge the Debtors, the Debtors' estates, the Plan Administrator, and their current and former shareholders and investors, subsidiaries and affiliated entities, any potential "single employer" under the WARN Acts, and their respective officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all Claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity or otherwise, whether known or unknown, anticipated, suspected or disclosed, which the Releasing Parties may now have or hereafter may have against the Released Parties, arising out of the termination of the Class Members' employment within thirty (30) days of November 4, 2011 or November 11, 2011 which relate to or are based on (i) any Claims asserted or that could have been asserted in the WARN Action; and (ii) any alleged violation of

the WARN Acts, or any other federal, state, or municipal law or legal claim based on similar factual allegations. The Claims released hereunder are referred to herein as the "Released Claims." The Released Parties expressly reserve the right to object to, offset or oppose any and all Claims, obligations, or causes of action of any type, except those Claims not excluded in this Settlement Agreement. Upon the distribution of the Settlement Fund in accordance with this Settlement Agreement, the Class Members agree that any Claims that have been scheduled on behalf of, or filed by or on behalf of, the Class Representatives or any Class Members in the Debtors' bankruptcy cases, on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations, including, without limitation, any individual WARN claims are disallowed in their entirety and shall be deemed expunged from the Debtors' schedules and/or official claims registers, as applicable, without further order of the Bankruptcy Court.

(b) Individually Filed Proofs of Claim. Any proof of claim (or portion thereof) filed by a Class Member against the Debtors pertaining to his or her employment on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations shall be deemed disallowed and expunged as of the Final Approval Date pursuant to the terms of this Settlement and without further order of the Bankruptcy Court.

(c) Reservation of Rights. The Debtors, their estates, and any successors or assigns, and each of their respective subsidiaries, affiliates, and any of the present or former officers, directors, employees, agents, attorneys, consultants, stockholders or members thereof, including the Plan Administrator, expressly reserves the right to object to, offset or oppose any and all

Claims, obligations, or causes of action of any type not released pursuant to this Settlement Agreement.

8. Notices.

(a) Service. Class Counsel shall bear the cost and responsibility of the preparation and service of the Class Notices and Notices of Exclusion. One of the Class Counsel's addresses will be used as the return address for the Class Notices and Notices of Exclusion. Class Counsel shall mail the Class Notices to the Class Members and Notices of Exclusion by first-class mail by no later than five (5) business days after preliminary approval of this Settlement by the Bankruptcy Court. The Class Notices and Notices of Exclusion shall be substantially in the form as may be approved by the Bankruptcy Court. In the event that a Class Notice or Notice of Exclusion is returned as undeliverable, Class Counsel shall re-mail the Class Notice or Notice of Exclusion to the corrected address, if any, of the intended recipient as may be determined by Class Counsel through a search of a national database or as may otherwise be obtained by the Parties.

(b) Contents of the Class Notices. The Class Notices shall contain the following information:

- the Settlement shall become effective only if it is finally approved by the Bankruptcy Court;
- if approved, the Settlement shall be effective as to all Class Members who did not timely opt-out of the Class;
- a Class Member has the right to object to this Settlement, either in person or through counsel, and be heard at the Fairness Hearing;
- any and all Claims released under the Settlement Agreement shall be waived, and that no person, including each Class Member, shall be entitled to any further distribution thereon; and

- upon final approval of the Settlement, any proofs of claim (or portions thereof) filed by or on behalf of a Class Member on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations who did not timely opt-out of the Class shall be deemed disallowed and expunged without further order of the Bankruptcy Court.

9. Objection to Settlement Procedures. A Class Member may object to the approval of this Settlement by sending a timely written Notice of Objection to Class Counsel and counsel to the Plan Administrator at the addresses set forth below, and filing such Notice of Objection with the Bankruptcy Court so that it is received by the Bankruptcy Court and the above counsel within thirty (30) calendar days after the Class Notice is mailed to Class Members. Such objection shall clearly specify the relief sought and the grounds for such relief. In the event that five percent or more of the Class Members object to this Settlement, the Debtors may, at their option and in their sole discretion, rescind this Settlement Agreement and this Settlement Agreement shall become null and void and of no further effect or consequence.

10. Acceptance and Effectiveness of the Settlement.

(a) Bankruptcy Court Approval. The effectiveness of this Settlement shall be subject to and contingent upon the entry of an order of the Bankruptcy Court at the Fairness Hearing, reasonably satisfactory to each of the Parties hereto, approving this Settlement, and upon such order having become final and non-appealable.

(b) Effective Date. The effective date of this Settlement is the Final Approval Date.

(c) Binding Effect and Non-Assignment. This Settlement shall be binding upon, and inure to the benefit of the Parties as well as their representatives, heirs, executors, administrators, personal representatives, legal representatives, agents, and attorneys. This Settlement shall not inure to the benefit of any assignees or transferees of the Class Members' claims resolved under

this Settlement. Class Members shall not have the power or right to assign Settlement payments under this Settlement Agreement and any such assignment shall be void.

11. No Litigation. Except as may be necessary to enforce the terms of this Settlement, the Debtors, the Class Representatives, Class Counsel, the Releasing Parties and any other person who accepts payment hereunder, agree that she or he shall not commence or proceed with any action, Claim, suit, proceeding or litigation against any other Party, directly or indirectly, regarding or relating to the matters described in this Settlement Agreement, or take any action inconsistent with the terms of the Settlement.

12. No Admission of Liability. This Settlement is intended to settle and dispose of the Released Claims of all of the Releasing Parties. Nothing herein shall be construed as an admission by the Debtors of any facts or liability of any kind, all of which is expressly denied, or as an admission by the Plaintiffs concerning the merit of any defense by the Debtors. The Parties' agreement to enter into this Settlement Agreement shall not be deemed an admission of liability or wrongdoing.

13. Representations and Warranties. Each Party represents and warrants that upon Bankruptcy Court approval of this Settlement it will have the legal right and authority to enter into this Settlement and the transactions and releases contemplated hereby.

14. Further Assurances. The Parties shall cooperate fully and shall execute and deliver any and all supplemental papers, documents, instruments and other assurances and shall do any and all acts that may be reasonably necessary or appropriate to give full force and effect to the terms and intent of this Settlement.

15. Miscellaneous.

(a) Continuing Jurisdiction of Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction over this Settlement and any dispute or controversy arising from or related to the interpretation or enforcement of this Settlement.

(b) Governing Law/Jurisdiction. Except where superseded by applicable federal law, this Settlement shall be governed by the laws of the State of New York.

(c) Notices. Any notice or other communication required or permitted to be delivered under this Settlement from any Class Member to Class Counsel, the Debtors, the Plan Administrator, and/or the Bankruptcy Court shall be (i) in writing, (ii) delivered personally, by courier service, overnight mail or regular United States mail, (iii) deemed to have been received on the date of delivery at the following addresses, and (iv) addressed as follows (or to such other address as the Party entitled to notice shall hereafter designate by a written notice filed with the Bankruptcy Court):

If to the Debtors or the Plan Administrator, to:

Morrison & Foerster, LLP
250 West 55th Street
New York, NY 10019
ATTN: Brett H. Miller, Esq.
ATTN: Melissa A. Hager, Esq.

If to the Class Members or Class Counsel, to:

OUTTEN & GOLDEN LLP
3 Park Avenue, 29th Floor
New York, NY 10016
ATTN: Rene S. Roupinian, Esq.
ATTN: Jack A. Raisner, Esq.

KLEHR HARRISON HARVEY BRANZBURG LLP
1835 Market Street, Suite 1400
Philadelphia, PA 19103
ATTN: Charles A. Ercole, Esq.
ATTN: Lee D. Moylan, Esq.

LANKENAU & MILLER, LLP
132 Nassau Street, Suite 1100
New York, NY 10038
ATTN: Stuart J. Miller, Esq.

THE GARDNER FIRM, P.C.
210 S. Washington Avenue
Mobile, AL 36602
ATTN: Mary E. Olsen, Esq.

(d) Non-Severability. Each of the provisions of this Settlement is a material and integral part hereof. In the event that one or more of the provisions of this Settlement shall become invalid, illegal or unenforceable in any respect, the entire Settlement shall be deemed null and void unless the Parties agree otherwise.

(e) Amendments. This Settlement may not be modified, amended or supplemented by the Parties except by a written agreement that the Parties have signed with any required approval of the Bankruptcy Court.

(f) Integration. This Settlement contains the entire agreement among the Parties with respect to the matters covered by this Settlement, and no promise or understanding or representation made by any Party or agent, director, officer, employee or attorney of any Party that is not expressly contained in this Settlement shall be binding or valid.

(g) Interpretation. This Settlement was the product of joint negotiations between the Parties and any rule of construction requiring that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Settlement.

(h) No Third-Party Beneficiaries. This Settlement does not constitute a contract for the benefit of any third parties, any prior creditors or claimants of the Parties, or any non-Party, other than Class Members in relation to the provisions of this Settlement.

(i) Press Release. Class Counsel does not intend to issue a press release with respect to this Settlement Agreement; however, in the event Class Counsel determines to issue a press release, Class Counsel shall provide a draft of same to the Plan Administrator for comment and approval before issuance thereof.

(j) Headings. The headings clauses and "WHEREAS" clauses set forth in this Settlement are for convenience only and are not part of the Settlement and do not in any way define, limit, extend, describe or amplify the terms, provisions or scope of this Settlement and shall have no effect on its interpretation. Where appropriate, the use of the singular shall include the plural and the use of the masculine gender shall include the feminine gender.

(k) Signatures. Facsimile or other electronic copies of signatures on this Settlement are acceptable, and a facsimile or other electronic copy of a signature on this Settlement shall be deemed to be an original.

(l) Counterparts. This Settlement may be executed in one or more counterparts, each of which together or separately shall constitute an original and which, when taken together, shall be considered one and the same binding agreement.

(m) Cooperation. The Parties agree to cooperate reasonably with one another to effectuate an efficient and equitable implementation of this Settlement.

(n) Binding Nature of Settlement. This Settlement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors, transferees, assigns, heirs and estates.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have executed and delivered this Settlement as of the date first written above.

On behalf of the Class Representatives and the Class Members:

OUTTEN & GOLDEN LLP

By: /s/ Jack A. Raisner
Name: Jack A. Raisner
Rene S. Roupinian

KLEHR HARRISON HARVEY BRANZBURG LLP

By: /s/ Charles A. Ercole
Name: Charles A. Ercole
Lee D. Moylan

LANKENAU & MILLER, LLP

By: /s/ Stuart J. Miller
Name: Stuart J. Miller

THE GARDNER FIRM, P.C.

By: /s/ Mary E. Olsen
Name: Mary E. Olsen

On behalf of the Debtors and the Plan Administrator:

MORRISON & FOERSTER LLP

By: /s/ Melissa A. Hager
Name: Brett H. Miller
Melissa A. Hager

Exhibit B

Ferber Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS, LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

DECLARATION OF LAURIE R. FERBER IN SUPPORT OF JOINT MOTION PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 7023 AND 9019 TO: (A) PRELIMINARILY APPROVE A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; (B) APPROVE THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT AGREEMENT; (C) SCHEDULE A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT; (D) FINALLY APPROVE THE SETTLEMENT AGREEMENT AFTER THE FAIRNESS HEARING; AND (E) GRANT RELATED RELIEF

I, Laurie R. Ferber, declare as follows, under penalty of perjury:

1. I have been the general counsel and executive vice president of Holdings Ltd.[1] since 2009. Prior to the Plan going effective, I was a director of Holdings USA and Finance USA. I am currently the executive vice president and general counsel of the Plan Administrator and each of the Debtors.

2. I am in all respects competent to make this Declaration, which I submit for all permissible purposes under the Bankruptcy Rules, the Civil Rules, and the Federal Rules of Evidence, in support of the *Joint Motion Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 7023 and 9019 to: (A) Preliminarily Approve a Settlement Agreement Between Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, on Behalf of Themselves and as Class Representatives on Behalf of the Other Class Members, and MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc.; (B) Approve the Form and Manner of Notice to Class Members of the Settlement Agreement; (C) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement; (D) Finally Approve the Settlement Agreement after the Fairness Hearing; and (E) Grant Related Relief* (the "Motion").

3. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, the Debtors' books and records, information provided to me or verified by current and former employees of the Debtors, or my discussions with such employees and the Plan Administrator's professionals. If I were called upon to testify, I would testify competently to the facts set forth herein.

[1] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion (as defined below).

4. Annexed as Exhibit A to the Motion is a settlement and release agreement (the "Settlement Agreement") among the Debtors and the Class Representatives (together, the "Parties").

A. General Background

5. On October 31, 2011, Holdings Ltd. and Finance USA filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), consolidated under Lead Case No. 11-15059-MG.

6. On or about November 4, 2011 and November 11, 2011, and within 30 days of those dates, certain employees who worked at or reported to facilities operated by the Debtors in New York, New York and Chicago, Illinois (the "Facilities"), including the Class Representatives and Class Members, were terminated.

7. On March 2, 2012, Holdings USA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court, Case No. 12-10863-MG, which was subsequently consolidated under Lead Case No. 11-15059-MG.

B. The WARN Action

8. Between November 11, 2011 and November 14, 2011, certain of the Class Representatives filed three adversary class action complaints, on behalf of themselves and the Class Members, seeking to recover sixty (60) days' wages and benefits for employees who worked at the Facilities and who were allegedly terminated by the Debtors without being provided proper notice as required by the WARN Acts.

9. The Movants participated in the mediation before Judge Drain on February 4, 2016 and thereafter continued to have several communications with Judge Drain and numerous

communications with each other with respect to the WARN Action and a potential settlement. The mediation ultimately was successful and led to a consensual resolution of the WARN Action for which approval is being sought by the Motion.

10. By virtue of the agreement in principle reflected in the proposed Settlement Agreement, the trial of the WARN Action (which, after one extension, was scheduled to begin on April 4, 2016) has been adjourned *sine die*.

C. The Settlement Agreement

11. After extensive, good faith, and arms-length negotiations, the Parties have entered into the Settlement Agreement to resolve the WARN Action. The essential terms of the Settlement Agreement are as follows:

a. Settlement Fund: Holdings USA will pay a total of $5,000,000 to Class Counsel or their designee via wire transfer, pursuant to the terms of the Settlement Agreement (the "Settlement Fund"), within five (5) calendar days of the Final Approval Date.

b. Responsibilities of Class Counsel: Class Counsel will be responsible for the administration of the Settlement, including the mailing of notices to all Class Members containing information about the WARN Action, the Settlement Agreement, and the ability to object to the Settlement and procedures with respect thereto (the "Class Notices"), the mailing of Notices of Exclusion, and the appointment and retention of American Legal Claim Services, LLC as "Settlement Administrator" to distribute the Settlement Fund to the Class Members as set forth in the Settlement Agreement and to manage all applicable tax withholdings and reporting.

c. Settlement Administrator: The Settlement Administrator shall be responsible for issuing payment to Class Members and handling all other aspects of the administration of the Settlement, including, but not limited to: (i) the formation of a Qualified Settlement Fund as authorized by Treasury Regulation section 1.486B-1(c) to accept, distribute, and otherwise administer the Settlement; (ii) the determination, subject to Class Counsel's and the Debtors' review and approval, of the payroll tax and withholding amounts for each of the individual payments to each Class Member; (iii) the preparation and mailing of settlement checks to each Class Member; (iv) the withholding, transmittal, and reporting, as appropriate, of all payroll taxes, and preparing and mailing of all W-2 Forms and/or 1099 Forms; and (v) the processing of returned notices or settlement checks as undeliverable, including re-mailing to forwarding addresses and tracing of current addresses.

d. Class Counsel's Fees and Class Counsel's Expenses: Class Counsel, subject to Bankruptcy Court approval, will receive Class Counsel's Fees in an amount not to exceed $2,000,000 plus Class Counsel's Expenses up to $164,100 as payment in full for their professional fees and expenses in connection with this matter to be paid from the Settlement Fund on the later of thirty (30) business days after the Final Approval Date or submission by Class Counsel of a valid and effective W-9 Form to the Settlement Administrator.

e. Allocation of Settlement Fund: The net pre-tax amount of the Settlement Fund (after being reduced to account for allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments) shall be allocated as follows: $1,600,000 for members of the Holdings Designated Subclass and $1,156,900 for members of the MFGI Designated Subclass.

f. Treatment of Residual Funds: If there are any funds in the Settlement Fund remaining for any reason, including Settlement checks that are not deposited, endorsed or negotiated within ninety (90) calendar days of their date of issuance (the "Residual Funds"), these Residual Funds will be held for sixty (60) calendar days (the "Residual Fund Waiting Period") to be used to make distributions to any individual who is subsequently determined to have been eligible to receive a distribution but was not on the Class Member distribution list and/or to make a distribution to the individual who previously opted out of the Class, should that individual choose to rescind her opt-out. Undistributed funds remaining after the Residual Fund Waiting Period shall revert to Holdings USA and the Class Members shall have no further claim to such funds.

g. Service Payments: The Settlement Administrator shall distribute from the Settlement Fund $12,500 to each Class Representative and $2,000 to each Contributing Non-Plaintiff as a one-time Service Payment, to be paid, in addition to and contemporaneously with other distributions from the Settlement Fund described above, within thirty (30) business days after the Final Approval Date.

h. Administration Fee: Class Counsel shall pay the Settlement Administrator all fees and costs of administering the Settlement Fund from the Settlement Fund.

i. Taxes: Payments from the Settlement Fund to Class Members shall be made net of all applicable employment taxes to be withheld from such payments as determined to be due by the Settlement Administrator, including, without limitation, FICA tax and federal, state and local income tax withholding. All applicable employer tax contributions, including, without limitation, the Debtors' share of FICA tax, and federal unemployment tax due, shall be paid by the Debtors to the Settlement Administrator in addition to the Settlement Fund, and shall not be paid out of the Settlement Fund. The Debtors and the Plan Administrator shall not be responsible for (1) any payroll taxes or any federal, state or local income tax imposed on employees (which taxes shall be properly withheld and remitted to the applicable taxing authorities as required by the Settlement Agreement), (2) any employer tax payments, including, without

limitation, the Debtors' share of FICA tax and federal unemployment tax, except to the extent that such taxes shall not have been paid over to the Settlement Administrator by the Debtors in accordance with the Settlement Agreement, (3) any taxes imposed with respect to the payment of attorneys' fees to Class Counsel under the Settlement Agreement, (4) any taxes imposed with respect to the payment of the Service Payments, (5) any taxes imposed with respect to the payment of administration fees to the Settlement Administrator, or (6) any and all taxes imposed on the income and earnings of the Qualified Settlement Fund. Class Counsel shall hold the Debtors harmless from and against any and all taxes, interest, penalties, attorneys' fees and other costs imposed on the Debtors as a result of the Settlement Administrator's failure to timely and accurately compute, prepare and file tax returns and pay any applicable taxes pursuant to the Settlement Agreement.

j. Release By Settlement Class: As of the Final Approval Date, except for any Class Members who timely opted-out of the Class, all Class Members and Contributing Non-Plaintiffs will fully and forever release and discharge the Debtors, the Debtors' estates, the Plan Administrator, and their current and former shareholders and investors, subsidiaries and affiliated entities, any potential "single employer" under the WARN Acts, and their respective officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all Claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity or otherwise, whether known or unknown, anticipated, suspected or disclosed, which the Releasing Parties may now have or hereafter may have against the Released Parties, arising out of the termination of the Class Members' employment within thirty (30) days of November 4, 2011 or November 11, 2011 which relate to or are based on (i) any Claims asserted or that could have been asserted in the WARN Action; and (ii) any alleged violation of the WARN Acts, or any other federal, state, or municipal law or legal claim based on similar factual allegations.

k. Individually Filed Proofs of Claim: Any proof of claim (or portion thereof) filed by a Class Member against the Debtors pertaining to his or her employment on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations shall be deemed disallowed and expunged as of the Final Approval Date pursuant to the terms of the Settlement and without further order of the Bankruptcy Court.

l. Notices: Class Counsel shall bear the cost and responsibility of the preparation and service of the Class Notices and Notices of Exclusion. One of the Class Counsel's addresses will be used as the return address for the Class Notices and Notices of Exclusion. Class Counsel shall mail the Class Notices to the Class Members and Notices of Exclusion by first-class mail by no later than five (5) business days after preliminary approval of the Settlement by the Bankruptcy

Court. The Class Notices and Notices of Exclusion shall be substantially in the form as may be approved by the Bankruptcy Court. In the event that a Class Notice or Notice of Exclusion is returned as undeliverable, Class Counsel shall re-mail the Class Notice or Notice of Exclusion to the corrected address, if any, of the intended recipient as may be determined by Class Counsel through a search of a national database or as may otherwise be obtained by the Parties.

m. Contents of the Class Notices: The Class Notices shall contain the following information: (i) the Settlement shall become effective only if it is finally approved by the Bankruptcy Court; (ii) if approved, the Settlement shall be effective as to all Class Members who did not timely opt-out of the Class;[2] (iii) a Class Member has the right to object to the Settlement, either in person or through counsel, and to be heard at the Fairness Hearing; (iv) any and all Claims released under the Settlement Agreement shall be waived, and that no person, including each Class Member, shall be entitled to any further distribution thereon; and (v) upon final approval of the Settlement, any proofs of claim (or portions thereof) filed by a Class Member on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations who did not timely opt-out of the Class shall be deemed disallowed and expunged without further order of the Bankruptcy Court.

n. Objection to Settlement Procedures: A Class Member may object to the approval of the Settlement by sending a timely written Notice of Objection to Class Counsel and counsel to the Plan Administrator at the addresses set forth in the Class Notice, and filing such Notice of Objection with the Bankruptcy Court so that it is received by the Bankruptcy Court and the above counsel within thirty (30) calendar days after the Class Notice is mailed to Class Members. Such objection shall clearly specify the relief sought and the grounds for such relief. In the event that five percent or more of the Class Members object to the Settlement, the Debtors may, at their option and in their sole discretion, rescind the Settlement Agreement and the Settlement Agreement shall become null and void and of no further effect or consequence.

o. Acceptance and Effectiveness of the Settlement: The effectiveness of the Settlement Agreement is subject to and contingent upon the entry of an order of the Bankruptcy Court at the Fairness Hearing, reasonably satisfactory to each of the Parties to the Settlement Agreement, approving the Settlement, and upon such order having become final and non-appealable. The effective date of the Settlement is the Final Approval Date. The Settlement shall be binding upon, and inure to the benefit of the Parties as well as their representatives, heirs, executors, administrators, personal representatives, legal representatives, agents, and

[2] The Movants do not believe that there is a requirement that Class Members be provided with an additional opportunity to opt out of the Settlement. This is consistent with Second Circuit case law which rejects "the contention that Class Members must be given a second opportunity to opt out after the terms of the settlement are announced." In re WorldCom, Inc. Sec. Litig., 388 F. Supp. 2d 319, 342 (S.D.N.Y. 2005) (citing Wal-Mart Stores, Inc. v. Visa U.S.A. Inc., 396 F.3d 96, 114 (2d Cir. 2005) (emphasis added)).

attorneys. The Settlement shall not inure to the benefit of any assignees or transferees of the Class Members' claims resolved under the Settlement. Class Members shall not have the power or right to assign Settlement payments under the Settlement Agreement and any such assignment shall be void.

D. The Court Should Preliminarily Approve the Settlement Agreement Pursuant to Bankruptcy Rule 7023

12. The Settlement Agreement falls well within the range of reasonableness because continued litigation would be protracted and expensive and the outcome uncertain for all Parties. The Settlement Agreement is the result of good faith, arms-length negotiations between the Movants, with the assistance of an experienced mediator. The Movants exchanged a significant amount of information during discovery and their negotiations, and have engaged in a comprehensive investigation of their respective claims and defenses.

E. The Court Should Approve the Form and Manner of the Proposed Notice of the Settlement

13. The Class Notice outlines the terms of the Settlement Agreement, including the proposed attorneys' fees and expenses proposed to be paid to Class Counsel, and describes how each Class Member may obtain a copy of the pleadings in the WARN Action and a copy of the Settlement Agreement. The Class Notice also states the date, time, location and purpose of the Fairness Hearing, informs each Class Member of its right to appear at the Fairness Hearing, and describes the procedures for objecting to the Settlement Agreement. The Class Notice states that no Class Member may present an objection at the Fairness Hearing unless he or she has filed a timely objection that complies with the procedures for objecting to the Settlement Agreement.

F. The Court Should Finally Approve the Settlement at the Fairness Hearing Pursuant to Bankruptcy Rule 7023

14. The relevant factors considered by courts (as explained to me by counsel) strongly support approval of the Settlement Agreement. For example:

a. the WARN Action involves complex legal and factual issues, and continued litigation of the WARN Action will be protracted and expensive;

b. the Settlement Agreement was reached after extensive discovery, significant motion practice, and extensive mediation;

c. given the complexity of the issues raised in the WARN Action and the strengths of each Movant's position, continued litigation is risky; and

d. the Settlement Agreement falls well within the range of reasonableness in light of the attendant costs and risks associated with continued litigation.

G. The Court Should Finally Approve the Settlement at the Fairness Hearing Pursuant Bankruptcy Rule 9019

i. Likelihood of Success Versus Benefits of Settlement

15. Although each side believes it would prevail, given the complexity of the issues raised and the strengths of each Movant's position, continued litigation of the WARN Action (which would include completing fact and expert discovery, additional motion practice, trial preparation, the trial itself, post-trial briefing and motions, and any appeals) is inherently risky. The Settlement Agreement provides the Parties with certainty and avoids these risks. Moreover, the Settlement Agreement reduces the costs and delay of further litigation to the Parties.

ii. Prospect of Complex and Protracted Litigation if the Settlement is Not Approved

16. Due to the complex nature of the issues involved, the final outcome of the WARN Action is uncertain, and continued litigation would be costly and time consuming. Significant, complex legal and factual issues exist regarding the application of the WARN Acts to the facts and circumstances at issue and the viability of the WARN Action, including, without limitation:

a. whether the Debtors had any direct or indirect employment relationship with members of the MFGI Designated Subclass;

b. whether the Debtors terminated any members of the MFGI Designated Subclass;

c. whether the Debtors were liquidating fiduciaries at the time Class Members were laid off;

d. whether the WARN Notices provided to the Holdings Designated Subclass constitute proper and sufficient notice to the members of the Holdings Designated Subclass in accordance with the WARN Acts; and

e. whether the Debtors have other defenses to the application of the WARN Acts including, without limitation, a good faith defense.

17. Hundreds of hours and millions of dollars in legal fees already have been spent analyzing the claims in the WARN Action and engaging in discovery, briefing, mediation and negotiation. Continued litigation would be costly, time-consuming and expose the Debtors' estates to significant risks and uncertainty, as the trial in this matter would have most certainly involved the introduction of hundreds of exhibits, approximately a dozen witnesses, and significant expenses. Moreover, the outcome of the litigation is likely to be followed by extensive, time-consuming, and costly appeals.

iii. Competent and Experienced Counsel Support the Settlement

18. Respective counsel to the Parties played an active role in formulating and negotiating the Settlement Agreement. The Plan Administrator and the Debtors, and their counsel, support the Settlement Agreement.

iv. The Nature and Breadth of Releases

19. As part of the Settlement, the Parties are providing mutual releases of any and all claims associated with or related to the WARN Action or arising under the WARN Acts. These releases represent significant certainty to the Debtors' estates and are a valuable step in the Debtors' efforts to make final distributions to the holders of allowed claims against the Debtors.

v. Benefits of the Settlement to the Class Members

20. The Settlement Agreement provides for the payment of $2,756,900 of the Settlement Fund to Class Members within thirty (30) business days after the Final Approval Date.

In addition, the Debtors shall pay the employer's portion of the payroll and unemployment taxes, which could exceed $375,000.

vi. Good Faith Negotiations

21. The Settlement Agreement is the product of informal settlement communications between the Class Representatives and the Plan Administrator over the course of numerous months, as well as arm's length mediation between the Parties.

22. The Settlement Agreement is fair, reasonable, and in the best interests of the Debtors' estates and falls well within the range of reasonableness. The Plan Administrator has reached this conclusion after considering the uncertainties, delay and costs that would be incurred by further litigation.

H. The Plan Administrator Does Not Object to the Class Representatives Being Awarded a Service Fee for Their Service to the Class

23. The Plan Administrator does not object to the proposed Service Payments.

Executed on: May 25, 2016
New York, New York

/s/ Laurie R. Ferber
LAURIE R. FERBER

Exhibit C

Class Counsel Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

DECLARATION OF CHARLES A. ERCOLE IN SUPPORT OF JOINT MOTION PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 7023 AND 9019 TO: (A) PRELIMINARILY APPROVE A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; (B) APPROVE THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT AGREEMENT; (C) SCHEDULE A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT; (D) FINALLY APPROVE THE SETTLEMENT AGREEMENT AFTER THE FAIRNESS HEARING; AND (E) GRANT RELATED RELIEF

I, Charles A. Ercole, Esquire, declare as follows, under penalty of perjury:

1. I make the following certification based on my own personal knowledge and, if called to testify, I would and could do so under oath with respect to the information contained herein.

2. I am a member of the following bars: Commonwealth of Pennsylvania; State of New Jersey; United States District Courts for the Eastern and Middle Districts of Pennsylvania; United States District Court for the District of New Jersey; United States Court of Appeals for the Third Circuit; and the United States Supreme Court. I am appearing *Pro Hac Vice* before this Honorable Court in the above-captioned matter.

3. I am a partner with the firm of Klehr, Harrison, Harvey, Branzburg LLP, co-counsel for Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch (the "Class Representatives"),[1] on their own behalf and as representatives of the certified Class. This declaration is submitted in support of the Motion.

A. The Court Should Preliminarily Approve the Settlement Agreement Pursuant to Bankruptcy Rule 7023

4. The Settlement Agreement falls well within the range of reasonableness because continued litigation would be protracted and expensive and the outcome uncertain for all Parties. The Settlement Agreement is the result of good faith, arms-length negotiations between the Movants, with the assistance of an experienced mediator. The Class Representatives are represented by experienced and capable counsel. The Movants exchanged a significant amount of information during discovery and their negotiations, and have engaged in a comprehensive investigation of their respective claims and defenses. The Class Representatives are not receiving unduly preferential treatment under the Settlement Agreement, which proposes to pay

[1] Capitalized terms utilized but not otherwise defined herein shall have the meanings ascribed to them in the pre-fixed joint motion (the "Motion").

each Class Representative $12,500 and entitles each Class Member to receive its pro rata share of the net amount of the Settlement Fund for the respective Subclass.

B. The Court Should Approve the Form and Manner of the Proposed Notice of the Settlement

5. The proposed Class Notice, substantially in the form attached to the Motion as Exhibit F, will be served by Class Counsel upon each Class Member. No later than five (5) business days following entry of an order preliminarily approving this Motion, Class Counsel shall mail the Class Notices by first-class mail to the Class Members. The Class Notice will contain a personalized attachment for each Class Member setting forth the projected pre-tax dollar amount such Class Member would receive under the Settlement Agreement after the deduction of Class Counsel's Fees and Class Counsel's Expenses.

6. The proposed Notice of Exclusion, substantially in the form attached to the Motion as Exhibit G, will be served by Class Counsel upon the three employees set forth in the Settlement Agreement excluded from the Class. The Notice of Exclusion will contain a brief explanation of the basis for exclusion from the Class. No later than five (5) business days following entry of an order preliminarily approving this Motion, Class Counsel shall mail the Notices of Exclusion by first-class mail.

C. The Court Should Finally Approve the Settlement at the Fairness Hearing Pursuant to Bankruptcy Rule 7023

7. The Settlement Agreement was not a product of collusion, and the Class Members' interests were adequately represented by Class Counsel. Furthermore, the relevant Grinnell factors strongly support approval of the Settlement Agreement. For example:

- the WARN Action involves complex legal and factual issues, and continued litigation of the WARN Action will be protracted and expensive;

- the Class Representatives support the Settlement Agreement and Class Counsel believes that very few, if any, Class Members will object to the Settlement Agreement;

- the Settlement Agreement was reached after extensive discovery, significant motion practice, and extensive mediation;

- given the complexity of the issues raised in the WARN Action and the strengths of each Movant's position, continued litigation is risky; and

- the Settlement Agreement falls well within the range of reasonableness in light of the attendant costs and risks associated with continued litigation.

8. Although each side believes it would prevail, given the complexity of the issues raised and the strengths of each Movant's position, continued litigation of the WARN Action (which would include completing fact and expert discovery, additional motion practice, trial preparation, the trial itself, post-trial briefing and motions, and any appeals) is inherently risky. The Settlement Agreement provides the Parties with certainty and avoids these risks. Moreover, the Settlement Agreement reduces the costs and delay of further litigation to the Parties.

9. Due to the complex nature of the issues involved, the final outcome of the WARN Action is uncertain, and continued litigation would be costly and time consuming.

10. The Class Representatives fully support the Settlement Agreement, and Class Counsel anticipates that the Class also will fully support the Settlement Agreement. Absent the Settlement Agreement, the Class Members may have to wait years (after they already have waited over four years), following likely appeals, for any payment on their alleged WARN Act claims.

11. Respective counsel to the Movants played an active role in formulating and negotiating the Settlement Agreement. The Plan Administrator, the Debtors and the Class Representatives, and their respective counsel, all support the Settlement Agreement.

12. The Settlement provides the Class Members with certainty and avoids the risk of litigation. Further, as noted, even if the Class Members were to prevail in the WARN Action, there likely would be appeals that would result in the Class Members having to wait years for any payment.

13. The Settlement Agreement is the product of informal settlement communications between the Class Representatives and the Plan Administrator over the course of numerous months, as well as arm's length mediation between the Parties.

14. The Settlement Agreement is fair, reasonable, and in the best interests of the Debtors' estates and the Class Members and falls well within the range of reasonableness. The Movants have reached this conclusion after considering the uncertainties, delay and costs that would be incurred by further litigation.

D. The Class Representatives Should Be Awarded a Service Fee for Their Service to the Class

15. Bankruptcy and district courts in this Circuit have approved service awards in the $3,000-$15,000 range to class representatives in WARN Act settlements similar to this one. The Class Representatives each seek a Service Payment of $12,500, which is well within this range, and particularly appropriate given the outcome of the case and the recovery to the Class. Similarly, the $2,000 Service Payment proposed to be made to each Contributing Non-Plaintiff is well within this range.

16. The Class Representatives agreed to bring the action in their names and potentially be deposed and testify if there was a trial. The Class Representatives filed federal lawsuits that are searchable on the internet and may become known to prospective employers when evaluating those persons. The Class Representatives each retained Class Counsel to commence or pursue in their name the WARN Action. The Class Representatives agreed to

pursue the class action at a point when their futures were uncertain and employment prospects potentially dimmed by suing their former employer.

17. The Class Representatives expended time and effort to assist with the preparation of the complaints in the WARN Action. They assisted with the class certification motion and discovery and with discovery on the merits by, among other things, being deposed, provided Class Counsel with relevant documents in their possession, and assisted in the ongoing investigation of their claims. These contributions were material to the Parties being able to reach a settlement.

18. The Class Representatives performed important services for the benefit of the Class either in commencing the litigation, in obtaining class certification, in the preparation for the mediation, and at the mediation itself. Accordingly, the proposed Service Payments to the Class Representatives are appropriate and justified in light of the value of the Class Representatives' services to the Class and risks taken on behalf of the Class.[2]

19. In addition, the proposed Service Payments to the Contributing Non-Plaintiffs are appropriate, given the contributions they made to the WARN Action. Marianne Corrigan contacted and retained Outten & Golden days after the layoff of November 11, 2011 regarding her layoff. Then, and throughout the litigation, she provided the invaluable information that supported the allegations in the filed complaints. She volunteered to act as class representative for the Holdings Designated Subclass. Towards that end, she provided incisive information that formed the basis of the allegations that were added to the Third Amended Complaint concerning the interaction between Holdings USA and the other defendants, attended the Court hearing on the amendment prepared to testify, and was subsequently deposed by the Debtors prior to the

[2] In addition to the Service Payments, the Class Representatives will be authorized to participate in the Settlement as a Class Member.

class certification hearing. She was placed on witness lists and was prepared to testify at that evidentiary hearing on class certification, and, again, at the merits hearing.

20. Therese Dyman retained Outten & Golden after being laid off in November 2011. Having participated in drafting MF Global's SEC filings and other regulatory documents, Ms. Dyman provided counsel with unique insight into the structure and operations of MF Global. Ms. Dyman was first to offer to serve as class representative for the Holdings Designated Subclass, and was so named, along with Ms. Corrigan, in the proposed Third Amended Complaint. She provided detailed information that formed the basis of allegations that were added to the Third Amended Complaint concerning the interaction between Holdings USA and the other defendants. Ms. Dyman prepared for and attended the hearing on the amended complaint for which she was prepared and ready to testify in court.

21. The Contributing Non-Plaintiffs were instrumental in developing the factual basis for the claims against Holdings Ltd., and exposed themselves to the risk of reputational harm by putting themselves forward as Class Representatives in the publicly-filed proposed amended complaint. Their efforts conferred direct and substantial benefits on the Class.

E. The Court Should Award Class Counsel the Reasonable Fee of Forty Percent of the Settlement Fund

22. In this case, Class Counsel:

- conducted extensive research, review, and analysis of public filings, articles, and analyst reports about MF Global;
- defended against two motions to dismiss, including, but not limited to, successfully appealing a ruling on one of those motions;
- engaged in extensive discovery on class certification, including reviewing thousands of pages of documents and defending and taking many depositions;
- moved for certification under Fed. R. Civ. P. 23;

- on the merits of the class claims, propounded extensive discovery, reviewed over a hundred thousand pages of documents, and participated in more depositions;
- conferred with the Debtors' counsel on several occasions concerning issues that, if unresolved, would have resulted in a contested discovery motion;
- completed substantial preparation for a class certification hearing and trial, including the preparation of pre-trial memoranda and exhibits; and
- participated in a day-long mediation with The Honorable Robert D. Drain and, thereafter, continued to communicate with the mediator and Defendants to finally reach a settlement.

23. As a result, importantly, Class Counsel submits that the lodestar value of the time Class Counsel spent in this litigation is significantly higher than the Class Counsel's Fees requested in the Motion.

24. The WARN Action was complex given the circumstances surrounding the layoffs and the range of affirmative defenses asserted by the Debtors.

25. As a general matter, large-scale WARN Act cases of this type are, by their very nature, complicated and time-consuming. Any lawyer undertaking representation of large numbers of affected employees in WARN Act actions inevitably must be prepared to make a tremendous investment of time, energy and resources, especially when discovery involves over a hundred thousand pages of documents and about a dozen witnesses, as the Parties had here. Due also to the contingent nature of the customary fee arrangement, lawyers must be prepared to make this investment with the very real possibility of an unsuccessful outcome and no fee of any kind. The demands and risks of this type of litigation overwhelm the resources -- and deter participation -- of many traditional claimants' firms. Class Counsel stood to gain nothing in the event the case was unsuccessful. Because the attendant risk has always been on, and still rests in its entirety on, Class Counsel, the Court should grant the requested Class Counsels' fees.

26. In this particular case, both liability and damages were vigorously contested by the Debtors and there was not only no guarantee of ultimate recovery, but a significant risk of that occurring.

27. Among other things, the Debtors argued that they were liquidating fiduciaries under the WARN Act. The liquidating fiduciary exception does not appear in the WARN Act or its regulations and, to date, there is a relative dearth of case law analyzing its application. Additionally, its applicability hinges on the particular facts of each case concerning the nature and extent of the company's business activities when the company knew it would effect a mass layoff or plant closing. Thus, the Plaintiffs' ability to overcome this defense was inherently uncertain and carried with it extraordinary risk.

28. Also, in an attempt to reduce the size of the Class by about 82%, the Debtors made, upon Class Counsel's information and belief, the unprecedented argument that the employer of record was not an "employer" under the WARN Act. According to the Debtors, among other things, the entity the Court exonerated from WARN Act liability, the SIPA Trustee for MFGI, was the "employer" at the time of the layoffs. To overcome this defense, the Plaintiffs faced a potentially serious obstacle to obtaining any recovery for the MFGI Designated Subclass members. The Plaintiffs had the risky and challenging task of either proving: (a) that all of the Class Members (including the MFGI Designated Subclass members), in fact, were employed by one or more of the Debtors (and not MFGI or the SIPA Trustee); or (b) that the Class Members were employed by one or more of the Debtors and MFGI acting as a single employer, in which instance the Debtors could be held jointly and severally liable even if MFGI, itself, could not be liable. Upon information and belief, no court precedent exists wherein any other court determined such questions.

29. In addition, the chance of no recovery in the WARN Action was extremely high given the circumstances upon filing. WARN Act class actions often arise in the early stages of a bankruptcy and require Class Counsel to take extreme risks without knowing the potential assets in the estate.

30. Moreover, as this case was a proceeding in bankruptcy, Class Counsel was required to navigate a delicate balance to protect its clients' rights - - former employees - - while at the same time working with the Debtors to ensure that funds remained available to satisfy the employees' claims and were not depleted by the litigation itself.

31. Class Counsel are among a small and distinct group of Class Counsel experienced in WARN Act class actions (inside and outside of the bankruptcy context). As a result of that expertise, Class Counsel was able to adeptly prosecute the WARN Action for the benefit of the Class in a disciplined and pragmatic fashion. Indeed, the litigation required considerable skill and experience to successfully conclude.

32. Class Counsel was retained by the Class Representatives based on each firm's experience, expertise, and willingness to expend the time necessary to effectively litigate this case. Class Counsel has been consistently retained in other WARN class actions by thousands of plaintiffs in many federal circuits. The paucity of expert WARN counsel implies few, if any, other counsel have the skill, experience and expertise required to handle such cases. These facts amply support a finding that this factor is satisfied.

33. The amounts allocated to each Class Member are significant. In light of the legal and factual complexities of this case, there is no doubt that this is an extremely favorable settlement for Class Members. The fact that these substantial amounts are available to Class Members without the uncertainty of trial, and are being delivered through this expeditious

settlement rather than potentially years of litigation and appeals, qualifies the results of this settlement as reasonable under the circumstances.

34. As shown by the very favorable settlement of this matter achieved in the face of the difficult liability issues, Class Counsel provided legal services with considerable skill. The services were rendered with efficiency, in light of the complexity of the issues, the difficulty of addressing the several defenses, and the need for discovery. Class Counsel's experienced representation in this case was directly responsible for bringing about the positive settlement and weighs in favor of granting the requested fees. The Class Representatives support the Settlement and Class Counsel believes that few, if any, Class Members will object and that those objections, if any, will not be substantial or merited.

35. The fact that Class Counsel was able to achieve a settlement is significant. Not only were the Debtors' fees and costs covered by insurance as stated below, but the Debtors had little incentive to settle because the pool of funds from which an adverse judgment would have come is limited and exists only to be divided up among creditors.

36. The size of the fund (including not just $1,600,000 to be awarded to the Holdings Designated Subclass but also $1,156,900 to be awarded to the MFGI Designated Subclass) and the concomitant inclusion of a total of 1,150 people in the Class rather than just the 155 people in the Holdings Designated Subclass had everything to do with Class Counsel's skill and continued effort to litigate the single employer issue.

37. But for the work of Class Counsel and their willingness to bear the entire risk of bringing this litigation to fruition, Class Members likely would receive nothing on their claims.

38. Class Counsel believe that awarding them their requested fees is particularly appropriate given the circumstances here. In addition to the recovery under this settlement, Class

Counsel pursued a vacation pay class action against MFGI that resulted in the recovery of nearly three million dollars for MFGI class members, many, if not all, of whom are MFGI Designated Subclass members here. They otherwise would not have been compensated. The court did not award any fees in that settlement, in part, because counsel demonstrated their willingness to go beyond the call in vindicating the class members' entitlement to lost vacation pay without taxing them or imposing extra burdens on the estate. In the present situation, awarding Class Counsel their requested fees would not have that result. The Debtors already have committed to paying the $5 million Settlement Fund and it is from this fund that the attorneys' fees would be paid.[3]

39. In addition, the Debtors' defense costs and fees were covered by an insurance policy. This magnified a circumstance often confronted by Class Counsel whereby it has the choice to either try to settle early (to try to receive some reasonable percentage of the fees/costs incurred) or remain committed to the class and litigate as far as would be necessary to achieve a fair and reasonable result for the former employees. Class Counsel made the latter choice. Putting a standard cap on the amount of fees that Class Counsel may obtain would discourage other Class Counsel to make the same choice and might result in premature and possibly inadequate settlements.

40. Finally, as stated above, Class Counsel certainly will not experience a windfall by the Court granting their request for fees. To the contrary, Class Counsel asserts that the lodestar amount is significantly higher than the amount of Class Counsel's Fees requested herein.

[3] Class Counsel believe that it is appropriate for this Court to consider the fact that Class Counsel benefitted the Class not only in the amount of $5 million, but also in the amount of $3 million on the vacation pay claims, for a total of $8 million. Class Counsel's requested fees are only 25% of that amount.

F. Class Counsel is Entitled to Seek Reimbursement of Expenses under the Settlement Agreement

41. In this case, Class Counsel's unreimbursed expenses were incidental and necessary to the representation of the Class Members.

Executed on: May 25, 2016
Philadelphia, Pennsylvania

/s/ Charles A. Ercole
Charles A. Ercole

Exhibit D

Proposed Preliminary Approval Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS, LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

ORDER (A) PRELIMINARILY APPROVING A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; (B) APPROVING THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT AGREEMENT; (C) SCHEDULING A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT; AND (D) GRANTING RELATED RELIEF

Upon consideration of the joint motion (the "Motion") filed by MF Global Holdings Ltd., as Plan Administrator under the confirmed *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF*

Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc. and on behalf of the Debtors (as defined below), and Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles and Arton Sina (the "MFGI Representatives"), on behalf of themselves and as class representatives on behalf of the MFGI Designated Subclass[1], and Scott L. Kisch (the "Holdings Representative" and, together with the MFGI Representatives, the "Class Representatives"), on behalf of himself and as a class representative on behalf of the Holdings Designated Subclass, by and through their respective counsel, pursuant to Section 105 of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 23 of the Federal Rules of Civil Procedure (the "Civil Rules"), made applicable hereto by Bankruptcy Rule 7023, to: (a) preliminarily approve the settlement and release agreement (the "Settlement Agreement" or "Settlement") among Holdings Ltd., MF Global Holdings USA Inc., ("Holdings USA"), and MF Global Finance USA Inc. ("Finance USA", and collectively with Holdings Ltd. and Holdings USA, the "Debtors"), and the Class Representatives (collectively, the "Parties"); (b) approve the form and manner of notice to members of the MFGI Designated Subclass and the Holdings Designated Subclass (together, the "Class Members" or the "Class") of the Settlement Agreement; (c) schedule a fairness hearing (the "Fairness Hearing") to consider final approval of the Settlement Agreement; (d) after the Fairness Hearing, finally approve the Settlement Agreement; and (e) grant related relief; and upon all pleadings filed in connection therewith, including the Ferber Declaration and the Class Counsel Declaration; and it appearing that such relief is in the best interests of the Debtors, the Debtors' estates, the Class Representatives and Class Members, and any other parties in interest; and it appearing that this

[1] Capitalized terms utilized but not otherwise defined in this Order shall have the meanings ascribed to them in the Settlement Agreement.

Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and adequate notice of the Motion having been given under the circumstances; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Settlement Agreement attached to the Motion as Exhibit A is hereby preliminarily approved; and it is further

ORDERED, that the form of Class Notice attached hereto as Exhibit 1 is hereby approved; and it is further

ORDERED, that the form of Notice of Exclusion attached hereto as Exhibit 2 is hereby approved; and it is further

ORDERED, that a Fairness Hearing shall be held in this Court on _____, 2016 at ___ __.m. (Prevailing Eastern Time) to consider final approval of the Settlement Agreement; and it is further

ORDERED, that no Class Member may present an objection to the Settlement Agreement at the Fairness Hearing unless he or she has filed a timely objection that complies with the procedures provided in the Class Notice; and it is further

ORDERED, that the terms set forth in the Settlement Agreement shall have the same force and effect as an order of this Court; and it is further

ORDERED, that the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order; and it is further

ORDERED, that the Parties are authorized to take all steps and execute any additional documents necessary to carry out this Order; and it is further

ORDERED, that the Court shall retain exclusive jurisdiction over this mater and the interpretation and enforcement of this Order.

Dated: _____, 2016

THE HONORABLE MARTIN GLENN
United States Bankruptcy Judge

Exhibit E

Proposed Final Approval Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS, LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

ORDER (A) FINALLY APPROVING A SETTLEMENT AGREEMENT BETWEEN TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, AND SCOTT L. KISCH, ON BEHALF OF THEMSELVES AND AS CLASS REPRESENTATIVES ON BEHALF OF THE OTHER CLASS MEMBERS, AND MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA INC., AND MF GLOBAL FINANCE USA INC.; AND (B) GRANTING RELATED RELIEF

Upon consideration of the joint motion (the "Motion") filed by MF Global Holdings Ltd., as Plan Administrator under the confirmed *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global*

Market Services LLC, and MF Global Holdings USA Inc. and on behalf of the Debtors (as defined below), and Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles and Arton Sina (the "MFGI Representatives"), on behalf of themselves and as class representatives on behalf of the MFGI Designated Subclass[1], and Scott L. Kisch (the "Holdings Representative" and, together with the MFGI Representatives, the "Class Representatives"), on behalf of himself and as a class representative on behalf of the Holdings Designated Subclass, by and through their respective counsel, pursuant to Section 105 of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 23 of the Federal Rules of Civil Procedure (the "Civil Rules"), made applicable hereto by Bankruptcy Rule 7023, to: (a) preliminarily approve the settlement and release agreement (the "Settlement Agreement" or "Settlement") among Holdings Ltd., MF Global Holdings USA Inc., ("Holdings USA"), and MF Global Finance USA Inc. ("Finance USA", and collectively with Holdings Ltd. and Holdings USA, the "Debtors"), and the Class Representatives (collectively, the "Parties"); (b) approve the form and manner of notice to members of the MFGI Designated Subclass and the Holdings Designated Subclass (together, the "Class Members" or the "Class") of the Settlement Agreement; (c) schedule a fairness hearing (the "Fairness Hearing") to consider final approval of the Settlement Agreement; (d) after the Fairness Hearing, finally approve the Settlement Agreement; and (e) grant related relief; and upon all pleadings filed in connection therewith, including the Ferber Declaration and the Class Counsel Declaration; and upon the arguments of counsel presented at the Fairness Hearing[; and upon the responses filed with respect to the Motion;] and it appearing that such relief is in the best interests of the Debtors, the Debtors' estates, the Class Representatives and Class Members,

[1] Capitalized terms utilized but not otherwise defined in this Order shall have the meanings ascribed to them in the Settlement Agreement.

and any other parties in interest; and it appearing that this Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and adequate notice of the Motion having been given under the circumstances; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Settlement Agreement attached hereto as Exhibit A is hereby approved on a final basis; and it is further

ORDERED, that the terms set forth in the Settlement Agreement shall have the same force and effect as an order of this Court; and it is further

ORDERED, that the relief granted herein shall not be deemed an admission by the Debtors or the Plan Administrator regarding the validity of other employee-related claims asserted in any individual proofs of claim filed by Class Members; and it is further

ORDERED, that the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order; and it is further

ORDERED, that the Parties are authorized to take all steps and execute any additional documents necessary to carry out this Order; and it is further

ORDERED, that the Court shall retain exclusive jurisdiction over this mater and the interpretation and enforcement of this Order.

Dated: _____, 2016

THE HONORABLE MARTIN GLENN
United States Bankruptcy Judge

Exhibit F

Proposed Class Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS, LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

TO: CERTAIN FORMER TERMINATED EMPLOYEES OF MF GLOBAL HOLDINGS LTD. AND MF GLOBAL HOLDINGS USA INC.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY

A court authorized this Notice. This is not a solicitation.

There is currently pending before the United States Bankruptcy Court for the Southern District of New York (the "Court") a lawsuit entitled *Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, individually, and on behalf of all other similarly situated former employees, v. MF Global Holdings, Ltd., MF Global Holdings USA, Inc., MF Global Finance USA, Inc., et al.*, under adversary proceeding number: 11-02880 (MG) (the "Action" or the "WARN Action").

The parties to the Action have reached a proposed settlement (the "Settlement") pursuant to which, among other things, benefits would be provided to the Class Members, the Class Representatives, the Contributing Non-Plaintiffs, and Class Counsel.[1]

The Court has authorized the sending of this *Notice of Proposed Class Settlement and Fairness Hearing* (the "Notice of Settlement"). You should review this Notice of Settlement carefully as your rights may be affected by the proposed Settlement.

SUMMARY OF THE CLASS

The class members (referred to collectively as the "Class Members" or the "Class," and individually as a "Class Member") in this Action are persons who worked at or reported to the Debtors' Facilities in New York, New York and Chicago, Illinois and were terminated without cause on or about November 4, 2011 or November 11, 2011, or within 30 days of those dates, as the reasonably foreseeable consequence of mass layoffs and/or plant closings, and who are affected employees, within the meaning of the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq., the New York State Worker Adjustment and Retraining Notification Act, the New York Labor Law § 860, et seq., the Illinois Worker Adjustment and Retraining Notification Act, 820 Illinois Compiled Statute §65, et seq., (collectively the "WARN Acts") and any other corresponding law(s), to the extent applicable, which govern layoffs for plant closings, excluding those who timely filed a request to be excluded from the Class.

Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch (the "Class Representatives") brought the Action on behalf of the Class Members. The Class Members are divided into the following two subclasses: the MFGI Designated Subclass and the Holdings Designated Subclass.

DESCRIPTION OF THE ACTION

On October 31, 2011, Holdings Ltd. and Finance USA commenced voluntary cases under chapter 11 of the Bankruptcy Code. On March 2, 2012, Holdings USA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

Between November 11, 2011 and November 14, 2011, the Class Representatives filed three adversary class action complaints against the Debtor, which were later consolidated into this Action.

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[1] Capitalized terms utilized but not otherwise defined herein shall have the meanings ascribed to them in the *Joint Motion Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 7023 and 9019 to: (A) Preliminarily Approve a Settlement Agreement Between Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch, on Behalf of Themselves and as Class Representatives on Behalf of the Other Class Members, and MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc.; (B) Approve the Form and Manner of Notice to Class Members of the Settlement Agreement; (C) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement; (D) Finally Approve the Settlement Agreement after the Fairness Hearing; and (E) Grant Related Relief* (the "Motion"). You may request a copy of the Motion from Class Counsel, Attn: Mary E. Olsen, Esq. at The Gardner Firm, P.C., 210 S. Washington Avenue, Mobile, Alabama 36602, by telephone at (251) 433-8100, by fax to her attention at (251) 433-8181, or by email to molsen@thegardnerfirm.com.

After negotiation and mediation, the Parties have reached a Settlement, subject to final approval by the Court.

At a hearing held on _____, the Court: (i) preliminarily approved the Settlement; (ii) approved this Notice of Settlement, and (iii) scheduled a hearing on _____ in Courtroom 523 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004 to consider final approval of the Settlement (the "Fairness Hearing").

THE PROPOSED SETTLEMENT

The proposed Settlement is set forth in that certain settlement and release agreement, a copy of which is attached as Exhibit A to the Motion (the "Settlement Agreement"). The following description of the proposed Settlement is only a summary and any inconsistency with the terms of the proposed Settlement shall be governed by the terms of the Settlement Agreement. You may request a copy of the Settlement Agreement from Class Counsel, Attn: Mary E. Olsen, Esq. at The Gardner Firm, P.C., 210 S. Washington Avenue, Mobile, Alabama 36602, by telephone at (251) 433-8100, by fax to her attention at (251) 433-8181, or by email to molsen@thegardnerfirm.com.

The principal terms of the proposed Settlement Agreement can be summarized as follows:

a. Settlement Fund: Holdings USA will pay a total of $5,000,000 to Class Counsel or their designee via wire transfer, pursuant to the terms of the Settlement Agreement (the "Settlement Fund"), within five (5) calendar days of the Final Approval Date.

b. Responsibilities of Class Counsel: Class Counsel will be responsible for the administration of the Settlement, including the mailing of notices to all Class Members containing information about the WARN Action, the Settlement Agreement, and the ability to object to the Settlement and procedures with respect thereto (the "Class Notices"), the mailing of Notices of Exclusion, and the appointment and retention of American Legal Claim Services, LLC as "Settlement Administrator" to distribute the Settlement Fund to the Class Members as set forth in the Settlement Agreement and to manage all applicable tax withholdings and reporting.

c. Settlement Administrator: The Settlement Administrator shall be responsible for issuing payment to Class Members and handling all other aspects of the administration of the Settlement, including, but not limited to: (i) the formation of a Qualified Settlement Fund as authorized by Treasury Regulation section 1.486B-1(c) to accept, distribute, and otherwise administer the Settlement; (ii) the determination, subject to Class Counsel's and the Debtors' review and approval, of the payroll tax and withholding amounts for each of the individual payments to each Class Member; (iii) the preparation and mailing of settlement checks to each Class Member; (iv) the withholding, transmittal, and reporting, as appropriate, of all payroll taxes, and preparing and mailing of all W-2 Forms and/or 1099 Forms;

and (v) the processing of returned notices or settlement checks as undeliverable, including re-mailing to forwarding addresses and tracing of current addresses.

d. Class Counsel's Fees and Class Counsel's Expenses: Class Counsel, subject to Bankruptcy Court approval, will receive Class Counsel's Fees in an amount not to exceed $2,000,000 plus Class Counsel's Expenses up to $164,100 as payment in full for their professional fees and expenses in connection with this matter to be paid from the Settlement Fund on the later of thirty (30) business days after the Final Approval Date or submission by Class Counsel of a valid and effective W-9 Form to the Settlement Administrator.

e. Allocation of Settlement Fund: The net pre-tax amount of the Settlement Fund (after being reduced to account for allowed Class Counsel's Fees, Class Counsel's Expenses, and Service Payments) shall be allocated as follows: $1,600,000 for members of the Holdings Designated Subclass and $1,156,900 for members of the MFGI Designated Subclass.

f. Treatment of Residual Funds: If there are any funds in the Settlement Fund remaining for any reason, including Settlement checks that are not deposited, endorsed or negotiated within ninety (90) calendar days of their date of issuance (the "Residual Funds"), these Residual Funds will be held for sixty (60) calendar days (the "Residual Fund Waiting Period") to be used to make distributions to any individual who is subsequently determined to have been eligible to receive a distribution but was not on the Class Member distribution list and/or to make a distribution to the individual who previously opted out of the Class, should that individual choose to rescind her opt-out. Undistributed funds remaining after the Residual Fund Waiting Period shall revert to Holdings USA and the Class Members shall have no further claim to such funds.

g. Service Payments: The Settlement Administrator shall distribute from the Settlement Fund $12,500 to each Class Representative and $2,000 to each Contributing Non-Plaintiff as a one-time Service Payment, to be paid, in addition to and contemporaneously with other distributions from the Settlement Fund described above, within thirty (30) business days after the Final Approval Date.

h. Administration Fee: Class Counsel shall pay the Settlement Administrator all fees and costs of administering the Settlement Fund from the Settlement Fund.

i. Taxes: Payments from the Settlement Fund to Class Members shall be made net of all applicable employment taxes to be withheld from such payments as determined to be due by the Settlement Administrator, including, without limitation, FICA tax and federal, state and local income tax withholding. All applicable employer tax contributions, including, without limitation, the Debtors' share of FICA tax, and federal unemployment tax due, shall be paid by the Debtors to the Settlement Administrator in addition to the Settlement Fund, and shall not be paid out of the Settlement Fund. The Debtors and the Plan Administrator shall not be responsible for (1) any payroll taxes or any federal,

state or local income tax imposed on employees (which taxes shall be properly withheld and remitted to the applicable taxing authorities as required by the Settlement Agreement), (2) any employer tax payments, including, without limitation, the Debtors' share of FICA tax and federal unemployment tax, except to the extent that such taxes shall not have been paid over to the Settlement Administrator by the Debtors in accordance with the Settlement Agreement, (3) any taxes imposed with respect to the payment of attorneys' fees to Class Counsel under the Settlement Agreement, (4) any taxes imposed with respect to the payment of the Service Payments, (5) any taxes imposed with respect to the payment of administration fees to the Settlement Administrator, or (6) any and all taxes imposed on the income and earnings of the Qualified Settlement Fund. Class Counsel shall hold the Debtors harmless from and against any and all taxes, interest, penalties, attorneys' fees and other costs imposed on the Debtors as a result of the Settlement Administrator's failure to timely and accurately compute, prepare and file tax returns and pay any applicable taxes pursuant to the Settlement Agreement.

j. Release By Settlement Class: As of the Final Approval Date, except for any Class Members who timely opted-out of the Class, all Class Members and Contributing Non-Plaintiffs will fully and forever release and discharge the Debtors, the Debtors' estates, the Plan Administrator, and their current and former shareholders and investors, subsidiaries and affiliated entities, any potential "single employer" under the WARN Acts, and their respective officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all Claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity or otherwise, whether known or unknown, anticipated, suspected or disclosed, which the Releasing Parties may now have or hereafter may have against the Released Parties, arising out of the termination of the Class Members' employment within thirty (30) days of November 4, 2011 or November 11, 2011 which relate to or are based on (i) any Claims asserted or that could have been asserted in the WARN Action; and (ii) any alleged violation of the WARN Acts, or any other federal, state, or municipal law or legal claim based on similar factual allegations.

k. Individually Filed Proofs of Claim: Any proof of claim (or portion thereof) filed by a Class Member against the Debtors pertaining to his or her employment on account of any alleged violation of the WARN Acts or any other federal, state, or municipal law or legal claim based on similar factual allegations shall be deemed disallowed and expunged as of the Final Approval Date pursuant to the terms of the Settlement and without further order of the Bankruptcy Court.

l. Acceptance and Effectiveness of the Settlement: The effectiveness of the Settlement Agreement is subject to and contingent upon the entry of an order of the Bankruptcy Court at the Fairness Hearing, reasonably satisfactory to each of

the Parties to the Settlement Agreement, approving the Settlement, and upon such order having become final and non-appealable. The effective date of the Settlement is the Final Approval Date. The Settlement shall be binding upon, and inure to the benefit of the Parties as well as their representatives, heirs, executors, administrators, personal representatives, legal representatives, agents, and attorneys. The Settlement shall not inure to the benefit of any assignees or transferees of the Class Members' claims resolved under the Settlement. Class Members shall not have the power or right to assign Settlement payments under the Settlement Agreement and any such assignment shall be void.

ATTORNEYS' FEES

Class Counsel is seeking the Court's approval of its Class Counsel's Fees, in the amount of $2,000,000, and the reimbursement of its actual expenses up to $164,100 (the "Class Counsel's Expenses"), which will be paid from the Settlement Fund.

CLASS COUNSEL'S RECOMMENDATION

Class Counsel recommends the Settlement as fair, reasonable and adequate for the Class.

FINAL FAIRNESS HEARING

The proposed Settlement will be presented to the Court for final approval at the Fairness Hearing. The Court will, at that time, decide whether the Settlement is fair, reasonable and adequate for the Class Members, and whether the request of Class Counsel for the Class Counsel's Fees and the Class Counsel's Expenses should be approved.

As explained below, you have the right to object to the proposed Settlement, including the Class Counsel's request for attorneys' fees and expenses, and to appear in person at the Fairness Hearing to be heard, or to retain counsel to do so on your behalf.

HOW TO OBJECT

If you are satisfied with the proposed Settlement, including Class Counsel's requested fees and expenses, you need to do nothing and you will receive a payment on account of your WARN claim, net of attorneys' fees and expenses, in accordance with the Settlement Agreement.

If, on the other hand, you believe that the proposed Settlement is unfair or inadequate, or you dispute any of the information concerning your employment or pay, or that Class Counsel's Fees should not be approved, you may object to the Settlement and/or the request for Class Counsel's Fees. Objections must be made in writing, stating in detail the reasons therefor, and must be **FILED** with the Clerk of the Bankruptcy Court, with paper copies delivered to Bankruptcy Judge Martin Glenn's Chambers, and **MAILED** to: (i) Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10023, Attn: Melissa A. Hager, Esq., as counsel for MF Global Holdings Ltd., as Plan Administrator; (ii) Outten & Golden LLP, 3 Park Avenue, 29th Floor, New York, New York 10016, Attn: Jack A. Raisner, Esq. and René S. Roupinian, Esq., as co-counsel for the Plaintiffs and the Certified Class; (iii) Klehr Harrison Harvey Branzburg LLP,

1835 Market Street, Suite 1400, Philadelphia, Pennsylvania 19103, Attn: Charles A. Ercole, Esq. and Lee Moylan, Esq., as co-counsel for the Plaintiffs and the Certified Class; and (iv) The Gardner Firm, P.C., 210 S. Washington Avenue, Mobile, AL 36602, Attn: Mary E. Olsen, Esq., as co-counsel for the Plaintiffs and the Certified Class, so that such Objections are actually received by the aforementioned parties not later than **[_____] at 4:00 p.m.** (the "Objection Deadline"), which is **[30]** calendar days after the date of this Notice of Settlement. Objections must include the above adversary proceeding name and number, your name, address and telephone number, together with the basis for your objection. Any objection must be in writing and timely submitted or else it is waived.

You may also retain your own attorney should you so desire. You or your counsel must also appear at the Fairness Hearing when the Court considers your objection and final approval of the Settlement.

No Class Member may present an objection at the Fairness Hearing unless he or she has filed a timely objection that complies with the procedures provided in this section. If you or your attorney do not timely object, the Court may decide that you do not oppose the relief sought and it may enter an order approving the Settlement on a final basis.

OTHER INFORMATION

If you have any questions, please do not write to or call the Court or counsel for the Plan Administrator. Any questions you may have concerning the proposed Settlement should be directed to Class Counsel, Attn: Mary E. Olsen, Esq. at The Gardner Firm, P.C., 210 S. Washington Avenue, Mobile, Alabama 36602, by telephone at (251) 433-8100, by fax to her attention at (251) 433-8181, or by email to molsen@thegardnerfirm.com.

This Notice of Settlement does not reflect any opinion of the Court regarding the claims or defenses of the Parties.

Requests for more information should be made by phone, email or first class mail to Class Counsel as identified above.

Date of Notice: _____, 2016

Exhibit G

Proposed Notice of Exclusion

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
	:	**(Jointly Administered)**
Debtors.	:	
TODD THIELMANN, PIERRE-YVAN DESPAROIS, NATALIA SIVOVA, SANDY GLOVER-BOWLES, ARTON SINA, and SCOTT L. KISCH, Individually, and on Behalf of All Other Similarly Situated Former Employees,	:	
Plaintiffs,	:	
	:	Adv. Pro. No. 11-02880 (MG)
v.	:	
MF GLOBAL HOLDINGS LTD., MF GLOBAL HOLDINGS USA, INC., MF GLOBAL FINANCE USA, INC., *et al.*,	:	
Defendants.	:	

NOTICE TO EXCLUDED CLAIMANTS

Between November 11, 2011 and November 14, 2011, Todd Thielmann, Pierre-Yvan Desparois, Natalia Sivova, Sandy Glover-Bowles, Arton Sina, and Scott L. Kisch (collectively, the "Plaintiffs" or "Class Representatives") filed a class action (the "Class Action") under the federal Worker Adjustment and Retraining Notification Act, the New York State Worker Adjustment and Retraining Notification Act, the New York Labor Law, and the Illinois Worker Adjustment and Retraining Notification Act (collectively, the "WARN Acts") against MF Global Holdings Ltd., MF Global Holdings USA Inc., and MF Global Finance USA Inc., which are debtors in jointly administered chapter 11 cases before the Bankruptcy Court (collectively, the "Defendants" or "Debtors"). Plaintiffs claim that Defendants, among other things, were a "single employer" under the WARN Acts and that Plaintiffs, along with other similarly situated

employees, were laid off in violation of the WARN Acts because they did not receive at least 60 days' written notice in advance of their termination dates.

On September 8, 2015, the Bankruptcy Court certified a class in the Class Action (the "Class") divided into the following two subclasses:

The MFGI Designated Subclass: All persons (numbering more than 1000) on the Debtors' internal company spreadsheet generated on or about October 27, 2011 (the "Oracle 10/27 List") designated with the entity MF Global Inc. who were terminated without cause on or about November 11, 2011 or within 30 days of that date, and who (i) are affected employees, within the meanings of the WARN Acts, (ii) have not previously released WARN Acts claims against any MF Global entity, and (iii) have not filed a timely request to opt out of the Class.

The Holdings Designated Subclass: All persons (numbering more than 100) on the Oracle 10/27 List designated with the entity MF Global Holdings Ltd. or MF Global Holdings USA Inc. who were terminated without cause on or about November 4, 2011 or within 30 days of that date, and who (i) are affected employees, within the meanings of the WARN Acts, (ii) have not previously released WARN Acts claims against any MF Global entity, and (iii) have not filed a timely request to opt out of the Class.

You were identified as a potential member of the MFGI Designated Subclass, according to company designations on the Oracle 10/27 List, and were mailed a class notice on September 25, 2015. **Since that time, however, and during the negotiation of a proposed settlement of the Class Action, Defendants discovered records indicating that you do not fall within the Class definition because you either previously released WARN Acts claims against any MF Global entity or were an unpaid intern**. As such, you are not a member of the Class and you are not represented by the Class Representatives in the Class Action.

If you object to your exclusion from the Class, you may do so by contacting class counsel no later than _____ by either (i) first-class mail at the following address: The Gardner Firm, P.C., 210 S. Washington Ave., Mobile, Alabama 36602, Attn: Mary E. Olsen Esq., or (ii) facsimile to Mary E. Olsen at facsimile number (251) 434-8259.

If it is finally concluded that you are not a member of the Class, you will not be bound by the outcome of the Class Action and will receive no benefits from the Class Action.

Although the Bankruptcy Court has approved the sending of this Notice, that does not indicate, and is not intended to indicate, that the Bankruptcy Court has any opinion as to the respective claims or defenses asserted by the parties in the Class Action.

If you have any questions regarding this Notice, you should contact class counsel, not the Bankruptcy Court.