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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	x	Chapter 11
	:	
In re	:	Case No. 11-15059 (MG)
	:	
MF GLOBAL HOLDINGS LTD., et al.,	:	(Jointly Administered)
	:	
Debtors.¹	:	
	:	
	:	
-----	X	

**MOTION PURSUANT TO RULE 9019 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN
ORDER APPROVING THE SETTLEMENT AGREEMENT AMONG THE PLAN
ADMINISTRATOR, THE TRUSTEE OF THE LITIGATION TRUST, INDIVIDUAL
DEFENDANTS, SAPERE CTA FUND, L.P., AND THE CUSTOMER REPRESENTATIVES**

¹ The debtors in the chapter 11 cases (the “Chapter 11 Cases”) are MF Global Holdings Ltd.; MF Global Finance USA Inc.; MF Global Capital LLC; MF Global Market Services LLC; MF Global FX Clear LLC; and MF Global Holdings USA Inc. (collectively, the “Debtors”). The Court entered an order of final decree closing the chapter 11 cases of MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services LLC on February 11, 2016.

TABLE OF CONTENTS

I.	PRELIMINARY STATEMENT	2
II.	JURISDICTION	7
III.	BACKGROUND	7
	<i>The Chapter 11 Cases</i>	<i>7</i>
	<i>Claims Pending in the MDL Resolved by the Settlement.....</i>	<i>10</i>
IV.	RELIEF REQUESTED.....	18
V.	ARGUMENT.....	19
VI.	NOTICE.....	23
VII.	NO PRIOR REQUEST.....	24

Table of Authorities

	Page
CASES	
<u>Cosoff v. Rodman (In re W.T. Grant Co.)</u> , 699 F.2d 599 (2d Cir. 1983).....	18
<u>In re Chemtura Corp.</u> , 439 B.R. 561 (Bankr. S.D.N.Y. 2010).....	18
<u>In re Drexel Burnham Lambert Group, Inc.</u> , 134 B.R. 499 (Bankr. S.D.N.Y. 1991).....	18
<u>In re MF Global Holdings Ltd. Inv. Litig. (Deangelis v. Corzine)</u> , 998 F. Supp. 2d 157 (S.D.N.Y. 2014).....	9, 10
<u>In re MF Global Inc.</u> , No. 11-2790 (MG), 2012 WL 3242533 (Bankr. S.D.N.Y. Aug. 10, 2012).....	18, 19
<u>In re Trinsum Grp., Inc.</u> , No. 08-12547-MG, 2013 WL 1821592 (Bankr. S.D.N.Y. Apr. 30, 2013).....	19, 21
<u>JP Morgan Chase Bank, N.A. v. Charter Commc'ns Operating LLC (In re Charter Commc'ns)</u> , 419 B.R. 221 (Bankr. S.D.N.Y. 2009).....	18
<u>Motorola, Inc. v. Official Committee of Unsecured Creditors (In re Iridium Operating LLC)</u> , 478 F.3d 452 (2d Cir. 2007).....	19
<u>Nellis v. Shugrue</u> , 165 B.R. 115 (S.D.N.Y. 1994).....	18
<u>Quigley Co., Inc. v. Angelos (In re Quigley Co., Inc.)</u> , 676 F.3d 45 (2d Cir. 2012).....	19, 21
<u>Tavakoli v. Corzine (In re MF Global Holdings Ltd.)</u> , 507 B.R. 808	10
<u>TMT Trailer Ferry, Inc. v. Anderson</u> , 390 U.S. 414 (1968).....	19
STATUTES	
11 U.S.C. § 105(a)	21
11 U.S.C. § 350(a)	7

11 U.S.C. § 1106.....6
11 U.S.C. § 1123(b)(3)(B).....6
28 U.S.C. § 157(b).....5
28 U.S.C. § 1334.....5
28 U.S.C. §§ 1408 and 1409.....5
Commodity Exchange Act of 1936.....2, 9, 10

RULES

Fed. R. Bankr. P. 1015.....5
Fed. R. Bankr. P. 1015(c) and 9007.....21
Fed. R. Bankr. P. 9019.....1, 4, 12

MF Global Holdings Ltd. (“MFGH”), as Plan Administrator (“Plan Administrator”) under the *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* (D.I.² 1382) (the “Plan”)³ confirmed in the above-referenced chapter 11 cases, on behalf of itself and its affiliates, including MF Global Assigned Assets LLC (“MFGAA”), and Nader Tavakoli, Trustee of the MF Global Litigation Trust created pursuant to the Plan (the “Litigation Trustee”; together with the Plan Administrator, “Movants”) respectfully submit this motion (the “Motion”) for the entry of an order substantially in the form attached hereto as Exhibit A (the “Proposed Order”) pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for approval of a settlement and compromise (the “Settlement”) pursuant to that certain Stipulation and Agreement of Settlement dated as of July 6, 2016 (the “Settlement Agreement”), a redacted version of which is attached hereto as Exhibit B,⁴ among (i) MFGAA, as assignee of certain claims, rights, and interests of MF Global Inc. (“MFGI”); (ii) MFGH; (iii) the Litigation Trustee (together with MFGAA and MFGH,

² Citations to “D.I.” refer to docket items in the main bankruptcy case of MFGH, Case No. 11-15059. Citations to “MDL D.I.” refer to docket items in the consolidated MDL proceeding *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) (the “MDL”). Citations to “SIPA D.I.” refer to docket items in the SIPA liquidation of MF Global Inc., which was proceeding before the Bankruptcy Court as Case No. 11-02790 before it was closed on April 4, 2016. Citations to “Adv D.I.” refer to docket items in Adversary Proceeding Number 13-01333 (Bankr. S.D.N.Y.). Citations to “Section 105 Adv. D.I.” refer to docket items in Adversary Proceeding Number 15-01362 (Bankr. S.D.N.Y.).

³ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

⁴ The Motion, together with the supporting Declarations and a redacted version of the Settlement Agreement, are filed publicly. For the sake of completeness, Movants will be filing separately a motion to provide the Court with the unredacted version of the Settlement Agreement under seal, as required by the Settlement Agreement. See *Motion for an Order Authorizing the Filing Under Seal of Certain Exhibits to the Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order to Approve the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P. and the Customer Representatives*, to be filed concurrently with this Motion (“Motion to Seal”). Movants have also prepared a *Confidential Supplement to Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure For Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives* (the “Supplement”), to be provided to the Court with the Unredacted Settlement Agreement once an order permitting the filings under seal is entered.

the “MFG Plaintiffs”); (iv) the Customer Class Representatives;⁵ (v) Sapere CTA Fund, L.P. (“Sapere”), and, together with the MFG Plaintiffs and the Customer Class Representatives, the “Plaintiffs”); (vi) Jon S. Corzine (“Corzine”), Bradley Abelow (“Abelow”), and Henri Steenkamp (“Steenkamp” and, together with Corzine and Abelow, the “Litigation Trust Action Defendants”); and (vii) David Dunne (“Dunne”), Vinay Mahajan (“Mahajan”), and Edith O'Brien (“O'Brien” and, together with the Litigation Trust Action Defendants, Dunne, and Mahajan, the “Defendants.” The Plaintiffs and Defendants are collectively referred to herein as the “Settling Parties”). In support of this Motion, Movants submit the accompanying Declaration of Erik M. Graber Dated July 20, 2016 (“Graber Decl.”) attached hereto as Exhibit C and the Declaration of Nader Tavakoli dated July 20, 2016 (“Tavakoli Decl.”) attached hereto as Exhibit D, and state as follows:

I. PRELIMINARY STATEMENT

1. This motion seeks approval of another significant milestone in these chapter 11 cases⁶: a global settlement of all claims held by the MFG Plaintiffs against the Defendants in actions currently pending in the MDL that will result in a gross recovery to the estates (before certain fees and costs) of at least \$132 million (Graber Decl. ¶ 5), entered simultaneously with the Settling Parties’ resolution or establishment of reserves for the remaining claims pending against certain Defendants. The estate-related MDL claims resolved are: (i) the Litigation Trust Claims asserted by the Litigation Trustee in the Litigation Trust Action against the Litigation

⁵ The “Customer Class Representatives” are the parties appointed as lead plaintiffs in the class action cases alleging violations of the Commodity Exchange Act and associated regulations, all of which were consolidated for pre-trial purposes into the case captioned Deangelis v. Corzine, No. 11-cv-7866 (S.D.N.Y.) (VM) and In re MF Global Holdings Ltd. Investment Litigation, No. 12-md-2338 (VM). On August 20, 2015, the District Court entered its Decision and Order granting the class certification motion of the Customer Class Representatives, certifying a class of former commodities and securities customers of MFGI (the “Customer Class”), and appointing Co-Lead Class Counsel (“Class Counsel”). (MDL D.I. 981).

⁶ The descriptions of the provisions of the Settlement provided herein are provided solely for the benefit of the Court and in conjunction with the application of relevant legal standards. Any discrepancy between this Motion and the Settlement Agreement is inadvertent, and the executed Settlement Agreement will control.

Trust Action Defendants; and (ii) the net equity shortfall claims asserted against all Defendants brought by the Customer Class Representatives on behalf of former customers of MFGI (the “Net Equity Claims”) which, through a series of assignments, are now owned by MFGAA.⁷ The Settlement Agreement also embodies the Settling Parties’ resolution of (i) the Customer Class Representatives’ claims against the Defendants to the extent that such claims were retained by the class and not assigned to MFGAA (the “Customer Class Interest Claims”), which are the subject of a separate District Court approval process for the Customer Class Distribution;⁸ and (ii) the action brought by Sapere against the Defendants, which Sapere retained by opting out of the Customer Representative Class (the “Sapere Action”).⁹ Although the Settlement does not resolve the action brought by the CFTC against Corzine and O’Brien (the “CFTC Action”), it

⁷ On September 10, 2012, the SIPA Trustee and the Customer Representatives entered into the CCAA, assigning claims on behalf of the former customers and of the estate of MFGI to the Customer Representatives. See MDL D.I. 375; SIPA D.I. 3764. On October 2, 2013, the Customer Representatives agreed to assign the Net Equity Claims to the SIPA Trustee in consideration of the advance of general estate funds sufficient to satisfy former customer net equity claims in full in the SIPA case. See SIPA D.I. 7208; MDL D.I. 697. On July 24, 2015, the Plan Administrator and the SIPA Trustee agreed to an assignment of the Net Equity Claims, among other things, to the Plan Administrator or its designee, pursuant to a Sale and Assumption Agreement. See Sale and Assumption Agreement § 1.1(a), MDL D.I. 996 Ex. A, D.I. 2114 Ex. B, SIPA D.I. 8827 Ex. B. The Sale and Assumption Agreement was approved by the Bankruptcy Court on August 19, 2015. (DC ECF 2123; SIPA 8855). It should also be noted that the Settlement releases the funding E&O Policies (but not any Dissenting Insurers, including the Identified Dissenters’ Policies) from certain direct claims for losses as a result of the net equity shortfall lodged against the E&O Policies held by MFGH and MFGAA. See Graber Decl. ¶ 7.

⁸ The District Court has already granted preliminary approval, approved the form of notice to the class, and scheduled a hearing on final approval of the Customer Class Distribution for September 16. See *Order Granting Preliminary Approval of the Final Customer Settlement with the Individual Defendants, Approving the Proposed Notice to the Class, and Setting a Schedule for Final Approval*, attached as Exhibit E (MDL D.I. 150). See also, Letter regarding request for preliminary approval of the final customer settlement, dated July 13, 2016, filed by the Customer Counsel, attached as Exhibit F (MDL D.I. 149) (“Co-Lead Counsel submit this letter motion to request that the Court: (i) grant an order preliminarily approving the portion of the Global Settlement that resolves the Customer Interest Claims . . . – which, due to the Net Equity Settlement and Assignment Agreement . . . is the only remaining portion of the Global Settlement that requires approval under Federal Rule of Civil Procedure 23(e).”).

⁹ The Settlement does not resolve the action brought by the Plan Administrator against PricewaterhouseCoopers LLP, Case No. 14-cv-02197 in the United States District Court for the Southern District of New York (the “PWC Action”), claims against Dissenting Insurers, or certain claims made or proof of loss submitted by any of the MFG Plaintiffs against the Fidelity Bond Insurers under the Fidelity Bonds. See Settlement, Definitional ¶¶ (fff); (ggg); (dddd).

establishes two reserves, one for Corzine and one for O'Brien, to fund their respective defense and/or settlement of the CFTC Action.¹⁰

2. The Settlement provides closure and maximizes recoveries to the estates' creditors by shutting down the extremely costly and complex MDL litigation and thereby avoiding further depletion of the D&O and E&O Policies to fund the Defendants' defense costs. This Settlement was the product of months of intensive arms' length settlement negotiations and mediations, and represents a comprehensive resolution of the MFG Plaintiffs' remaining claims against Defendants which, in turn, was inextricably intertwined with the Defendants' final resolution of their rights as Insureds under the debtors' D&O and E&O Policies as well as a resolution of MFGH and MFGAA's direct claims against the E&O Insurers (except for the Dissenting Insurers). (Graber Decl. ¶ 7).

3. The primary component of the Defendants' financial consideration under the Settlement Agreement is the obligation to pay (or cause to be paid) Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with the Settlement Agreement. (Settlement Agreement ¶ 1(a)). The Defendants' Financial Obligation, as calculated in accordance with the Settlement Agreement (Settlement Agreement ¶ 1 (a)), is currently \$184,058,725.74,¹¹ representing the total amount of the limits remaining in the D&O Policies and the E&O Policies on the Execution Date, comprised of E&O and excess E&O proceeds totaling \$118,128,771.52 and D&O proceeds of \$40,929,954.22 committed to the Settlement,

¹⁰ The amounts of the reserves established for the resolution of the CFTC Action and Sapere Action are confidential and not disclosed herein. See Motion to Seal ¶ 12. Disclosure of such amounts could prejudice the bargaining positions of the parties in the still-pending CFTC Action and any opt-out actions and because these amounts are not part of the recovery flowing directly to the MFG Plaintiffs as part of the Settlement, and so these amounts are not relevant to the request for approval under Rule 9019. (E.g., Graber Decl. ¶¶ 4-5 n.8-9).

¹¹ Under the Settlement Agreement, Defendants' Financial Obligation is to be reduced by the amount of certain Defendants' fees and costs covered by the D&O Policies in connection with finalizing the Settlement and the fees and costs of Corzine and O'Brien paid in defense of the CFTC Action (which are also then deducted from the confidential CFTC Corzine Reserve and CFTC O'Brien Reserve). (Settlement Agreement Definitional ¶ (qq)).

plus the policy limits on the Identified Dissenters' Policies totaling an additional \$25 million, as to which the Defendants are providing an irrevocable assignment of rights. (Graber Decl. ¶ 4; Settlement Agreement at 13 n.3).

4. More specifically, the Settlement provides for the Defendants to cause the contribution of all remaining insurance proceeds under certain funding agreements entered into concurrently with the Settlement Agreement, expected to total approximately \$159 million,¹² and the assignment to the MFG Plaintiffs of Defendants' rights against the Identified Dissenters' Policies (and any insurer that does not pay the limits of its policies towards the Settlement)(the "Dissenting Insurers"),¹³ as well as confidential personal financial contributions by certain individual defendants. (Graber Decl. ¶ 4 n.8). The gross proceeds contributed to the Settlement Fund will be reduced by certain costs and payments required under the Settlement, including payments for settlement of the Customer Class Interest Claims and the Sapere Action, and the funding of the aforementioned reserves for defense and/or settlement of the CFTC Action.¹⁴ As set forth in the Graber Declaration, the MFG Plaintiffs, and ultimately the creditors of the Debtors' estates, stand to receive aggregated gross recoveries in exchange for the settlement of the estates' MDL-related claims of approximately \$132 million, which will be reduced by certain fees and defense costs (including fees and expenses to the Class Counsel as provided by the

¹² This is comprised of E&O and excess E&O proceeds totaling \$118,128,771.52 and D&O proceeds of \$40,929,954.22, but does not include the \$25 million of Identified Dissenters' Policies which are not contributed to the Settlement, subject to certain adjustments. (Settlement Agreement at 13 n.3; supra n.11). The Settlement also provided for certain confidential personal contributions by certain defendants, identified only as the Group A Defendants. The effect of these contributions into the Settlement is disclosed in a net figure with the confidential carve-outs for the settlements of other actions to avoid violating the strict confidentiality required by the Settlement Agreement while still providing disclosure of the total recoveries anticipated for the MFG Plaintiffs from the Settlement. (See Graber Decl. ¶ 5).

¹³ By providing for the assignment to the MFG Plaintiffs of rights held by Defendants against holdout insurers, the Settlement streamlines the resolution of disputes involving dissenting insurers without prolonging the MDL or rewarding recalcitrant carriers.

¹⁴ Amounts funded to the respective CFTC reserve that remain after payment of defense costs and the final resolution of the CFTC Action against either Corzine or O'Brien will be distributed to MFGAA for distribution to creditors. (Settlement Agreement ¶ 10 (a)(iii) and 10(b)(ii)).

Settlement Agreement ¶¶ 8, 14),¹⁵ and which could be supplemented by additional recoveries against Dissenting Insurers or amounts not spent from the CFTC Reserves.¹⁶ (See Graber Decl. ¶ 6).

5. Although the MFG Plaintiffs are not required by the terms of the Plan or the Litigation Trust Agreement to proceed under Bankruptcy Rule 9019 or otherwise obtain Court approval in connection with the disposition or liquidation of the causes of action held by the MFG Plaintiffs,¹⁷ they are required by the CCAA and the Settlement Agreement to seek certain approvals from the Bankruptcy Court or the District Court as described more fully herein. (See *infra* ¶¶ 36-38).¹⁸ Moreover, the claims liquidated and released by the Settlement are among the most significant remaining assets of these estates, and the orderly implementation of the Settlement will have a significant impact on the remaining administration of the Plan and the distribution of assets to creditors on account of allowed claims. Furthermore, Bankruptcy Court relief is also required to ensure that any acts required by or consistent with the Settlement do not violate the plan injunction (the “Plan Injunction”) established pursuant to paragraph 75 in the *Order Confirming Amended and Restated Joint Plan of Liquidation* entered by this Court on

¹⁵ The amount of fees and expenses to be awarded to Customer Counsel is subject to District Court approval after notice and hearing (Settlement Agreement ¶¶ 8, 14).

¹⁶ This estimated recovery is tied to a number of factors, including the outcome of any proceedings involving the E&O Dissenters, the CFTC actions pending in the MDL (see *supra* n.11), and the approved amount of fees and expenses for the Customer Representatives, as discussed more fully herein. As with all estimates involving litigation and proposed settlements, any gross recoveries or projected ranges are not a guaranteed recovery but is provided only to indicate the MFG Plaintiffs' reasonable estimate of the estates' aggregate anticipated projected recoveries under the contemplated Settlement, assuming it goes final.

¹⁷ Court approval of post-confirmation settlements is not required by the Plan or the Order Confirming Amended and Restated Joint Plan of Liquidation (D.I. 1288) (the “Confirmation Order”). (See Plan at 34-35 § IV.C.iii; Confirmation Order at 20-21 ¶ 34). Similarly, the Litigation Trust Agreement, filed as an exhibit to the Second Amended Plan Supplement (D.I. 1353) grants the Litigation Trustee the power to enter into compromises and settlements, among other things, without court approval. (D.I. 1353 Section 1.7).

¹⁸ The parties agreed in the Settlement Agreement to seek both Bankruptcy Court approval and, as relevant to the Customer Action, District Court approval of the Settlement. (See Settlement Agreement ¶¶ 13-14). In addition, the Amended and Restated Continuing Cooperation and Assignment Agreement between the Customer Representatives and MFGI (Ex. A to SIPA D.I. 3764) (the “CCAA”), which was among the agreements assigned to MFGAA, provides for the parties to seek Bankruptcy Court and District Court approval of the resolution of the Net Equity Claims and any class claims. (See SIPA D.I. 3764 Ex. A at 3 § 2; see also MDL D.I. 375, to which SIPA D.I. 3764 is appended as Ex. A).

April 5, 2013, and to enjoin any acts by non-parties to the Settlement Agreement to interfere with its implementation.¹⁹ Accordingly, the Movants hereby seek entry of the Proposed Order granting this Court's approval of the Settlement.

6. It should be noted that this motion is limited to approval of the proposed Settlement as a reasonable compromise of the MFG Plaintiffs' claims against Defendants. The allocation among the MFG Plaintiffs of proceeds recovered under the settlement will be the subject of a separate motion to be filed in this Court to provide creditors with notice and an opportunity to be heard once the Settlement has been approved and the funds are deposited into the Settlement Fund. (E.g., Graber Decl. ¶ 6 n.11).

II. JURISDICTION

7. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

8. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

III. BACKGROUND

The Chapter 11 Cases

9. On October 31, 2011, Holdings Ltd. and Finance USA filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On December 19, 2011, MFG Capital, FX Clear and MFG Market Services filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. On March 2, 2012, Holdings USA filed a voluntary petition in this Court for relief under chapter 11 of the

¹⁹ The Movants and MF Global Assurance Company Ltd. have filed a Notice of Presentment seeking entry of the *Stipulation and Order Regarding Limited Relief from the Plan Injunction to Permit Payments under Certain Errors and Omission Insurance Policies* (the "Plan Injunction Modification Order") (see D.I. 2269) to obtain relief from the Plan Injunction for the payments to be made from the E&O Policies under the Settlement toward the Initial Limits Payment. Movants ask that the Court enter this Plan Injunction Modification Order on the Notice of Presentment to avoid any delay in funds being placed into the Settlement Fund once the Settlement is approved since the Settlement Agreement requires that the order modifying the Plan Injunction to permit these payments be final as a condition to the Initial Limits Payment being made by the funding insurers. (Settlement Agreement ¶ 1(a)(iv)).

Bankruptcy Code.

10. The Debtors' cases (collectively, the "Chapter 11 Cases") are jointly administered pursuant to Bankruptcy Rule 1015(b) (D.I. 19, 298, 528).

11. On November 28, 2011, December 27, 2011, and March 8, 2012, Louis J. Freeh (the "Chapter 11 Trustee") was appointed as the chapter 11 trustee for Holdings Ltd. and Finance USA, MFG Capital, FX Clear and MFG Market Services, and Holdings USA, respectively. (D.I. 170, 306, 548).

12. On April 5, 2013, the Court entered an order (D.I. 1288) (the "Confirmation Order") confirming the *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.* On May 2, 2013, the Court entered an order approving certain nonmaterial modifications to the confirmed plan which are reflected in the Plan (D.I. 1376).

13. The Effective Date of the Plan occurred on June 4, 2013. As of the Effective Date, Holdings Ltd. became the Plan Administrator under the Plan. Also as of the Effective Date, pursuant to the Confirmation Order, the Chapter 11 Trustee fulfilled all of his duties under section 1106 of the Bankruptcy Code and, accordingly, was discharged from all further obligations.

14. Pursuant to section IV.C of the Plan, the Plan Administrator's duties and powers include, among other things, reviewing, reconciling, enforcing, collecting, compromising, settling, or electing not to pursue any or all causes of action. (See Plan § IV.C.iii). Pursuant to the Plan and § 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator retained "any claims, demands, rights and Causes of Action that any Debtor or Estate may hold against any Person or Entity to the extent not released otherwise, all of which are included within Property of

the Estate,” other than claims transferred into the Litigation Trust. (Plan § IV.G).

15. The claims transferred into the Litigation Trust (the “Litigation Trust Claims”) are defined by the Plan as “the claims set forth in the complaint entitled ‘Louis J. Freeh, as Chapter 11 Trustee of MF Global Holdings Ltd., et al. v. Jon S. Corzine, et al.,’ Adversary Proceeding Number 13-01333 (Bankr. S.D.N.Y.), as it may be subsequently modified, amended, or supplemented,” (as amended by Adv. D.I. 22, the “Litigation Trust Complaint”), “and any claims arising out of or related to the facts or circumstances alleged in the complaint or set forth in the Report of Louis J. Freeh, as Chapter 11 Trustee of MF Global Holdings Ltd., et al., dated April 3, 2013 [Docket No. 1279].” (See Plan § I.A.100). On January 14, 2014, the District Court withdrew the reference of the adversary proceeding commenced by the Litigation Trust Complaint, (MDL D.I. 622), and on February 11, 2014, the District Court ordered that it be consolidated with the actions proceeding in the MDL (MDL D.I. 643).

16. On August 19, 2015, this Court entered an order approving the sale by the SIPA Trustee to the Plan Administrator's designee of substantially all assets and claims held by the SIPA Trustee or the MFGI estate in exchange for the release of the Plan Administrator's \$1.16 billion allowed claim and assumption of certain obligations of the SIPA Trustee (the “Sale and Assumption Agreement”). (D.I. 2123; SIPA D.I. 8855). In connection with the Sale and Assumption Agreement, the Plan Administrator caused MFGAA to be formed as the designated transferee of the claims and assets transferred under the Sale and Assumption Agreement, including causes of action in the MDL for the Net Equity Claims previously held by MFGI as described more fully below.²⁰

²⁰ On February 10, 2016, the Court entered an order (SIPA D.I. 8960) discharging the SIPA Trustee and closing the MFGI estate. On February 11, 2016, the Court entered an order of final decree (D.I. 2201) under § 350(a) closing the chapter 11 cases of MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services LLC.

Claims Pending in the MDL Resolved by the Settlement

17. As described above, the proposed Settlement resolves the claims brought by the MFG Plaintiffs, Customer Class Representatives, and Sapere against the Defendants. Other claims consolidated in the MDL were brought by the Virginia Retirement System and Her Majesty The Queen In Right of Alberta as representative class plaintiffs (the “Securities Plaintiffs”) against certain of the Defendants and others for violations of securities laws (the “Securities Action”), settlements of which have been reached with all individual defendants in those cases.

18. Both the Litigation Trust Claims and the Customer Class Claims seek compensation for claimed wrongdoing associated with the collapse of MF Global in 2011. The Litigation Trust Complaint seeks damages from the Litigation Trust Action Defendants for alleged breaches of fiduciary duties of care and loyalty in their capacities as officers or board members, as applicable, prior to MF Global's collapse. As set forth in the Declaration of Nader Tavakoli, these damages are asserted to be at least \$2 billion. (See Tavakoli Decl. ¶ 1 n.6). More specifically, Count One of the Litigation Trust Complaint alleges that the Litigation Trust Action Defendants breached their duty of care when, among other things, they failed to adequately inform themselves or others of key financial indicators prior to engaging in a new, risky strategy by making a series of “highly leveraged investments in European sovereign debt instruments using repurchase-to-maturity financing transactions, also known as ‘repo-to-maturity’ or ‘Euro RTM’ transactions.” (Litigation Trust Complaint ¶ 2).

19. Count Two of the Litigation Trust Complaint alleged that the Litigation Trust Action Defendants breached their duty of loyalty to the corporation by acting in bad faith and against the corporation's best interest in connection with MF Global's collapse. The Litigation Trust Complaint alleged that the Litigation Trust Action Defendants did so by “consciously

ignoring known risks” and “concealing the risks from the Board,” by disregarding the guidance of the Board, and by improperly diverting funds from customer accounts to address growing liquidity problems. (Id. ¶ 185).

20. The complaint filed by the Customer Representatives (the “Customer Complaint”) sought recovery for the claimed illegal transfer of funds belonging to MFGI's customers to finance other operations (the “Customer Claims”) in violation of the Commodity Exchange Act of 1936 (the “CEA”) and associated regulations. See Consolidated Amended Class Action Complaint for Violations of the Commodity Exchange Act and the Common Law, MDL D.I. 382; see also In re MF Global Holdings Ltd. Inv. Litig. (Deangelis v. Corzine), 998 F. Supp. 2d 157, 167 (S.D.N.Y. 2014) (granting in part and denying in part defendants' motions to dismiss the Customer Complaint).

21. On March 14, 2014, the District Court approved a settlement and transfer of, *inter alia*, the Net Equity Claims portion of the Customer Claims to the SIPA Trustee pursuant to an October 2, 2013 assignment in exchange for the advance of general estate funds sufficient to repay 100% of Customers’ outstanding net equity. (MDL D.I. 697) (the “Net Equity Settlement”). As part of the Net Equity Settlement, the remaining Customer Class Interest Claims, consisting of claims for pre-judgment interest and/or loss-of-use of funds, were subrogated and subordinated to the Net Equity Claims to ensure recovery of the advances by the general estate.

22. The Net Equity Claims were then transferred with other assets of MFGI to MFGAA pursuant to the Sale and Assumption Agreement as noted above. Consequently, the Plan Administrator, on behalf of MFGAA, now holds the Net Equity Claims, currently valued at

\$484 million.²¹

23. Altogether, the MFG Plaintiffs seek recovery on a variety of legal theories from the Defendants in compensation for their actions in connection with the collapse of MF Global that led to the destruction of the company's enterprise value and the disappearance of \$1.6 billion in customer property, leading to a shortfall in customer net equity. These are well-documented, strong claims supported by considerable factual detail. In partially denying a motion to dismiss the Customer Claims, the District Court noted that "[p]laintiffs' account of the events is compelling." In re MF Global Holdings Ltd. Inv. Litig. (Deangelis v. Corzine), 998 F. Supp. 2d 157, 167 (S.D.N.Y. 2014); see also Tavakoli v. Corzine (In re MF Global Holdings Ltd.), 507 B.R. 808 (S.D.N.Y. 2014) (denying motion to dismiss Litigation Trust Complaint). However, proving the alleged facts and litigating the claims to trial would carry all the attendant risks, costs, and uncertainties of complex litigation.

24. In determining the reasonableness of the Settlement, it should be noted that several countervailing factors unrelated to the merits of the MFG Plaintiffs' claims significantly diminish their value and motivated the approval of the Settlement by the Litigation Trustee and Plan Administrator. Most importantly, the primary sources of funds from which any recovery will ultimately flow are the proceeds of MF Global's directors and officers ("D&O") and errors and omissions ("E&O") insurance policies. (See Tavakoli Decl. ¶ 5; Graber Decl. ¶ 7). These policies are wasting policies with finite total payouts that have funded the Defendants' costs of defense and settlement the MDL. (Tavakoli Decl. ¶ 5; Graber Decl. ¶ 7). By May 2016, in excess of approximately \$97 million in proceeds from the D&O Policies and E&O Policies had

²¹ It should be noted that while the calculated shortfall was reduced to \$484 million due to the SIPA Trustee's diligent recovery efforts, these Net Equity Claims remain unsatisfied and represent the damages claimed by MFGAA on account of its assigned rights. (See Graber Decl. ¶ 7). Under the terms of the Sale and Assumption Agreement, MFGAA will distribute its net recoveries to creditors on account of these claims in the same *pro rata* shares as they would have received from the MFGI estate. (Id. ¶ 1)

been paid out for reimbursement of defense costs.²² (Id.). Any ultimate recovery in litigation from judgments to be satisfied by the D&O and E&O Policies, if the cases were not settled now, would be greatly reduced by the further depletion of the remaining insurance proceeds to fund further defense costs (which include fees and expenses associated with defending against other actions, such as the CFTC Action). In the absence of this Settlement, Movants' own litigation costs through trial and likely appeals are expected to be substantial as well, making the costs of proceeding through trial (since effectively both sides' costs deplete any ultimate recovery) a very real factor in deciding whether the proposed Settlement is fair and equitable and in the best interests of creditors in the business judgment of the Litigation Trustee, the Plan Administrator, and MFGAA. (See Tavakoli Decl. ¶ 8; Graber Decl. ¶ 8).

25. Given the rate at which defense costs have accrued against the proceeds of the D&O and E&O towers thus far, and given the complexity of any ultimate trial, it is reasonable to conclude that litigating the Litigation Trust Claims and Net Equity Claims would use up much of the remaining proceeds in the D&O and E&O towers—evaporating tens of millions in coverage that would no longer be available to pay any ultimate liability. Regardless of the perceived strength of the MFG Plaintiffs' claims, the risks inherent in complex litigation, the costs associated with litigating the cases, and the depletion of insurance proceeds underscore the prudence of the proposed Settlement. (Tavakoli Decl. ¶¶ 5; 8; Graber Decl. ¶ 8). Net of costs and given the uncertainty of collection and the time value of money, it is unlikely that a judgment against the Defendants' personal assets would create any significant value for

²² As described in an order of the Bankruptcy Court entered on November 5, 2015, styled Order Concerning Advances of Defense Costs Under Certain Insurance Policies of the Debtors (D.I. 2154), an agreement was reached permitting approved defense costs to be advanced entirely from proceeds of the D&O Policies, with all parties reserving rights as to the eventual allocation between the E&O Policies and D&O Policies (as in all prior orders permitting payment of defense costs). Since all non-Dissenting Insurer proceeds are being contributed to the Settlement Fund without any reconciliation, the total amount of defense costs paid from proceeds of either the D&O Policies (\$82.6 million) or the E&O Policies (\$14.4 million) as of the filing of this Motion does not purport to represent each tower's actual share of these costs. Graber Decl. ¶ 7 n.15.

beneficiaries of the Litigation Trust or the Debtors' estates, let alone sufficient value to justify not entering the Settlement. (Tavakoli Decl. ¶ 9; Graber Decl. ¶ 8). Accordingly, the MFG Plaintiffs reasonably concluded that it was unlikely that a greater recovery could be achieved by litigating and seeking to recover from Defendants. (Tavakoli Decl. ¶ 9; Graber Decl. ¶ 8). As such, the MFG Plaintiffs pressed for a full policy limits settlement with the Defendants and worked diligently with the Defendants to address all the needed complexities of settling the multi-plaintiff and multi-defendant MDL actions, with these efforts culminating in the November 30 Term Sheet²³ which was then documented in the proposed Settlement after extensive good-faith, arms' length negotiations. (See Tavakoli Decl. ¶ 6; Graber Decl. ¶¶ 4-5).²⁴

26. The Settlement provides for the Plan Administrator and Litigation Trustee to receive a package of financial and contractual obligations that includes full payment of limits under the remaining D&O policies and full payment of limits under all remaining E&O policies, except for certain dissenting E&O insurers who issued direct excess policies (the "Dissenting Insurers"). (Settlement Agreement ¶ 1). With respect to the Dissenting Insurers, the MFG Plaintiffs are receiving an irrevocable assignment from the settling Defendants of their rights against the Dissenters' Policies and against the Dissenting Insurers themselves in connection with or arising from their conduct and non-payment under the Dissenters' Policies. (Settlement

²³ In response to the District Court's request in its Notice of Conference entered December 1, 2015 (MDL D.I. 1040), the District Court and Bankruptcy Court were provided on December 4, 2015 with the redacted and unredacted November 30 Term Sheet for *in camera* review in connection with the motion for joint hearing/reconsideration filed in both courts. D.I. 2169 at 3 ¶ 3, MDL D.I. 1028 at 3 ¶ 3 (Motion for Joint Hearing and for Reconsideration Announcing the Settlement in Principle); D.I. 2171 at 2 ¶ 1, MDL D.I. 1032 at 2 ¶ 1 (Supplement reporting that the November 30 Term Sheet had been executed); D.I. 2176, MDL D.I. 1055 (redacted versions of Reply Brief in support of Motion for Reconsideration, unredacted versions distributed to the Bankruptcy Court and District Court and filed under seal in accordance with the MDL parties' Stipulation and Protective Order Governing Confidentiality of Discovery Material (the "Protective Order") (MDL D.I. 714)).

²⁴ The proposed Settlement includes certain terms, holdbacks, escrows, or reserves that are kept confidential by agreement of the Settling Parties to protect certain bargaining or negotiating positions. (Motion to Seal ¶ 2; 7 Graber Decl. ¶ 4 n.8) (See also Settlement Agreement ¶¶ 12(e), 57 (imposing confidentiality obligations)). As set forth in the Supplement, the Settlement Agreement also requires personal contributions from certain individual defendants, which were the product of intense good faith, arms' length negotiations and are required to be kept strictly confidential. (Graber Decl. ¶ 4 n.8; Tavakoli Decl. ¶ 6 n.9).

Agreement Definitional ¶ 1(c) and Ex. A). In addition, to the extent the full amount of the policies of the Dissenting Insurers is not recovered, the Settlement provides for certain personal contributions from certain of the Defendants (the “Group A Defendants”). (*Id.*)²⁵

27. Under the proposed Settlement, the Customer Class is receiving a \$2 million distribution on account of the Customer Class Interest Claims, with the potential for up to an additional \$3 million if so required by the CFTC as part of a settlement of the claims against Corzine or O’Brien in the CFTC Action. (Settlement Agreement ¶¶ (cc), 7, 10 (a)(ii), 10(b)(i), 10(c)). This distribution is provided in exchange for a release and dismissal of the Customer Class Interest Claims. This distribution is reasonable, even though the Customer Class Interest Claims are subordinated to the Net Equity Claims, to ensure that the Customer Class settlement meets with approval by the District Court and provides for releases required as part of the Settlement for the benefit all parties, including the MFG Plaintiffs.

28. Sapere will also receive financial consideration in a confidential amount in exchange for the settlement of its claims. (Settlement Agreement ¶ 12). The MFG Plaintiffs’ settlement with the Defendants was conditioned on reaching a settlement with Sapere.²⁶

29. The settlement consideration that flows to the MFG Plaintiffs will also be reduced by: (i) the amount of fees and expenses awarded to Class Counsel after notice and hearing in the District Court (Settlement Agreement ¶ 8); (ii) the reasonable fees incurred by Defendants in finalizing the Settlement (Settlement Agreement ¶ 9); and (iii) certain holdbacks allocated for the settlement of the CFTC Action (Settlement Agreement ¶ 10).

30. The value of the total package of settlement consideration to be received by the Plan Administrator and Litigation Trustee is not yet fully known, given the other settlements,

²⁵ The personal contributions are calculated based on a sliding scale that increases if the recovery from Dissenting Insurers decreases. (See Supplement ¶ 6 n.6).

²⁶ The confidential details of Sapere’s distribution are described more fully in the Supplement ¶ 4.

reductions, fees, expenses, and holdbacks in amounts not yet determined, plus the potential recovery from the assigned rights against the Dissenting Insurers. Overall, approximately \$159 million (less certain defense costs as described in n.11, supra) is expected to be paid by D&O and E&O Insurers into escrow accounts created to hold the Settlement Fund. From this amount, \$2,000,000 will be held in a separate account for eventual distribution to the Customer Class on account of the Customer Class Interest Claims, and an as-yet undetermined amount will be held in a separate account for eventual distribution to Class Counsel on account of their fees and expenses. Additional amounts will be paid out for certain accrued or ongoing legal fees of the Defendants. Certain amounts are to be kept confidential, which includes amounts set aside for the Defendants' settlement of the Sapere Action and reserves for Corzine's and O'Brien's defense and/or settlement of the CFTC Action, and other carve-outs agreed to as part of the Settlement. (Graber Decl. ¶ 5). Overall, without accounting for deductions for fees and expenses of Class Counsel or legal fees of the Defendants, the immediate aggregate settlement consideration to the MFG Plaintiffs is estimated to be approximately \$132 million to be allocated between MFGAA and the Litigation Trust at a later date. (See id.).

31. Though the amounts set aside from the Settlement Fund for the resolution of the CFTC Action are fixed, a portion of those amounts that are not applied to defense costs, settlement, or a judgment in the CFTC Actions may ultimately flow to the MFG Plaintiffs, the Customer Class and/or MFGAA once the CFTC Actions are finally resolved without regard to whether the Effective Date of the Settlement has occurred. (See Settlement Agreement ¶¶ 10, 40). However, no other funds in addition to those reserves will be made available to be used for resolution of the CFTC Actions. (Id.) In other words, the Settlement funds set aside for resolution of the CFTC Action are to be used for defense of the CFTC Action, distributed in accordance with the terms of a CFTC settlement, or transferred to MFGAA as described more

fully in the Settlement Agreement. (Id. ¶ 10).

32. Other than proceeds from the Dissenting Insurers, all remaining potential E&O and D&O insurance proceeds have been committed to fund the Settlement—without years of inherently risky and costly litigation for all parties. Moreover, the Defendants’ assignment of their rights against the Dissenting Insurers enables the MFG Plaintiffs to preserve the claims against those insurers²⁷ and any recoveries from such claims will flow to the Debtors’ creditors as well. Finally, the Settlement effectuates a sharing of the risks of continuing litigation for the CFTC Action and with certain of the Defendants undertaking to contribute personal assets depending on the recoveries, if any, from the Dissenting Insurers.

33. In exchange for the settlement consideration, Settling Parties have agreed to mutual releases of all claims related to the Net Equity Claims, the Litigation Trust Claims, the Sapere Action, and the Customer Claims to the extent retained by the Customer Class, along with claims of restitution in the CFTC Action, claims against the Debtors’ estates, and claims related to the proposed Settlement, with certain carve-outs to preserve rights. (See Graber Decl. ¶ 6; Settlement Agreement ¶¶ 18-29).

34. As stated above, this Motion seeks only approval of the proposed Settlement as fair and reasonable under Rule 9019. Other issues, such as the allocation of settlement proceeds between MFGAA and the Litigation Trust, distribution to creditors, and the fees and expenses to be paid to the Customer Class Counsel, in an amount yet to be determined, will be the subject of future motions on notice providing all parties in interest with the opportunity to be heard.

35. In the business judgment of the Plan Administrator, Litigation Trustee, and MFGAA, the aggregate estimated gross amount to be recovered pursuant to the Settlement

²⁷ In addition to rights assigned to them on behalf of the Individual Insureds, MFGH and MFGAA, as the assignee of MFGI, also retain their own direct rights of recovery against these Dissenting Insurers (Graber Decl. ¶ 7).

significantly exceeds the reasonable minimum recovery if the Trustee Claims and the Net Equity Claims were to go to trial, even if they were to result in favorable judgments (never a certain result), given the extreme depletion in E&O and D&O Policies and the limited prospects for ultimately enhancing the overall recoveries by seeking to enforce rights against the Defendants' personal assets. (See Tavakoli Decl. ¶¶ 9-10; Graber Decl. ¶¶ 8-9). Accordingly, entry into the Settlement Agreement constitutes a reasonable exercise of the MFG Plaintiffs' business judgment and is in the best interests of the Litigation Trust's beneficiaries, MFGAA, and the creditors of the estates.

IV. RELIEF REQUESTED

36. The Plan Administrator, Litigation Trustee, and MFGAA seek approval of the Settlement from the Bankruptcy Court in order to ensure that all affected parties have notice and an opportunity to be heard. As noted above at footnote 18, the parties agreed that the Settlement would be subject to this Court's approval, and the CCAA likewise provides for MFGI to obtain Bankruptcy Court and District Court approval of any settlement of the Customer Claims, which obligation has been assumed by MFGAA. (See SIPA D.I. 3764 Ex. A at 3 § 2; see also MDL D.I. 375 (to which SIPA D.I. 3764 is appended as Ex. A)). As such, the MFG Plaintiffs are contractually obligated to seek this Court's approval as well as it being the prudent course of action.

37. Given the importance of the MDL recoveries to the Debtors' estates and creditors' recoveries, as well as the contractual undertakings to seek Court approval, Movants hereby seek entry of an order pursuant to Rule 9019(a) of the Bankruptcy Rules approving the Settlement by and among the Settling Parties. The Settlement represents a consensual and cost-effective resolution of a considerable number of highly disputed issues that have been pending for years and is a far better outcome for the Debtors' creditors than is likely to be achieved by further

litigation, given the rapid depletion of the D&O and E&O Policies, the costs (and risks) of taking cases of this magnitude and complexity to trial, and the unlikely prospects for being able to recover more from the Defendants' personal assets than from the currently available insurance proceeds.

38. To protect the Settlement from collateral attacks, Movants also seek a permanent injunction against interference with the proposed Settlement and against the assertion of claims arising out of or related to the MF Global Actions, including the claims settled here against the Settling Parties.

V. ARGUMENT

39. Rule 9019(a) of the Bankruptcy Rules provides that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise and settlement.” Fed. R. Bankr. P. 9019(a). This rule empowers bankruptcy courts to approve settlements once the court determines the settlement to be “fair, equitable, and in the best interests of the estate.” In re Drexel Burnham Lambert Group, Inc., 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); In re MF Global Inc., No. 11-2790 (MG), 2012 WL 3242533, at *5 (Bankr. S.D.N.Y. Aug. 10, 2012) (“Settlements and compromises are favored in bankruptcy as they minimize costly litigation and further parties' interests in expediting the administration of the bankruptcy estate.”) (internal citations omitted).

40. The settlement need not result in the best possible outcome for the debtor, but must not fall below the lowest point in the range of reasonableness. Id.; In re Chemtura Corp., 439 B.R. 561, 594 (Bankr. S.D.N.Y. 2010); see also Cosoff v. Rodman (In re W.T. Grant Co.), 699 F.2d 599, 608 (2d Cir. 1983).

41. The decision to approve a settlement and compromise lies within the sound discretion of the court. See Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994). In

determining whether to approve a settlement, a court must evaluate all relevant factors and inform itself of “all facts necessary for an intelligent and objective opinion of the probabilities of ultimate success should the claim be litigated,” but is not required to “go so far as to conduct a trial on the terms.” In re MF Global Inc., No. 11-2790 (MG), 2012 WL 3242533 at *5 (internal citations omitted). Although courts have discretion to approve settlements, the business judgment of the debtor in recommending the settlement should be factored into the court's analysis. Id. (citing JP Morgan Chase Bank, N.A. v. Charter Commc'ns Operating LLC (In re Charter Commc'ns), 419 B.R. 221, 252 (Bankr. S.D.N.Y. 2009)). In addition, courts may give weight to the opinion of bankruptcy counsel supporting the settlement. Id.

42. Courts in the Second Circuit consider the following factors in determining whether to approve a settlement under the Bankruptcy Rules: (i) the balance between the litigation's possibility of success and the settlement's future benefits; (ii) the likelihood of complex and protracted litigation, “with its attendant expense, inconvenience, and delay,” including the difficulty in collecting on the judgment; (iii) the relative benefits to be received by creditors of any affected class (iv) whether other parties in interest support the settlement; (v) the competence and experience of counsel supporting the settlement; (vi) “the nature and breadth of releases to be obtained by officers and directors;” and (vii) the extent to which the settlement is the product of arm's length bargaining. In re MF Global Inc., No. 11-2790 (MG), 2012 WL 3242533 at *5 (citing Motorola, Inc. v. Official Committee of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 462 (2d Cir. 2007); TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414 (1968) (decided under the Bankruptcy Act of 1898)). The burden is on the settlement proponent to persuade the court that the settlement is in the best interests of the estate. (Id.)

43. A debtor is free to release its own claims or derivative claims, but third-party releases are only appropriate where they “directly affect the *res* of the bankruptcy estate” and in

unusual circumstances where they are important to the success of a plan or are “integral to [a] global settlement.” (See In re Trinsum Grp., Inc., No. 08-12547-MG, 2013 WL 1821592, at *5-6 (Bankr. S.D.N.Y. Apr. 30, 2013), quoting Quigley Co., Inc. v. Angelos (In re Quigley Co., Inc.), 676 F.3d 45, 53 (2d Cir. 2012)). In Trinsum, third-party releases were approved when they were “dictated by the unique circumstances of the global settlement . . . enabling . . . long-delayed distributions to creditors.” (Id. at *6).

44. The proposed Settlement falls well within the range of reasonableness detailed by the Iridium factors, to the extent such factors are applicable. First, though the claims resolved in the Settlement are believed to be strong claims, the Settlement results in significant, certain, and immediate recoveries on those claims for the Debtors' creditors and avoids lengthy, highly complex, and expensive litigation. Second, litigation of MDL claims has been exceedingly slow and complex thus far. Further litigation would require significant additional time and resources not only from the Plan Administrator, MFGAA, and the Litigation Trustee, but also would continue the depletion of the limited D&O and E&O policy proceeds which would be applied to reimburse Defendants for their defense costs to the detriment of the estates given that D&O and E&O policy proceeds also constitute the most likely source to fund any judgment. Third, the Settlement is in the best interests of all creditors in the Chapter 11 Cases as it liquidates and provides for a certain and substantial recovery on claims held by the Litigation Trust as provided in the Plan and by MFGAA (in which each Debtor holds interests proportionate to their claims in the SIPA Estate). Fourth, the Settling Parties are represented by sophisticated and experienced professionals in connection with the Settlement, all of whom favor the settlement. Fifth, the Settlement is the result of good faith, arm's length bargaining between the various Settling Parties throughout the course of the MDL and bankruptcy cases.

45. In the informed business judgment of the Litigation Trustee, MFGAA, and the

Plan Administrator, the Settlement is fair and equitable, falls well within the range of reasonableness, and benefits the Debtors' creditors by recovering all of the available insurance funds (or assignments against Dissenting Insurers) and requiring some level of personal contributions and risk-sharing with certain of the Defendants. As such, the MFG Plaintiffs submit that the settlement consideration exceeds the amount that would likely be collectable even if litigation were to succeed, while avoiding the risks and costs inherent in continuing lengthy and complex litigation.

46. Furthermore, the permanent injunction requested herein involves claims that directly affect the *res* of the bankruptcy state. The D&O and E&O Policies contributing funds to the proposed Settlement are property of the Debtors' estates and are the primary remaining source of recovery to creditors, as in Trinsum and Quigley. (See Trinsum at *5; Quigley at 58). In addition, the permanent injunction has been requested by insurers as was also the case in Trinsum. (See Trinsum at *6). The permanent injunction is a bargained-for requirement of the proposed Settlement, intended to eliminate the danger that payment of the full limits of the D&O and E&O Policies could leave Insurers and Insureds alike exposed to further liability. The complexity and magnitude of this Settlement, and the considerable repose and recovery obtained thereby, are exactly the sort of "unique circumstances" that justify such a bar order to preclude claims that conflict with those released under the Settlement.

47. Movants also seek as part of the proposed order the Court's finding that any acts required by or consistent with the Settlement do not violate the Plan Injunction. This relief is in addition to the requested Plan Injunction Modification Order (see supra n.19) and is appropriate to ensure that the parties do not inadvertently take actions that could be deemed in violation of the Plan Injunction in effectuating the Settlement Agreement's terms.

VI. NOTICE

48. Notice of this Motion has been published on the website of the Plan Administrator (www.mfglobalcaseinfo.com) and has been given to: (i) all parties identified on the Master Service List, as defined in the *Order Pursuant to 11 U.S.C. § 105(a) of the Bankruptcy Code and Fed. R. Bankr. P. 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures* (D.I. 256) (the “Case Management Order”); (ii) all Settling Parties as well as the E&O Insurers (and reinsurers) and D&O Insurers who are parties to Funding Agreements; (iii) persons or parties identified to Movants by MFGA with respect to the E&O Policies; and (iv) all parties that have requested service of papers under section 4(a)(2) of the Case Management Order. The Movants submit that no other or further notice need be provided.

49. All responses or objections, if any, to the relief requested in the Motion shall conform to the Case Management Order, and (i) be in writing; (ii) state the name and address of the objecting party and nature of the claim or interest of such party; (iii) state with particularity the legal and factual bases of such objection; (iv) conform to the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules; (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with General Order M-399 399 (which can be found at www.nysb.uscourts.gov), by registered users of the Court’s Electronic Case Filing System, and by all other *pro se* parties in interest, on a 3.5 inch disk, compact disk, or flash drive, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format no later than August 3, 2016 at 4:00 p.m. (Prevailing Eastern Time); and (vi) be served on (a) Jones Day, 250 Vesey Street, New York, NY 10281-1047, Attn: Jane Rue Wittstein, Esq. and (b) Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, CA 90071, Attn: Michael Schneidereit; with a courtesy copy to the chambers of the Honorable

Martin Glenn, United States Bankruptcy Court for the Southern District of New York,
Courtroom 501, One Bowling Green, New York, New York, 10004 (the “Notice Parties”).

50. If no responses to the Motion are timely filed and served in accordance with the procedures set forth herein, the Bankruptcy Court may enter an order granting the Motion without further notice.

VII. NO PRIOR REQUEST

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

WHEREFORE, the Movants respectfully request entry of an order, substantially in the form annexed hereto as Exhibit A, approving the Settlement and granting such additional and further relief as the Court may deem proper.

Dated: July 20, 2016
New York, New York

Respectfully submitted,

/s/ Jane Rue Wittstein

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MF Global Litigation Trust

NAI-1500679048

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re	:	Chapter 11
	:	
MF GLOBAL HOLDINGS LTD., et al.,	:	Case No. 11-15059 (MG)
	:	
Debtors.¹	:	(Jointly Administered)
-----X		

ORDER GRANTING MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN ORDER APPROVING THE SETTLEMENT AGREEMENT AMONG THE PLAN ADMINISTRATOR, THE TRUSTEE OF THE LITIGATION TRUST, INDIVIDUAL DEFENDANTS, SAPERE CTA FUND, L.P., AND THE CUSTOMER REPRESENTATIVES

This matter coming before the Court on the *Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives* (the "Motion"); the Court having reviewed the Motion, and having heard the statements of counsel regarding the relief requested in the Motion, and any objections thereto, at a hearing before the Court (the "Hearing"); the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Hearing was adequate and in compliance with the Case Management Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates and their creditors; and the Court having determined that the legal and factual bases set

¹ The debtors in these chapter 11 cases (the "Chapter 11 Cases") are MF Global Holdings Ltd.; MF Global Finance USA Inc.; and MF Global Holdings USA Inc. (collectively, the "Debtors"). The bankruptcy cases of MF Global Market Services LLC, MF Global FX Clear LLC, and MF Global Holdings USA Inc. were closed pursuant to the *Order of Final Decree* entered by this Court on February 11, 2016.

forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in all respects.

2. The Stipulation And Agreement Of Settlement, dated July 6, 2016, between: (a) MF Global Assigned Assets, LLC, as assignee of certain claims, rights, and interests of MF Global Inc.; (b) MF Global Holdings Ltd., as Plan Administrator and otherwise; (c) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust; (d) the Customer Class Representatives (as defined in the Settlement Agreement); (e) Sapere CTA Fund, L.P.; and (f) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne, Vinay Mahajan, and Edith O'Brien (the "Settlement Agreement"),² including the Settlement Fund created thereby, is fair, reasonable and adequate; satisfies the factors comprising Reasonableness of Settlement as defined therein; and is authorized and approved pursuant to Rule 9019 of the Bankruptcy Rules and applicable law.

3. To the extent not previously authorized by this Court, the plan injunction (the "Plan Injunction") as to the Debtors and their respective property established pursuant to paragraph 75 in the *Order Confirming Amended and Restated Joint Plan of Liquidation* entered by this Court on April 5, 2013, to the extent applicable, shall be modified solely to the extent necessary, and without further order of the Bankruptcy Court, to authorize any and all actions reasonably necessary to consummate the Global Settlement, including, without limitation, any payments under certain insurance policies required under the Settlement Agreement or any payments under any other agreement referenced therein or associated therewith. Furthermore, any person or entity that is not a Party to the Settlement Agreement is permanently barred,

² Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Global Settlement Agreement.

enjoined, and restrained from commencing, prosecuting, or asserting any claims arising out of payments made under certain insurance policies in accordance with the Settlement Agreement or any other agreement referenced therein or associated therewith.

4. Except as stated expressly herein, nothing in this Order shall modify or amend any other provisions of the Plan Injunction.

5. The Plan Administrator and Litigation Trustee are hereby authorized to take any and all actions reasonably necessary to consummate the Global Settlement pursuant to the obligations of each as set forth in the Settlement Agreement and perform any and all obligations contemplated therein.

6. In accordance with and subject to the terms of the Settlement Agreement, including, without limitation, Paragraph 27 thereof, and pursuant to section 105 of the Bankruptcy Code and other applicable law, upon the Effective Date: (a) all covenants, conditions, provisions, settlements, and releases contained in the Settlement Agreement shall bind and inure to the benefit of the Parties and Released Parties and their respective legal representatives, successors, heirs, and assigns, as set forth in the Settlement Agreement; and (b) all Releasing Parties are permanently enjoined from commencing or prosecuting any action constituting a Released Claim against the Released Parties.

7. Upon entry of this Order, any person or entity that is not a Party to the Settlement Agreement, including any Dissenting Insurer, is permanently barred, enjoined, and restrained from contesting or disputing the Reasonableness of Settlement, or commencing, prosecuting, or asserting any claims, including, without limitation, claims for contribution, indemnity, or comparative fault (however denominated and on whatsoever theory), arising out of or related to the MF Global Actions (other than the PWC Action or the CFTC Action) against:

(a) any Party;

- (b) any Insured Person;
- (c) any Insurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers); or
- (d) any E&O Insurer's funding reinsurer or D&O Insurer's reinsurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers).

8. For the avoidance of doubt, nothing in this Order shall preclude:

(i) claims by the Parties to the Settlement Agreement or Released Parties to enforce any obligations created therein, including, without limitation, claims against Defendants for the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of Paragraph 1 therein and all SubParagraphs thereof; (ii) claims against the Group A Defendants for their payment obligations under Paragraphs 1(b), 1(c)(iv), 1(c)(v), and/or 12(a) of the Settlement Agreement; (iii) any claims by the Insurance Assignees to enforce the Assigned Rights; (iv) any claim or right asserted by any MFG Plaintiff against any Dissenting Insurer on its own behalf (as distinct from the Assigned Rights); (v) any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (vi) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; (vii) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (viii) any claims or assigned claims against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; or (ix) the CFTC Action.

9. Any and all objections to the Motion or to the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are

overruled on the merits.

10. The failure to specifically include any particular provision of the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Settlement Agreement, and all actions required for its implementation, be approved in its entirety.

11. If the Effective Date of the Settlement Agreement does not occur, then this Order shall be deemed to be nullified and void *ab initio* in all respects.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

13. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order and to enforce and implement the terms and provisions of the Settlement Agreement and resolve disputes thereunder.

Dated: _____, 2016
New York, New York

MARTIN GLENN
United States Bankruptcy Judge

EXHIBIT B

*****REDACTED VERSION FOR PUBLIC FILING*****

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
IN RE: MF GLOBAL HOLDINGS LIMITED	:	
INVESTMENT LITIGATION	:	Master Docket No.: 12 MD 2338 (VM)
-----	:	
JOSEPH DEANGELIS, et al.	:	1:11-cv-07866 (VM)
	:	
Plaintiffs,	:	
	:	
vs.	:	
	:	
JON S. CORZINE, et al.,	:	
	:	
Defendants	:	
-----	:	
	:	
This Document Relates To:	:	
	:	
<i>Tavakoli, as Litigation Trustee v. Corzine, et al.</i>	:	
	:	
The Commodity Customer Class Action	:	
	:	
<i>Sapere CTA Fund, L.P. v. Corzine, et al.</i>	:	
	:	
-----X	:	

STIPULATION AND AGREEMENT OF SETTLEMENT

TABLE OF EXHIBITS AND SCHEDULES

Exhibits

Exhibit A	Assignment Agreement
Exhibit B	Bankruptcy Court Approval Order
Exhibit C	Customer Class Judgment and Order of Dismissal
Exhibit D	Customer Class Preliminary Approval Order
Exhibit E	Litigation Trust Judgment and Order of Dismissal
Exhibit F	Plan Injunction Order
Exhibit G	Sapere Judgment and Order of Dismissal
Exhibit H	Redacted Form of Stipulation Agreement and Settlement

Schedules

Schedule 1	D&O Insurers and Policies
Schedule 2	E&O Insurers and Policies
Schedule 3	Group A Defendants
Schedule 4	Group A Payments

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement is made and entered into as of July 6, 2016 (the “Execution Date”), between (i) MF Global Assigned Assets, LLC (“MFGAA”), as assignee of certain claims, rights, and interests of MF Global Inc. (“MFGI”); (ii) MF Global Holdings Ltd., as Plan Administrator and otherwise (“MFGH”); (iii) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (the “Litigation Trustee” and, together with MFGI, MFGAA, and MFGH, the “MFG Plaintiffs”); (iv) the Customer Class Representatives (as defined below); (v) Sapere CTA Fund, L.P. (“Sapere”), and, together with the MFG Plaintiffs and the Customer Class Representatives, the “Plaintiffs”); (vi) Jon Corzine (“Corzine”), Bradley Abelow (“Abelow”), and Henri Steenkamp (“Steenkamp” and, together with Corzine and Abelow, the “Litigation Trust Action Defendants”); and (vii) David Dunne (“Dunne”), Vinay Mahajan (“Mahajan”), and Edith O’Brien (“O’Brien” and, together with Dunne, Mahajan, and the Litigation Trust Action Defendants, the “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.”

RECITALS¹

WHEREAS, on October 31, 2011, MFGH and MF Global Finance USA, Inc. filed petitions under chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court.

WHEREAS, on October 31, 2011, SIPC commenced the SIPA Proceeding to liquidate MFGI under SIPA.

WHEREAS, on December 13, 2011, Sapere filed a complaint in the Sapere Action.

WHEREAS, on January 13, 2012, the District Court ordered that the Sapere Action be consolidated with the DeAngelis Action (DC-ECF 90).²

¹ Capitalized terms used but not defined in these Recitals are defined in the Definitions section.

WHEREAS, the Customer Class Representatives and other plaintiffs brought several proposed class action and individual lawsuits in federal district courts against former officers, directors, and other employees of MFGI and/or MFGH, and other third parties, that were transferred to the District Court for coordinated or consolidated pretrial proceedings under the DeAngelis Action and the MF Global MDL.

WHEREAS, by order dated May 21, 2012, the District Court appointed the Customer Class Representatives as interim lead plaintiffs and designated Berger & Montague, P.C. and Entwistle & Cappucci LLP as interim Customer Class Counsel (DC-ECF 292).

WHEREAS, on September 10, 2012, the SIPA Trustee and the Customer Class Representatives entered into the CCAA, which was approved by the Bankruptcy Court on October 11, 2012 (BK-ECF 3764) and by the District Court on October 22, 2012 (DC-ECF 375).

WHEREAS, on November 5, 2012, the Customer Class Representatives filed a Consolidated Amended Class Action Complaint for Violations of the Commodity Exchange Act and Common Law (the “Customer Class Complaint”) (DC-ECF 382) in the Customer Class Action, which asserted the Net Equity Claims on behalf of Customers, the Customer Class Interest Claims for pre-judgment interest and loss-of-use based on allegedly unpaid Net Equity, and the SIPA Trustee’s claims assigned to the Customer Representatives under the CCAA.

WHEREAS, on December 18, 2012, Sapere filed an amended complaint (DC-ECF-403).

WHEREAS, pursuant to a confirmation order dated April 5, 2013, except with respect to certain modifications that were approved by an order entered on May 2, 2013, the Bankruptcy

² Citations to “DC-ECF” are to the docket in the DeAngelis Action, citations to “MFGH-BK-ECF” are to the docket in the Chapter 11 Action; citations to “MFGI-BK-ECF” are to the docket in the SIPA Proceeding, citations to “ADV-ECF” are to the docket in the Adversary Proceeding; citations to “CFTC-ECF” are to the docket in the CFTC Action.

Court confirmed the Plan, which provided for the establishment of the Litigation Trust (MFGH-BK-ECF 1288; MFGH-BK-ECF 1376).

WHEREAS, on April 22, 2013, the Chapter 11 Trustee filed and served the Chapter 11 Trustee Complaint in the Adversary Proceeding against the Litigation Trust Action Defendants (ADV-ECF 1).

WHEREAS, on June 4, 2013, the Chapter 11 Trustee and the Litigation Trustee entered into the Litigation Trust Agreement, providing for, among other things, the assignment of trust assets to the Litigation Trust, including claims set forth in the Chapter 11 Trustee Complaint and any claims arising out of or related to the facts or circumstances alleged in the Chapter 11 Trustee Complaint or set forth in the Chapter 11 Trustee Report.

WHEREAS, on June 27, 2013, the CFTC filed the CFTC Complaint in the District Court, alleging causes of action against MFGI, MFGH, Corzine, and O'Brien (CFTC-ECF 1).

WHEREAS, on July 12, 2013, the District Court ordered that the CFTC Action be consolidated with the DeAngelis Action (DC-ECF 513; CFTC-ECF 29).

WHEREAS, on September 16, 2013, the Litigation Trustee filed and served the Litigation Trust Complaint in the Adversary Proceeding (ADV-ECF 22).

WHEREAS, on October 2, 2013, the SIPA Trustee and the Customer Class Representatives entered into the NES Assignment Agreement, under which the Customer Representatives assigned to the SIPA Trustee, as representative of the general creditors of MFGI, the MFGI Assigned Claims to be litigated by Customer Class Counsel in the Customer Class Action, in consideration of the advance of general estate funds sufficient to satisfy all Customers' allowed claims for allegedly unpaid Net Equity in the SIPA Proceeding as approved by the Bankruptcy Court on November 6, 2013 (MFGI-BK-ECF 7208). On February 20, 2014, the

District Court affirmed the Bankruptcy Court's approval of the NES Assignment Agreement.

(PricewaterhouseCoopers LLP v. Giddens (In re MF Global Inc.), 503 B.R. 623 (S.D.N.Y. 2014)).

WHEREAS, on December 6, 2013, the CFTC filed an amended complaint in the CFTC Action (DC-ECF 587).

WHEREAS, on January 14, 2014, the District Court withdrew its reference of the Litigation Trust Action to the Bankruptcy Court and ordered that the action be transferred to the District Court (DC-ECF 622).

WHEREAS, on February 11, 2014, the District Court ordered that the Litigation Trust Action be consolidated with the DeAngelis Action (DC-ECF 643).

WHEREAS, also on February 11, 2014, the District Court issued a Decision and Order on Defendants' motion to dismiss the Customer Class Complaint, which denied the motion in part and granted the motion in part and declined to resolve whether the SIPA Trustee has standing to assert certain claims on behalf of Customers (DC-ECF 641).

WHEREAS, on March 14, 2014, the District Court entered an "Order Granting Final Approval of the Settlement Between the Former Commodity Futures Customers of MF Global Inc. and the SIPA Trustee, Providing for the Assignment of the Commodity Futures Customers' Unpaid Net Equity Claims in Exchange for Payment of 100% of the Claims" (DC-ECF 697).

WHEREAS, on July 20, 2015, the District Court entered a Decision and Order granting the Customer Representatives' motion to certify a class of Customers pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure and appointing Berger & Montague and Entwistle & Cappucci as Customer Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure (DC-ECF 981).

WHEREAS, the Customer Class Interest Claims are the sole remaining claims that require District Court approval under Rule 23(b)(3) of the Federal Rules of Civil Procedure.

WHEREAS, fact discovery in the Settling Plaintiffs Litigation was completed on July 1, 2015, other than requests for admission, which were completed on July 15, 2015.

WHEREAS, on July 24, 2015, the Plan Administrator and the SIPA Trustee entered into a Sale and Assumption Agreement pursuant to which, among other things, the SIPA Trustee agreed to assign the MFGI Assigned Claims to the Plan Administrator or its designee (*see* Sale and Assumption Agreement § 1.1(a), DC-ECF 996 Ex. A; MFGH-BK-ECF 2114 Ex. B; MFGI-BK-ECF 8827 Ex. B), which was approved by the Bankruptcy Court on August 19, 2015 (DC-ECF 2123; SIPA-ECF 8855).

WHEREAS, on September 8, 2015, in accordance with the Sale and Assumption Agreement, the SIPA Trustee assigned his rights in MFGI Assigned Claims, among other things, to the Plan Administrator's designee, MFGAA (MFGH-BK-ECF 2129; MFGI-BK-ECF 8865). By letter dated September 9, 2015, the Plan Administrator and MFGAA jointly advised the District Court that MFGAA was the relevant party in interest in place of the SIPA Trustee with respect to all matters regarding the MF Global Actions (DC-ECF 996).

WHEREAS, expert discovery in the Settling Plaintiffs Litigation was completed on November 23, 2015.

WHEREAS, on November 30, 2015, the MFG Plaintiffs, the Defendants, and the Customer Class Representatives entered into a confidential term sheet (the "November 30 Term Sheet") to provide for the terms of a global settlement to be formalized in definitive documentation.

WHEREAS, on December 11, 2015, the District Court entered a stay of all actions in the Settling Plaintiffs Litigation.

WHEREAS, this Agreement constitutes a compromise of matters that are in dispute between the Parties, and Defendants are entering into this Agreement solely to eliminate the uncertainty, burden, and expense of further protracted litigation; each of the Defendants has denied and continues to deny any wrongdoing, and this Agreement shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Released Defendant Parties, with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that any Defendant has or could have asserted in the Settling Plaintiffs Litigation; Defendants expressly deny that Plaintiffs have asserted any valid claims as to them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever; provided however, that Defendants' Financial Obligation, and the commitment imposed by it on each Defendant, is a legally fixed financial liability and obligation as set forth in Paragraph 2 below.

WHEREAS, this Agreement shall similarly in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Settling Plaintiffs Litigation, or an admission or concession that any of Defendants' defenses to liability had or have any merit.

NOW THEREFORE, it is hereby STIPULATED and AGREED, by and among each of the Plaintiffs and each of the Defendants, by and through their respective undersigned attorneys, as follows.

DEFINITIONS

As used in this Agreement, the following capitalized terms have the meanings specified below:

- (a) “Adversary Proceeding” means Adversary Proceeding No. 13-01333-mg in the Bankruptcy Court.
- (b) “Agreement” means this Stipulation and Agreement of Settlement, together with any exhibits and schedules attached hereto.
- (c) “Assignment Agreement” means the agreement attached as Exhibit A hereto.
- (d) “Assignee Measurement Date” shall have the meaning ascribed in SubParagraph 1(c)(iv) herein.
- (e) “Assigned Rights” has the meaning ascribed in SubParagraph 1(c)(i) herein.
- (f) “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York.
- (g) “Bankruptcy Court Approval Order” means an order of the Bankruptcy Court approving the Settlement set forth in this Agreement under Rule 9019 of the Federal Rules of Bankruptcy Procedure. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit B.
- (h) “CCAA” means the Amended and Restated Continuing Cooperation and Assignment Agreement entered into between the SIPA Trustee and the Customer Class Representatives on September 10, 2012, under which the SIPA Trustee assigned to the Customer Class Representatives, to be litigated by Customer Class Counsel in the Customer Class Action, all his litigation claims on behalf of the Customers and on behalf of MFGI’s estate against the former directors and officers of MFGI and MFGH arising from the alleged shortfall in Net Equity deposited at MFGI.
- (i) “Chapter 11 Case” means Case No. 11-15059 in the Bankruptcy Court.
- (j) “Chapter 11 Trustee” means Louis J. Freeh, as chapter 11 Trustee of the Debtors.

(k) “Chapter 11 Trustee Complaint” means the Complaint filed and served by the Chapter 11 Trustee on April 22, 2013 in the Adversary Proceeding.

(l) “CFTC” means the U. S. Commodity Futures Trading Commission.

(m) “CFTC Action” means the action commenced by the CFTC by the filing of the CFTC Complaint, consolidated with the DeAngelis Action by the District Court’s order dated July 12, 2013 (DC-ECF 513).

(n) “CFTC Complaint” means the Complaint for Injunctive and Other Equitable Relief and for Civil Monetary Penalties under the Commodity Exchange Act, initially filed by the CFTC in Case No. 13 Civ 4463 in the District Court.

(o) “CFTC Corzine Allocation” has the meaning ascribed in SubParagraph 10(a)(ii) herein.

(p) “CFTC Corzine Reserve” has the meaning ascribed in SubParagraph 6(e) herein.

(q) “CFTC Reserve Escrow Agent” shall mean Gary S. Thompson of Reed Smith LLP.

(r) “CFTC Reserve Escrow Agreement” shall mean an agreement among the MFG Plaintiffs, Corzine, O’Brien, and the CFTC Reserve Escrow Agent that concerns the creation and administration of the CFTC Corzine Reserve and the CFTC O’Brien Reserve.

(s) “CFTC O’Brien Allocation” has the meaning ascribed in SubParagraph 10(b)(i) herein.

(t) “CFTC O’Brien Reserve” has the meaning ascribed in SubParagraph 6(f) herein.

(u) “Customers” means the former commodity customers of MFGI.

(v) “Customer Class” means the class of Customers that was certified by the District Court on July 20, 2015 (DC-ECF-981). For the avoidance of doubt, Sapere is not a member of the Customer Class.

(w) “Customer Class Action” means the class action brought on behalf of the Customer Class, consisting of the Customer Class Interest Claims and the MFGI Assigned Claims, including the Net Equity Claims, prosecuted by Class Counsel pursuant to the CCAA and NES Assignment Agreement, as adopted by the Sale and Assumption Agreement. For avoidance of doubt, the term Customer Class Action includes, but is not limited to, any and all claims asserted by or on behalf of the SIPA Trustee against any one or more of the Defendants.

(x) “Customer Class Counsel” means Berger & Montague, P.C. and Entwistle & Cappucci LLP.

(y) “Customer Class Counsel Escrow Account” means the escrow account established pursuant to Paragraph 5 hereof, for the purpose of holding the Customer Class Counsel Reserve.

(z) “Customer Class Counsel Fees Motion” has the meaning set forth in Paragraph 14 herein.

(aa) “Customer Class Counsel Fees Order” means an order entered by the District Court with respect to the Customer Class Counsel Fees Motion.

(bb) “Customer Class Counsel Reserve” means the amount of fees and/or expenses awarded to Customer Class Counsel by the District Court in the Customer Class Counsel Fees Order.

(cc) “Customer Class Distribution” means (i) a payment in the amount of \$2,000,000.00 (Two Million Dollars), plus (ii) any CFTC Corzine Allocation and/or CFTC O’Brien Allocation pursuant and subject to Paragraph 10 herein, including all SubParagraphs thereof, to be deposited in the Customer Class Escrow Account for the benefit of the Customer Class, which is to be distributed to the Customer Class in accordance with the Final Customer Class Judgment and Order of Dismissal.

(dd) “Customer Class Escrow Account” means the escrow account established pursuant to Paragraph 5 hereof, for the purpose of holding the Customer Class Distribution.

(ee) “Customer Class Interest Claims” are the claims, including but not limited to claims for pre-judgment interest, loss-of-use damages, and/or restitution, prosecuted or that could have been prosecuted as part of the Customer Class Action that are neither Net Equity Claims nor MFGI Assigned Claims. For the avoidance of doubt, Customer Class Interest Claims shall not include any claim asserted by Sapere in the Sapere Action.

(ff) “Customer Class Judgment and Order of Dismissal” means a judgment approving the settlement of the Customer Class Action and dismissing the Customer Class Action with prejudice. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit C.

(gg) “Customer Class Member” means any member of the Customer Class that has not opted out. For the avoidance of doubt, Sapere is not a Customer Class Member.

(hh) “Customer Class Preliminary Approval Order” means an order entered by the District Court in the Customer Class Action preliminarily approving the settlement of the Customer Class Action. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit D.

(ii) “Customer Class Representatives” means Augustus International Master Fund L.P., Bearing Fund LP, Kay P. Tee LLC, Mark Kennedy, Robert Marcin, Thomas G. Moran, Paradigm Global Fund I Ltd., Paradigm Equities Ltd., Paradigm Asian Fund Ltd., PS Energy Group, Inc., Summit Trust Company, Henry Rogers Varner Jr., and Thomas S. Wacker, as well as any additional class representative plaintiffs as are or may be appointed in the future in the Customer Class Action.

(jj) “D&O Escrow Account” has the meaning ascribed in Paragraph 5 herein.

(kk) “D&O Funding Agreement” means the D&O Policies Funding and Release Agreement between Defendants and the D&O Insurers.

(ll) “D&O Insurers” means the insurers set forth on Schedule 1 hereto, solely with respect to the D&O Policies issued by them.

(mm) “D&O Policies” means the policies issued by the D&O Insurers as set forth on Schedule 1 hereto.

(nn) “DeAngelis Action” means *Joseph DeAngelis, et al. v. Jon Corzine, et al.*, Case No. 11-Civ-7866(VM), in the District Court.

(oo) “Debtors” means MFGH, 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.

(pp) “Defendants” has the meaning ascribed in the preamble.

(qq) “Defendants’ Financial Obligation” means \$184,058,725.74,³ representing the total amount of the limits remaining in the D&O Policies and the E&O Policies on the Execution Date, which shall be reduced by the amount of (i) any Reasonable CFTC Defense Costs actually paid after the Execution Date and prior to the Initial Limits Payment Date by the Responding D&O Insurer directly from the proceeds of its corresponding D&O Policy pursuant to SubParagraph 10(d)(iii) of this Agreement and (ii) any Ongoing Defense Costs actually paid after the Execution Date and prior to the Initial Limits Payment Date by the Responding D&O Insurer directly from the proceeds of its corresponding D&O Policy pursuant to SubParagraph 9(a) of this Agreement.

³ Calculated as the sum of: (1) the amount set forth in the E&O Funding Agreement (¶ 1) (\$113,128,771.52); (2) the amount set forth in the Federal Funding Agreement (¶ 1) (\$5,000,000.00); (3) the full limits of the Identified Dissenters’ Policies (\$25,000,000.00); and (4) the amounts set forth in the D&O Funding Agreement (¶ 1) (\$40,929,954.22).

(rr) “Defense Counsel” means Dechert LLP; Kramer Levin Naftalis & Frankel LLP; Binder & Schwartz LLP; De Feis O’Connell & Rose, P.C.; Sullivan & Worcester LLP; and Williams Montgomery & John Ltd.

(ss) “Dissenting Insurers” means any Insurer that is the issuer of an Identified Dissenters’ Policy or Other Dissenters’ Policy, in its capacity as the issuer of a Dissenter’s Policy; provided that, in the event any such Dissenting Insurer contributes the limits of its respective Dissenters’ Policy to the Settlement Fund, subject to such terms and conditions as Plaintiffs and such Insurer may agree, such Insurer shall no longer be a “Dissenting Insurer” and shall instead be deemed solely to be an “Insurer.”

(tt) “Dissenters’ Policies” means Identified Dissenters’ Policies and Other Dissenters’ Policies.

(uu) “District Court” means the United States District Court for the Southern District of New York.

(vv) “E&O Escrow Account” has the meaning ascribed in Paragraph 5 herein.

(ww) “E&O Funding Agreement” means the E&O Policies Funding Agreement and Release, between MFG Assurance Company, the Defendants, and the MFG Plaintiffs.

(xx) “E&O Insurers” means the insurers set forth on Schedule 2 hereto, solely with respect to the E&O Policies issued by them.

(yy) “E&O Policies” means the policies issued by the E&O Insurers as set forth on Schedule 2 hereto.

(zz) “Effective Date” means the first business day following the date that each of the following conditions are satisfied: (i) the Funding Agreements have been executed; (ii) the Assignment Agreement has been executed; (iii) the Bankruptcy Court has Finally approved the

Settlement, has Finally determined that its approval of this Settlement is not required, or Finality has been waived pursuant to SubParagraph 36(h) herein; (iv) orders dismissing, with prejudice, the Litigation Trust Action, Customer Class Action, and Sapere Action have been entered and become Final or Finality has been waived pursuant to SubParagraph 36(h) herein; (v) the Initial Limits Payment Date has occurred; (vi) no Party has exercised any termination rights under Paragraphs 39-40 herein; and (vii) [REDACTED]

[REDACTED]

(aaa) “Escrow Accounts” means the D&O Escrow Account, the E&O Escrow Account, the Customer Class Escrow Account, the Customer Class Counsel Escrow Account, [REDACTED]

[REDACTED]

(bbb) “Escrow Agent” means a banking institution, to be selected by the MFG Plaintiffs, qualified to act as the Escrow Agent of a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1.

(ccc) “Escrow Agreement” means the agreement between the MFG Plaintiffs and the Escrow Agent establishing the escrow accounts described in Paragraph 5 below to be administered in accordance with the terms of this Agreement.

(ddd) “Execution Date” has the meaning ascribed in the preamble.

(eee) “Federal Funding Agreement” means the E&O Policy Funding Agreement And Release between Federal Insurance Company, the Defendants, and the MFG Plaintiffs.

(fff) “Fidelity Bonds” means the fidelity bonds purchased by MFGH which form the insurance program led by and including primary bond number BO8015176P11 and covering the period from May 31, 2011 to May 31, 2012.

(ggg) “Fidelity Bond Insurers” means those insurers which sold or issued the Fidelity Bonds, solely with respect to such Fidelity Bonds.

(hhh) “Final” means, with respect to any court order or judgment, that: (i) the prescribed time for commencing any appeal has expired and no appeal has been filed; or (ii) an appeal has been filed and either (1) the appeal has been dismissed and the prescribed time, if any, for commencing any further appeal has expired, or (2) the order has been affirmed in its entirety and the prescribed time, if any, for commencing any further appeal has expired. For purposes of this definition, an appeal includes appeals as of right, discretionary appeals, interlocutory appeals, and writs of certiorari, but does not include motions for reconsideration or rehearing. Any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys’ fees, costs or expenses or (ii) any plan of allocation of the Settlement Fund shall not in any way delay or preclude the order or judgment from becoming Final.

(iii) “Funding Agreements” means the D&O Funding Agreement, E&O Funding Agreement, and Federal Funding Agreement, each to be entered into concurrently with the execution of this Agreement on the Execution Date.

(jjj) “Group A Defendants” means the Defendants listed on Schedule 3 hereto.

(kkk) “Group B Defendants” means all Defendants other than the Group A Defendants.

(lll) “IDL Settlement and Release Agreement” means that agreement by and between the Plaintiffs, the Defendants, the IDL Insurers, the Outside Directors, and MacDonald, dated May 31, 2016.

(mmm) “Incurred Defense Costs” means all fees and costs incurred by or on behalf of any Defendant or Insured Person on or before March 31, 2016, in connection with any one or more of

the MF Global Actions or the Section 105 Adversary Proceeding, except that Incurred Defense Costs shall not include Reasonable CFTC Defense Costs.

(nnn) “Identified Dissenters’ Policies” means (1) Allied World Assurance Company Ltd., Excess Liability Insurance Policy Number C007357/005 (\$15 million in excess of \$132.5 million); (2) Iron-Starr Excess Agency Ltd., Excess Follow Form Liability Insurance Policy Number ISF0000508 (\$5 million in excess of \$147.5 million); and (3) Federal Insurance Company, Excess E&O Policy Number 8208-3220 (\$5 million in excess of \$152.5 million).

(ooo) “Independent Reviewer” shall mean Gary S. Thompson of Reed Smith LLP.

(ppp) “Initial Limits Payment” means a payment of the total amount of the limits remaining in the D&O Policies and the E&O Policies that are not Identified Dissenters’ Policies on the Execution Date, less (i) any Reasonable CFTC Defense Costs actually paid after the Execution Date and prior to the Initial Limits Payment Date by the Responding D&O Insurer directly from the proceeds of its corresponding D&O Policy pursuant to SubParagraph 10(d)(iii) of this Agreement and (ii) any Ongoing Defense Costs actually paid after the Execution Date and prior to the Initial Limits Payment Date by the Responding D&O Insurer directly from the proceeds of its corresponding D&O Policy pursuant to SubParagraph 9(a) of this Agreement.

(qqq) “Initial Limits Payment Date” means either (a) the date on which the Initial Limits Payment is made, or (b) in the event there are Other Dissenters’ Policies, a date selected by the MFG Plaintiffs at their sole option and discretion after the last date for the Initial Limits Payment to be made as set forth in SubParagraph 1(a) herein, with notice to be given by the MFG Plaintiffs to all other Parties by email of the selected date in accordance with Paragraph 59. The selection of an Initial Limits Payment Date by the MFG Plaintiffs shall not restrict or impair any enforcement rights of the MFG Plaintiffs against any Dissenting Insurer.

- (rrr) “Insurance Assignees” has the definition ascribed in SubParagraph 1(c)(i) hereof.
- (sss) “Insurance Policies” means the D&O Policies and the E&O Policies.
- (ttt) “Insured Persons” means all natural persons who are or were at any time a director, officer, or employee of the Debtors and/or MFGI covered under the E&O Policies and/or the D&O Policies. For avoidance of doubt, “Insured Persons” shall be no narrower than, and includes, all “Insured Persons,” as that term is defined by U.S. Specialty Insurance Company’s Policy No. 14-MGU-11-A23947, and all “Individual Insureds,” as that term is defined by the E&O Policies issued by MFG Assurance Company Limited listed on Schedule 2.
- (uuu) “Insurers” means the D&O Insurers and the E&O Insurers, as defined herein.
- (vvv) “Limit Date” has the meaning ascribed in SubParagraph 36(g) herein.
- (www) “Litigation Trust” means the MF Global Litigation Trust established by the Plan and governed by the Litigation Trust Agreement.
- (xxx) “Litigation Trust Action” means the action brought by the Litigation Trustee against the Litigation Trust Action Defendants.
- (yyy) “Litigation Trust Agreement” means the Litigation Trust Agreement dated as of June 4, 2013, by and between the Chapter 11 Trustee and the Litigation Trustee.
- (zzz) “Litigation Trust Complaint” means the Litigation Trustee’s First Amended Complaint and Request for Jury Trial (ADV-ECF 22).
- (aaaa) “Litigation Trust Judgment and Order of Dismissal” means a judgment and order dismissing the Litigation Trust Action with prejudice. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit E.
- (bbbb) “MacDonald” means J. Randy MacDonald.

(cccc) “MF Global” means the Debtors and MFGI.

(dddd) “MF Global Actions” means the MF Global MDL and the DeAngelis Action, and all cases consolidated or coordinated thereunder. Notwithstanding the foregoing, for the avoidance of doubt, and without limitation, “MF Global Actions” shall include the Litigation Trust Action, the Customer Class Action, the CFTC Action, the Sapere Action, and the Securities Class Action.

(eeee) “MF Global MDL” means the multi-district litigation captioned as *In re: MF Global Holdings Limited Investment Litigation*, No. 12-MD-2338 in the District Court, and all cases consolidated thereunder.

(ffff) “MFG Plaintiffs Counsel” means Jones Day.

(gggg) “MFGAA” has the meaning ascribed in the preamble.

(hhhh) “MFGH” has the meaning ascribed in the preamble.

(iiii) “MFGI” has the meaning ascribed in the preamble.

(jjjj) “MFGI Assigned Claims” means all claims assigned to MFGI and prosecuted by Customer Class Counsel on behalf of MFGI pursuant to the CCAA and NES Assignment Agreement, including but not limited to the Net Equity Claims, which were partially assigned over time as Net Equity was repaid to Customers and were later wholly assigned to MFGI.

(kkkk) “NES Assignment Agreement” means the assignment agreement entered into between the SIPA Trustee and the Customer Class Representatives on October 2, 2013.

(llll) “Net Equity” means the net equity deposited by Customers at MFGI.

(mmmm) “Net Equity Claims” means the litigation claims asserted in the MF Global Actions arising from the alleged shortfall in Customer deposits available to satisfy allowed Customers’ claims for unpaid Net Equity, but only to the extent of such alleged shortfall, that were

partially assigned over time to MFGI as Net Equity was repaid to Customers and which were later wholly assigned to MFGI. For the avoidance of doubt, Net Equity Claims shall not include any additional claims that MFGI's former customers may have in excess of the amount of alleged net equity shortfall or for other damages arising from alleged failures to comply with the Commodity Exchange Act and other relevant rules and regulations. The Net Equity Claims were prosecuted by Customer Class Counsel under the NES Assignment Agreement.

(nnnn) "Ongoing Defense Costs" means any fees and costs incurred by or on behalf of any Defendant, Outside Director or MacDonald on or after April 1, 2016, through the Effective Date, in connection with any one or more of the MF Global Actions or the Section 105 Adversary Proceeding, except that Ongoing Defense Costs shall not include Reasonable CFTC Defense Costs or any reimbursement obligations under Paragraphs 1(c)(iii) or 36(a)-(c) herein.

(oooo) [REDACTED]

(pppp) "Opt-Out Claims" means timely and valid requests made by Customers (for the avoidance of doubt, not including any such claim made by Sapere) to opt-out of the Customer Class.

(qqqq) [REDACTED]

(rrrr) "Other Dissenters' Policies" means any Insurance Policy on which the full limit under such Insurance Policy is required to be paid under any Funding Agreement but is not paid pursuant thereto toward satisfaction of Defendants' Financial Obligation, Incurred Defense Costs, Ongoing Defense Costs, and/or Reasonable CFTC Defense Costs in accordance with this

Agreement and the Funding Agreements. For avoidance of doubt, “Other Dissenters’ Policies” does not include any of the following policies: (i) U.S. Specialty Insurance Company Policy No. 14-MGU-11-A23947; (ii) XL Specialty Insurance Company Policy No. ELU121502-11; (iii) Axis Insurance Company MNN732350/01/2011; (iv) ACE American Insurance Company Policy No. DOX G23655901 005; (v) Illinois National Insurance Company Policy No. 01-880-23-08; (vi) Federal Insurance Company Policy No. 8208-3225; (vii) Ironshore Indemnity Inc. Policy No. 000425002; (viii) Westchester Fire Insurance Company Policy No. G23822684 005; (ix) New Hampshire Insurance Company Policy No. 15927114; (x) Hartford Accident & Indemnity Co. Policy No. 00DA0250858-11; (xi) St. Paul Mercury Insurance Company Policy No. EC09004078; (xii) Iron-Starr Excess Agency Ltd. Policy No. ISF0000507; (xiii) Scottsdale Indemnity Company Policy No. XMI1100056; (xiv) New Hampshire Insurance Company Policy No. 15927115; (xv) U.S. Specialty Insurance Company Policy No. 14-MGU 11-A23952; (xvi) MF Global Assurance Company Limited Policy No. 1-18001-00-11; and (xvii) any other Insurance Policy that has been fully exhausted through payment by the applicable insurer.

(ssss) “Outside Directors” collectively means David P. Bolger, Eileen S. Fusco, David Gelber, Martin J.G. Glynn, Edward L. Goldberg, David I. Schamis and Robert S. Sloan.

(tttt) “Parties” has the meaning ascribed in the preamble.

(uuuu) “Person” means any individual or entity.

(vvvv) “Plaintiffs” has the meaning prescribed in the preamble.

(www) “Plan” means the 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. (MFGH BK-ECF 1382).

(xxxx) “Plan Administrator” means MFGH as Plan Administrator pursuant to the Plan.

(yyyy) “Plan Injunction Order” means an order of the Bankruptcy Court modifying the plan injunction as to the Debtors and their respective property established pursuant to paragraph 75 in the *Order Confirming Amended and Restated Joint Plan of Liquidation* entered by the Bankruptcy Court on April 5, 2013, authorizing the E&O Insurers to contribute their payments under the E&O Policies toward the Initial Limits Payment as set forth herein and in the E&O Funding Agreement and the Federal Funding Agreement. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit F.

(zzzz) “PWC” means PricewaterhouseCoopers LLP.

(aaaa) “PWC Action” means the action brought by the Plan Administrator against PWC, Case No. 14-cv-02197 VM, and any appeals, cross-claims or counterclaims arising from that action.

(bbbb) “Reasonable CFTC Defense Costs” means the reasonable costs, fees, and expenses incurred by or on behalf of Corzine and/or O’Brien on or after December 12, 2015, relating to the investigation, adjustment, defense, trial, appeal, or settlement of claims by the CFTC against Corzine and/or O’Brien that are covered by the D&O Policies or E&O Policies.

(cccc) “Reasonableness Of Settlement” means that: (a) the Settlement is reasonable; (b) the amounts paid towards the Settlement and comprising Defendants’ Financial Obligation are reasonable; and (c) the amounts paid under the D&O Funding Agreement, E&O Funding Agreement, and Federal Funding Agreement are reasonable and that, in addition to amounts previously paid, such amounts constitute proper, full, fair, and complete exhaustion with respect to those policies in accordance with, and pursuant to, their terms and conditions.

(ddddd) “Released Claims” means any and all manner of claims, causes of action, cross-claims, counterclaims, suits, demands, actions, rights, charges, liabilities, losses, obligations, and controversies of any kind, nature, or description whatsoever, whether known or unknown, accrued or unaccrued, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, direct or derivative, including Unknown Claims, whether class, individual, representative, or otherwise in nature, whether arising in law or equity or under any statute, regulation, ordinance, contract, or otherwise, for damages, interest, costs, expenses, attorneys’ fees, restitution, fines, civil or other penalties, or other payment of money, whenever incurred, or for injunctive, declaratory, or other equitable relief, based upon, arising from, relating to, underlying, or in any way involving, any conduct, acts, transactions, events, communications, occurrences, statements, omissions, or failures to act that relate to: (a) the MF Global Actions, or any of the cases therein, including, without limitation, and subject to the provisions of this Definitional Paragraph, any claims or causes of action that were or could have been filed or asserted in the MF Global Actions; (b) any restitution that could be obtained in the CFTC Action, except as provided in Paragraph 10 herein; (c) the Chapter 11 Case, including, without limitation, any claims or allegations that were or could have been filed or asserted in the Chapter 11 Case; (d) the SIPA Proceeding, including, without limitation, any claims or allegations that were or could have been filed or asserted in the SIPA Proceeding; (e) the Section 105 Adversary Proceeding, including, without limitation, any claims or allegations that were or could have been filed or asserted in the Section 105 Adversary Proceeding; (f) any Net Equity Claims or Customer Class Interest Claims (other than the CFTC Corzine Allocation and the CFTC O’Brien Allocation, which are subject to Paragraph 10 herein); (g) the settlement of the Settling Plaintiffs Litigation and all conduct, acts, communications, statements, and omissions in

connection therewith (other than claims to enforce this Agreement); (h) the settlement of the Securities Class Action and all conduct, acts, communications, statements, and omissions in connection therewith; and (i) any conduct, acts, errors, omissions, transactions, events, communications, occurrences, statements, or failures to act by any officer, director, or employee (including but not limited to Defendants) of the Debtors and/or MFGI and/or any one or more of the Debtors' or MFGI's affiliates and subsidiaries in their capacity as such. Notwithstanding anything to the contrary in the foregoing, and for the avoidance of doubt, Released Claims shall not include: (i) any claims, causes of action, rights of recovery, enforcement rights, duties, or obligations created by this Agreement, including, without limitation, (a) any right or obligation to pay or cause to be paid Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of this Agreement, including, without limitation, Paragraph 1 herein and all SubParagraphs thereof, and Paragraph 2 herein; (b) the Assigned Rights against the Dissenting Insurers, in their capacity as issuers of the Dissenters' Policies; or (c) any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; (ii) any MFG Plaintiff's claims or rights (as distinct from the Assigned Rights) against the Dissenting Insurers; (iii) any rights or obligations relating to Customer Class Counsel Fees created by the CCAA, the NES Assignment Agreement and/or the Sale and Assumption Agreement, including, without limitation, the rights of the MFG Plaintiffs to object to, appeal, or in any way contest the Customer Class Counsel Fees Motion or Customer Class Counsel Fees Order, including, without limitation, as set forth in Paragraph 14 hereof; (iv) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the

Customer Class Distribution; (v) any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (vi) any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; (vii) any claim or counterclaim, asserted or unasserted, against any person who has an unresolved pending proof of claim or other action or proceeding against any Debtor; or (viii) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds. For the avoidance of doubt, the foregoing exception (iv) shall not apply to any claim that the MFG Plaintiffs may have against the Released Sapere Parties.

(eeee) "Released Customer Parties" means (i) the Customer Class Members, including the Customer Class Representatives; and (ii) the respective past, present, or future partners, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, administrators, advisors, auditors, accountants, assigns, and assignees, of the foregoing in (i), in their capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, "Released Customer Parties" shall not include: (i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Fidelity Bond Insurer; (iv) PWC; or (v) holders of Opt-Out Claims in their capacities as such.

(ffff) "Released Defendant Parties" means Defendants and their respective past, present, or future partners, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, insurers, administrators, advisors, auditors,

accountants, assigns, and assignees of the foregoing, in their capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, “Released Defendant Parties” shall not include:

(i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer’s capacity as the issuer of any Dissenters’ Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Fidelity Bond Insurer; or (iv) PWC.

(ggggg) “Released Insured Person Parties” means Insured Persons and the respective past, present, or future partners, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, administrators, advisors, auditors, accountants, assigns, and assignees of the foregoing, in their capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, “Released Insured Person Parties” shall not include: (i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer’s capacity as the issuer of any Dissenters’ Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Fidelity Bond Insurer; or (iv) PWC.

(hhhhh) “Released Insurer Parties” means: (i) Insurers, E&O Insurers’ respective reinsurers, and D&O Insurers’ respective reinsurers; (ii) Scottsdale Indemnity Company with respect to Policy No. XMI1100056, New Hampshire Insurance Company with respect to Policy No. 15927115, and U.S. Specialty Insurance Company with respect to Policy No. 14-MGU-11-A23952 (collectively, the “IDL Insurers”); and (iii) the respective past, present, or future partners, directors, officers, employees, agents, contractors, attorneys, legal or other representatives, claims administrators (including AIG Claims, Inc. and LVL Claims Services), advisors, auditors, accountants, assigns, and assignees of the foregoing in their respective

capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, “Released Insurer Parties” shall not include: (i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer’s capacity as the issuer of any Dissenters’ Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Dissenting Insurer’s respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; (iv) any Fidelity Bond Insurer; or (v) PWC.

(iiiiii) “Released MFG Parties” means the MFG Plaintiffs and all of their respective past, present, and future, direct and indirect corporate parents (including holding companies), subsidiaries, related entities and affiliates, associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934), predecessors, successors, and all of their respective officers, directors, shareholders, partners, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, insurers, administrators, advisors, auditors, accountants, assigns, and assignees in their respective capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, “Released MFG Parties” shall not include: (i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer’s capacity as the issuer of any Dissenters’ Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Fidelity Bond Insurer; or (iv) PWC.

(jjjjj) “Released Parties” means the Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released MFG Parties, Released Customer Parties, and Released Sapere Parties.

(kkkkk) “Released Sapere Parties” means Sapere and all of its respective past, present, and future, direct and indirect corporate parents (including holding companies), subsidiaries, related entities and affiliates (including but not limited to Sapere Wealth Management, LLC), associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934), predecessors, successors, and all of their respective officers, directors, shareholders, partners, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, administrators, advisors, auditors, accountants, assigns, and assignees in their respective capacities as such. The foregoing notwithstanding, and for the avoidance of doubt, “Released Sapere Parties” shall not include: (i) any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer’s capacity as the issuer of any Dissenters’ Policies; (ii) any Dissenting Insurer with respect to any claim or rights asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (iii) any Fidelity Bond Insurer; or (iv) PWC.

(lllll) “Releasing Customer Parties” means, individually and collectively, (i) each Customer Class Member, including each Customer Class Representative, and their respective past, present, or future heirs, executors, administrators, agents, employees, attorneys, advisors, successors, assigns, and assignees, in their capacities as such, regardless of whether such party has submitted or submits any claim for payment or receives any such payment pursuant to any claims process that may be established and approved by the Bankruptcy Court or District Court.

(mmmmm) “Releasing Defendants” means, individually and collectively, each Defendant and their respective past, present, or future heirs, executors, administrators, agents, employees, successors, assigns, and assignees, in their capacities as such, regardless of whether such party has submitted or submits any claim for payment or receives any such payment pursuant

to any claims process that may be established and approved by the Bankruptcy Court or District Court.

(nnnnn) “Releasing MFG Parties” means, individually and collectively, each MFG Plaintiff, on behalf of itself and each Debtor and any of their respective present or future officers, directors, stockholders, employees, legal representatives, purchasers, successors, assigns, and assignees in their respective capacities as such, regardless of whether such party has submitted or submits any claim for payment or receives any such payment pursuant to any claims process that may be established and approved by the Bankruptcy Court or District Court.

(ooooo) “Releasing Parties” means the Releasing Defendants, the Releasing MFG Parties, the Releasing Customer Parties, and the Releasing Sapere Parties.

(ppppp) “Releasing Sapere Parties” means, individually and collectively, Sapere, on behalf of itself and any of its respective past, present, or future officers, directors, stockholders, agents, employees, legal representatives, partners, associates, trustees, parents, subsidiaries, divisions, affiliates (including but not limited to Sapere Wealth Management, LLC), heirs, executors, administrators, purchasers, predecessors, successors, assigns, and assignees in their respective capacities as such, regardless of whether such party has submitted or submits any claim for payment or receives any such payment pursuant to any claims process that may be established and approved by the Bankruptcy Court or District Court.

(qqqqq) “Responding D&O Insurer” means (i) Allied World Assurance Company, Ltd. with respect to Policy No. C007490/005 (“AWAC Excess Side A Policy”) until the date that the AWAC Excess Side A Policy is fully exhausted and then (ii) AXIS Specialty Limited with respect to Policy No. 1132770111QA (“AXIS Specialty Limited Excess Side A Policy”) from the date that the AWAC Excess Side A Policy is fully exhausted until the date that the AXIS Specialty Limited

Excess Side A Policy is fully exhausted, *provided that* AXIS Specialty Limited shall not be the Responding D&O Insurer if the AWAC Excess Side A Policy is fully exhausted by payment of any amount in connection with the Initial Limits Payment pursuant to SubParagraph 1(a) of this Agreement.

(rrrrr) “Sapere” means Sapere CTA Fund, L.P.

(sssss) “Sapere Action” means the action brought by Sapere in Case No. 11-cv-09114-VM, subsequently consolidated with the DeAngelis Action by order of the District Court dated January 13, 2012 (DC-ECF 90).

(ttttt) [REDACTED]

[REDACTED]

(uuuuu) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(vvvvv) “Sapere Judgment and Order of Dismissal” means a judgment and order dismissing the Sapere Action with prejudice. The Parties shall use best efforts to obtain an order that is in all material respects substantially the same as the form of order attached hereto as Exhibit G.

(wwwww) “Section 105 Adversary Proceeding” means Case No. 15-01362-mg in the Bankruptcy Court.

(xxxxx) “Section 105 Adversary Proceeding Notice of Dismissal” means the Notice of Dismissal with Prejudice filed in the Section 105 Adversary Proceeding on June 20, 2016, dismissing the Section 105 Adversary Proceeding with prejudice.

(yyyyy) “Securities Class Action” means the action in which the District Court appointed the Virginia Retirement System and Her Majesty The Queen In Right Of Alberta as lead plaintiffs on behalf of themselves and a settlement class of plaintiffs who purchased MF Global securities during a certain period.

(zzzzz) “Settlement” means the settlement and related terms between the Parties as set forth in this Agreement and related agreements, including without limitation the Funding Agreements.

(aaaaa) “Settlement Fund” means the total amount of funds held in both the D&O Escrow Account and the E&O Escrow Account at any given time, including any interest earned on such funds.

(bbbbbb) “Settling Plaintiffs Litigation” means the litigation commenced by the Plaintiffs against the Defendants including, for the avoidance of doubt, the Litigation Trust Action, the Customer Class Action, and the Sapere Action, but not including the Securities Class Action, the PWC Action, or the CFTC Action.

(ccccc) “SIPA” means the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*

(dddddd) “SIPA Proceeding” means *In re MF Global Inc.*, Case No. 11-2790 (MG)(SIPA) (Bankr. S.D.N.Y.).

(eeeeee) “SIPC” means the Securities Investor Protection Corporation.

(ffffff) “Stay” means the stay of the Settling Plaintiffs Litigation entered by the District Court on December 11, 2015.

(gggggg) “Unknown Claims” means any Released Claims which any Releasing Party does not know or suspect to exist in his, her or its favor at the time of the release of such claims,

which, if known by him, her, or it, might have affected his, her, or its decision(s) regarding whether to enter into or not to object to this Settlement.

(hhhhhh) "Taxes" has the meaning set forth in Paragraph 33 herein.

SETTLEMENT CONSIDERATION

1. In consideration of the Settlement, Defendants stipulate and agree to their respective obligation to pay or cause to be paid Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with this Agreement, including, without limitation, as specified in SubParagraphs 1(a), 1(c), and 6(h) herein:

(a) Initial Limits Payment. The Initial Limits Payment shall be made within thirty (30) calendar days after the latest to occur of: (i) entry of the Customer Class Preliminary Approval Order; (ii) entry by the Bankruptcy Court of the Bankruptcy Court Approval Order or other order approving the Settlement, or a determination by the Bankruptcy Court that its approval of this Settlement is not required; (iii) delivery to the Insurers of complete payee and wire instructions for the D&O Escrow Account and the E&O Escrow Account, including IRS Form W-9s; and (iv) entry by the Bankruptcy Court of the Plan Injunction Order, and the Plan Injunction Order having become Final.

(b) Group A Defendants Payments. Based on an allocation to be agreed upon between or among themselves, the Group A Defendants shall pay the amounts set forth on Schedule 3 hereto in three installments by wire transfer to the Settlement Fund as follows:

(i) The first installment payment shall be made within thirty (30) calendar days after the latest to occur of: (i) entry of the Customer Class Preliminary Approval Order; (ii) entry by the Bankruptcy Court of the Bankruptcy Court Approval Order or other order approving the Settlement, or a determination by the Bankruptcy Court that its approval of this Settlement is not required;

(iii) delivery to the Group A Defendants of complete payee and wire instructions for the D&O Escrow Account, including IRS Form W-9s; and (iv) entry by the Bankruptcy Court of the Plan Injunction Order, and the Plan Injunction Order having become Final.

(ii) The second installment payment shall be due on the third anniversary of the date of entry of the Litigation Trust Judgment and Order of Dismissal; and

(iii) The third installment payment shall be due on the fourth anniversary of the date of entry of the Litigation Trust Judgment and Order of Dismissal.

No Group A Defendant shall assert any claim against, or seek any recovery from, any of the Plaintiffs, any of the Group B Defendants, or any Insured Person, Insurer, E&O Insurers' respective reinsurer, D&O Insurers' respective reinsurer, Dissenting Insurer, or Fidelity Bond Insurer for any part of the payments made pursuant to this SubParagraph 1(b).

(c) Defendants' Assignment of Rights Against Dissenting Insurers:

(i) Concurrently with the execution of this Agreement on the Execution Date, Defendants shall execute the Assignment Agreement attached as Exhibit A hereto, by and through which Defendants intend to irrevocably assign, transfer, and otherwise convey to the MFG Plaintiffs or their designee (in their capacity as assignees, the "Insurance Assignees") the entirety of Defendants' claims, causes of action, choses in action, rights, title, interest, and any other entitlement to any benefits, of any nature whatsoever (specifically including but not limited to policy limits of liability, costs, fees, interest, damages of any nature, and bad faith

recoveries) from, in, under, by reason of, or against the Dissenting Insurers solely in their capacity as issuers of the Dissenters' Policies (the "Assigned Rights").

Defendants agree to execute any further documents as may be or become necessary to effectuate the intent of the Assignment Agreement for any reason, including to the extent that the Assignment Agreement or any part thereof is found to be unenforceable for any reason.

(ii) Upon the Execution Date or as soon thereafter as is practicable, the Insurance Assignees (or any one of them or their assignee) shall commence efforts to settle with or sue the Dissenting Insurers for all sums that the Insurance Assignees, in their sole and reasonable judgment, deem sufficient to satisfy Defendants' Financial Obligation. The Insurance Assignees shall have sole discretion to settle, collect or otherwise seek to satisfy Defendants' Financial Obligation from the Dissenting Insurers and no person other than the MFG Plaintiffs (including, for the avoidance of doubt, any Defendant or Insurer) shall have any interest in, or to, the proceeds of any sums collected by the Insurance Assignees by reason of the assignment of the Assigned Rights. Nothing herein limits the right or ability of the MFG Plaintiffs to pursue any claims or enforce any rights that they may have against the Dissenting Insurers on their own behalf, as distinct from the Assigned Rights.

(iii) At reasonable times and upon reasonable notice, Defendants shall provide such assistance as may be reasonably requested by the Insurance Assignees in connection with their efforts to enforce the Assigned Rights, including by providing information relating to their respective interactions with and demands

upon the Insurers, affidavits, deposition testimony, trial testimony, and responses to written discovery requests, provided that the Insurance Assignees shall reimburse Defendants for reasonable and necessary expenses, including reasonable attorneys' fees, subject to mutually agreed reasonable prenegotiated caps, to the extent that such expenses and/or fees are directly related to any cooperation or discovery requested by the Insurance Assignees. Defendants shall refrain from taking any actions that could impair the Insurance Assignees' enforcement rights in any action against the Dissenting Insurers. Defendants further agree that they shall not knowingly engage in voluntary substantive communication or consultation with any Fidelity Bond Insurer concerning the Fidelity Bond Insurers' investigation or defense of any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds (for the avoidance of doubt, "voluntary communication" does not include compliance with subpoenas or the provision of truthful testimony). Nothing in this Paragraph shall (i) require the disclosure of any documents or information that is the subject of the attorney-client privilege, work product doctrine, joint defense privilege, or mediation privilege as between and among Defendants and their respective counsel or (ii) be interpreted to impair or restrict O'Brien or Corzine in any way in the defense of the CFTC Action.

(iv) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(v) [REDACTED]

(vi) No Group A Defendant shall assert any claim against, or seek any recovery from, any of the Plaintiffs, any of the Group B Defendants, or any Insured Person, Insurer, E&O Insurers' respective reinsurer, D&O Insurers' respective reinsurer, Dissenting Insurer, or Fidelity Bond Insurer for any amount paid pursuant to SubParagraphs 1(c)(iv) or 1(c)(v) above. If the Insurance Assignees conclude settlements with any of the Dissenting Insurers, either before or after a judgment is entered in any action by the Insurance Assignees against any of the Dissenting Insurers to enforce the Assigned Rights, the Insurance Assignees shall make it a condition of such settlement that (1) each settling Dissenting Insurer provides to each Defendant a release of all known and unknown claims against

each Defendant related to both the MF Global Actions and/or to all transactions and occurrences at MF Global; and (2) the Effective Date of this Settlement occurs.

(vii) Any settlement of the claims brought by the Insurance Assignees against any Dissenting Insurer to enforce the Assigned Rights shall include a release of all claims that each Defendant has or can assert against such Dissenting Insurer related to both the MF Global Actions and/or to all transactions and occurrences at MF Global, subject to the same carve-outs as in Paragraph 27 herein.

(viii) If any Dissenting Insurer receives a savings on its limit of liability before the commencement of any litigation (including any adversary proceeding) or arbitration brought by or against such Dissenting Insurer, then the E&O Policies that funded this Settlement shall also receive the same proportionate savings as to such respective policy(ies), which shall be no less than any savings obtained by any Dissenting Insurer based on the percentage of the remaining portion of its respective policy limit which was not contributed to the actual recovery by the Insurance Assignees. The Insurance Assignees will notify the E&O Insurers within ten (10) business days of such event, and will forward payments to the E&O Insurers representing their savings within thirty (30) calendar days after receipt of payment from the Dissenting Insurer.

2. Enforcement of Defendants' Financial Obligation. The MFG Plaintiffs shall have full rights to enforce and collect on Defendants' Financial Obligation, provided that, the MFG Plaintiffs covenant and agree not to execute on Defendants' Financial Obligation against any of the Defendants' assets other than the assets comprising the Assigned Rights. The Parties agree that Defendants' Financial Obligation, and the commitment imposed by it on each Defendant, is a

legally fixed financial liability and obligation and, based on this agreement, the MFG Plaintiffs further agree not to seek any formal judgment, monetary or otherwise, against any Defendant for Defendants' Financial Obligation. For the avoidance of doubt, with the sole exception of the preceding sentence, the MFG Plaintiffs may seek a judgment against any Defendant for breach of any obligation under this Agreement. Notwithstanding anything to the contrary in this Agreement, and for the avoidance of doubt, the MFG Plaintiffs may enforce or execute against any of the Group A Defendants' assets with respect to those financial obligations of the Group A Defendants assumed under and contained in Paragraphs 1(b) (including the SubParagraphs thereof and Schedule 3), 1(c)(iv), 1(c)(v), and 12(a) of this Agreement, and [REDACTED]

[REDACTED]

[REDACTED]



3. Termination of Defendants' Financial Obligation. Defendants' Financial Obligation shall be satisfied in full, cease to have any force or effect, and terminate upon the later of (i) the full satisfaction of the provisions of SubParagraph 1(a) (including, without limitation, payment of the Initial Limits Payment) herein, and (ii) the Assignee Measurement Date. For the avoidance of doubt, the termination of Defendants' Financial Obligation shall not terminate, reduce, or otherwise impact the obligations of the Group A Defendants under Paragraphs 1(b), 1(c)(iv), 1(c)(v), or 12(a) hereof.

SETTLEMENT FUND

4. Administration of Settlement Fund. The Settlement Fund shall be administered pursuant to this Agreement. Except as expressly provided in Paragraphs 6-12, 32-33, and 39-40 hereof, no monies shall be disbursed from the Settlement Fund without the specific authorization of the District Court and/or the Bankruptcy Court.

5. Escrow Accounts.

(a) Within twenty-one (21) calendar days of the Execution Date, the MFG Plaintiffs shall direct the Escrow Agent to establish the following separate escrow accounts pursuant to the Escrow Agreement: (i) an account to receive and hold D&O Policies' proceeds (the "D&O Escrow Account"); (ii) an account to receive and hold exclusively E&O Policies' proceeds (the "E&O Escrow Account"); (iii) the Customer Class Escrow Account; (iv) the Customer Class Counsel Escrow Account; (v) an account to hold the


 Plaintiffs shall provide the D&O Insurers and the E&O Insurers with separate wiring instructions for the D&O Escrow Account and the E&O Escrow Account, respectively. Defendants shall use their best efforts to ensure that the D&O Insurers and the E&O Insurers shall transfer proceeds from D&O Policies only into the D&O Escrow Account and transfer proceeds from E&O Policies only into the E&O Escrow Account. If any Defendant pays any funds to the Escrow Agent pursuant to this Agreement that are neither proceeds of D&O Policies nor E&O Policies, Defense Counsel for that Defendant shall promptly inform MFG Plaintiffs Counsel in accordance with Paragraph 59 herein and shall use best efforts to ensure that any such funds are transferred to the D&O Escrow Account. The MFG Plaintiffs shall instruct the Escrow Agent to maintain the D&O Escrow Account separate from the E&O Escrow Account and not to commingle funds between the D&O Escrow Account and the E&O Escrow Account. If Defendants or Defense Counsel at any time discover that funds have been transferred to either the D&O Escrow Account or E&O Escrow Account in a manner inconsistent with the foregoing, or in a manner inconsistent with any Funding Agreement, Defendants or Defense Counsel

shall promptly inform MFG Plaintiffs Counsel so that the MFG Plaintiffs may instruct the Escrow Agent to redistribute the funds accordingly.

(b) Within twenty-one (21) calendar days of the Execution Date, the MFG Plaintiffs, Corzine, and O'Brien shall jointly instruct the CFTC Reserve Escrow Agent to establish the following separate escrow accounts pursuant to the CFTC Reserve Escrow Agreement: (i) an account to hold the CFTC Corzine Reserve (as defined in SubParagraph 6(e) herein) and (ii) an account to hold the CFTC O'Brien Reserve (as defined in SubParagraph 6(f) herein).

6. Use of Settlement Fund. Within ten (10) calendar days after the Initial Limits Payment Date (except with respect to the [REDACTED] [REDACTED] the Customer Class Counsel Escrow Account, which shall be funded at the time specified in Paragraph 8 below, and Ongoing Defense Costs, which shall be paid at the times specified in, and otherwise in accordance with, Paragraph 9 below), the Escrow Agent shall disburse the funds in the Settlement Fund as follows:

- (a) To pay any Taxes imposed upon the Settlement Fund.
- (b) To fund the Customer Class Distribution to the Customer Class Escrow Account, to be held and distributed in accordance with this Agreement, including Paragraphs 7 and 10 herein and the Customer Class Judgment and Order of Dismissal.
- (c) To transfer the amount of the Customer Class Counsel Reserve to the Customer Class Counsel Escrow Account, in accordance with this Agreement, including the provisions of Paragraph 8 herein.
- (d) To pay Ongoing Defense Costs in accordance with Paragraph 9 hereof.

(e) To fund a reserve (the “CFTC Corzine Reserve”) of [REDACTED] less the amount of Reasonable CFTC Defense Costs incurred by or on behalf of Corzine and actually paid by any Insurer prior to the funding of the CFTC Corzine Reserve. The CFTC Corzine Reserve shall be used in Corzine’s sole discretion: (i) to settle claims asserted in the CFTC Action against Corzine that are covered by the D&O Policies or the E&O Policies; and (ii) to pay Reasonable CFTC Defense Costs incurred by or on behalf of Corzine that have been approved for payment pursuant to SubParagraph 10(d) of this Agreement. The distribution and use of funds from the CFTC Corzine Reserve shall be in accordance with, and governed by, this Agreement, including the provisions of Paragraph 10 herein. The CFTC Corzine Reserve shall be held in a separate escrow account maintained by the CFTC Reserve Escrow Agent. Two-thirds of any costs associated with this escrow account and/or the CFTC Reserve Escrow Agent (including, without limitation, any costs incurred pursuant to SubParagraph 10(d) herein) shall be borne by Corzine, and one-third of such costs shall be borne by O’Brien.

(f) To fund a reserve (the “CFTC O’Brien Reserve”) of [REDACTED] less the amount of Reasonable CFTC Defense Costs incurred by or on behalf of O’Brien and actually paid by any Insurer prior to the funding of the CFTC O’Brien Reserve. The CFTC O’Brien Reserve shall be used in O’Brien’s sole discretion: (i) to settle claims asserted in the CFTC Action against O’Brien that are covered by the D&O Policies or the E&O Policies; and (ii) to pay Reasonable CFTC Defense Costs incurred by or on behalf of O’Brien that have been approved for payment pursuant to SubParagraph 10(d) of this Agreement. The distribution and use of funds from the CFTC O’Brien Reserve shall be in accordance with, and governed by, this Agreement, including the provisions of Paragraph

10 herein. The CFTC O'Brien Reserve shall be held in a separate escrow account maintained by the CFTC Reserve Escrow Agent. Two-thirds of any costs associated with this escrow account and/or the CFTC Reserve Escrow Agent (including, without limitation, any costs incurred pursuant to SubParagraph 10(d) herein) shall be borne by Corzine, and one-third of such costs shall be borne by O'Brien.

(g) [REDACTED]

(h) [REDACTED]

(i) Funds remaining in the Settlement Fund after satisfaction of the foregoing SubParagraphs 6(a)-(h), and any other funds thereafter paid to the Settlement Fund, or returned to the Settlement Fund from the Customer Class Escrow Account, Customer Class Counsel Reserve, CFTC Corzine Reserve, CFTC O'Brien Reserve, and/or [REDACTED] [REDACTED] in accordance with the provisions of this Agreement, including, without limitation, Paragraph 1 (including all SubParagraphs thereof) and Paragraphs 6-11 hereof,

or from any other source, shall be held in the Settlement Fund until the Effective Date, subject to the provisions of Paragraph 39-40 hereof, at which time such funds shall be immediately distributed to the MFG Plaintiffs in accordance with any allocation protocol established by the Bankruptcy Court or, if no allocation protocol is established, shall be distributed directly to the MFG Plaintiffs in accordance with instructions provided by the MFG Plaintiffs. Any funds paid into the Settlement Fund, or returned to the Settlement Fund from the Customer Class Escrow Account, Customer Class Counsel Reserve, CFTC Corzine Reserve, CFTC O'Brien Reserve, and/or [REDACTED] in accordance with the provisions of Paragraph 1 (including all SubParagraphs thereof) and Paragraphs 6-11 hereof, or from any other source, subsequent to the Effective Date, shall be immediately distributed to the MFG Plaintiffs in accordance with any allocation protocol established by the Bankruptcy Court or, if no allocation protocol is established, shall be distributed directly to the MFG Plaintiffs in accordance with instructions provided by the MFG Plaintiffs. The obligation of the MFG Plaintiffs and the Escrow Agent relating to the disbursement of funds pursuant to SubParagraphs 6(a)-(h) is equal and shall be carried out such that all disbursements are made within the time provided under this Agreement. For the avoidance of doubt, none of the disbursement requirements set forth in any one of SubParagraphs 6(a)-(h) shall have priority over or take precedence over disbursement requirements set forth in any other of SubParagraphs 6(a)-(h). Subject to the provisions of Paragraph 39-40 hereof, the Settlement Fund shall be maintained until such time as the Plan Administrator, in its sole discretion, issues written termination instructions to the Escrow Agent. For the avoidance of doubt, except in the event of termination of this Agreement and the return of the Settlement Fund pursuant to Paragraphs 39-40 below, no

party other than the MFG Plaintiffs shall have any right or control over any funds paid into the Settlement Fund and, except as provided in Paragraphs 6-11 herein, no party other than the MFG Plaintiffs shall have any right to any distribution from the Settlement Fund.

7. Customer Class Escrow Account. The Customer Class Distribution shall be held in the Customer Class Escrow Account, subject to the District Court's continuing supervision and control and subject to Paragraph 10 herein, until the later of: (i) the Effective Date and (ii) the date on which the CFTC Actions have been Finally resolved, whether by settlement or other resolution, at which time the Customer Class Distribution shall be distributed to the Customer Class Members *pro rata* based on the amount each Customer Class Member received pursuant to the NES Assignment Agreement, and the shall be allocated as appropriate based on the data collected and contact information established in the SIPA Proceeding to Customer Class Members, except that no member of the class that delivers a valid and timely request for exclusion from the Customer Class shall receive any portion of the Customer Settlement Fund. Any amounts not claimed by Customer Class Members within one (1) year of the date of mailing the Distribution to Customers shall be returned to the Settlement Fund and distributed in accordance with Paragraph 6 hereof.

8. Customer Class Counsel Escrow Account. Within three (3) business days of the entry by the District Court of the Customer Class Judgment and Order of Dismissal, the Customer Class Counsel Reserve shall be transferred to the Customer Class Counsel Escrow Account, except that, if the Customer Class Counsel Fees Order has not yet been entered at the time of transfer, the amount of fees and costs requested in the Customer Class Counsel Fees Motion shall be transferred to the Customer Class Counsel Escrow Account and, upon the entry of the Customer Class Counsel Fees Order, any amounts in the Customer Class Counsel Escrow Account in excess of the amount awarded by the District Court in the Customer Class Counsel Fees Order shall be

transferred to the Settlement Fund. Any amounts sought in the Customer Class Fee Motion that are Finally awarded to Customer Class Counsel shall be paid to Customer Class Counsel from the Customer Class Counsel Escrow Account within five (5) business days of the later of: (a) such award becoming Final; (b) the occurrence of the Effective Date; and (c) the provision of wire instructions (including IRS Form W-9s) from Customer Class Counsel to the Escrow Agent. Following such payment, the balance of funds remaining in the Customer Class Counsel Escrow Account shall be returned to the Settlement Fund and distributed in accordance with Paragraph 6 hereof.

9. Procedure for Payment of Ongoing Defense Costs.

(a) Prior to the Initial Limits Payment Date, (i) Defendants, Outside Directors, and MacDonald may submit invoices for Ongoing Defense Costs to the Responding D&O Insurer and (ii) the Responding D&O Insurer may review, approve, and pay any such invoice directly from the proceeds of its corresponding D&O Policy, all in accordance with the processes and procedures that were employed prior to the Execution Date by the D&O Insurers with respect to defense costs incurred by or on behalf of Insured Persons in connection with the MF Global Actions. Nothing in this SubParagraph is intended or shall be interpreted to delay the date of the Initial Limits Payment as set forth in SubParagraph 1(a), and in no event shall any Ongoing Defense Costs be paid by the Responding D&O Insurer directly from the proceeds of its corresponding D&O Policy after the Initial Limits Payment Date.

(b) On or after the Initial Limits Payment Date, Defendants, Outside Directors, and MacDonald shall submit all invoices for Ongoing Defense Costs to the Independent Reviewer for review within the later of twenty-one (21) calendar days after the last day of

the month in which such Ongoing Defense Costs are incurred or twenty-one (21) calendar days after the Initial Limits Payment Date. The Independent Reviewer shall promptly review all invoices that are submitted pursuant to this SubParagraph in a manner consistent with the review process currently employed by the D&O Insurers, and such review shall be in conformity with the D&O insurer guidelines. No later than twenty-one (21) calendar days following the submission of invoices for review, the Independent Reviewer shall promptly provide written instructions to the Escrow Agent setting forth the amounts approved together with payee/wire instructions and W-9s for each approved payment. For the avoidance of doubt, with respect to any invoices for Ongoing Defense Costs that were submitted to the Responding D&O Insurer pursuant to SubParagraph 9(a) of this Agreement but were not actually paid directly from the proceeds of the corresponding D&O Policy prior to the Initial Limits Payment Date, such invoices shall be resubmitted to the Independent Reviewer for review within twenty-one (21) calendar days after the Initial Limits Payment Date. Ongoing Defense Costs that have been approved exclusively by the Independent Reviewer in a manner consistent with the review process currently employed by the D&O Insurers shall be paid from the Settlement Fund within thirty (30) calendar days after the Escrow Agent receives written instructions from the Independent Reviewer pursuant to this SubParagraph.

(c) Any costs incurred by the Independent Reviewer in connection with performing the tasks set forth in this Agreement shall be borne by the Defendants in such proportion as may be agreed to between them; provided that MFGH shall reimburse the Independent Reviewer 1% of the invoices reviewed by the Independent Reviewer for any invoices submitted by the Outside Directors and MacDonald. For avoidance of doubt, the

Outside Directors and MacDonald shall not bear any costs associated with the Independent Reviewer.

(d) For avoidance of doubt, (i) Ongoing Defense Costs shall not include Reasonable CFTC Defense Costs, (ii) Incurred Defense Costs shall not be paid on or after the Execution Date, and (iii) Incurred Defense Costs shall not be paid from the Settlement Fund or from any reserve established pursuant to Paragraph 6 of this Agreement.

10. Provision for Claims Asserted by the CFTC.

(a) CFTC Corzine Reserve.

(i) Unless the Plan Administrator shall otherwise agree in writing, Corzine agrees that any settlement of the CFTC Action that is funded in whole or in part from the CFTC Corzine Reserve shall contain a provision requiring that 75% of the settlement proceeds shall be paid to MFGAA and credited to the Net Equity Claims. The 75% of such settlement proceeds to be paid to MFGAA shall be paid directly from the Corzine CFTC Reserve to MFGAA immediately upon the later of (i) the Effective Date and (ii) the date on which any settlement funded in whole or in part from the CFTC Corzine Reserve becomes Final.

(ii) Subject to SubParagraph 10(c) hereof, any amounts that are expressly required by the CFTC, in connection with any settlement, judgment, or other resolution of the CFTC Action against Corzine, to be allocated to Customer Class Members (the "CFTC Corzine Allocation") and that are payable from the CFTC Corzine Reserve, shall be transferred from the CFTC Corzine Reserve to the Customer Class Escrow Account, to be distributed to the Customer Class Members in accordance with Paragraph 7 hereof and the Preliminary Customer Class

Approval Order, Customer Class Judgment and Order of Dismissal, and/or other order of the District Court, immediately upon the later of (i) the Effective Date and (ii) the date on which any settlement funded in whole or in part from the CFTC Corzine Reserve becomes effective, or any judgment or other resolution of the CFTC Action against Corzine becomes Final. Any amounts transferred to the Customer Class Escrow Account pursuant to this SubParagraph that are not claimed by Customer Class Members on the first anniversary of the later of (i) the Effective Date and (ii) the date on which any settlement funded in whole or in part from the CFTC Corzine Reserve becomes effective, shall be returned to the Settlement Fund.

(iii) Within seven (7) calendar days after any settlement funded in whole or in part from the CFTC Corzine Reserve becomes effective, or any judgment or other resolution of the CFTC Action against Corzine becomes Final, MFGH and Corzine shall jointly instruct the CFTC Reserve Escrow Agent to transfer to MFGAA any funds remaining in the CFTC Corzine Reserve that are not required for any permissible use of such funds authorized by this Agreement.

(iv) Corzine shall not assert any claim, or seek any recovery from, any of the Plaintiffs, any of the other Defendants, the Insurers, the E&O Insurers' respective reinsurers, D&O Insurers' respective reinsurers, Dissenting Insurers, or Fidelity Bond Insurers for any amounts required to settle or otherwise resolve claims of the CFTC against Corzine that cannot be satisfied by the CFTC Corzine Reserve, including any amounts in excess of the CFTC Corzine Reserve or any amounts that would not be covered by the D&O Policies or the E&O Policies.

(v) Corzine shall (i) use reasonable best efforts to ensure MFG Plaintiffs Counsel are included in material settlement negotiations and discussions between the CFTC on the one hand and Corzine or his counsel on the other hand, and (ii) keep MFG Plaintiffs Counsel informed of all material developments in such settlement negotiations and discussions.

(b) CFTC O'Brien Reserve

(i) Subject to SubParagraph 10(c) hereof, any amounts that are expressly required by the CFTC, in connection with any settlement, judgment, or other resolution of the CFTC Action against O'Brien, to be allocated to Customer Class Members (the "CFTC O'Brien Allocation") and that are payable from the CFTC O'Brien Reserve, shall be transferred from the CFTC O'Brien Reserve to the Customer Class Escrow Account, to be distributed to the Customer Class Members in accordance with Paragraph 7 hereof and the Preliminary Customer Class Approval Order, Customer Class Judgment and Order of Dismissal, and/or other order of the District Court, immediately upon the later of (i) the Effective Date and (ii) the date on which any settlement funded in whole or in part from the CFTC O'Brien Reserve becomes effective or any judgment or other resolution of the CFTC Action against O'Brien becomes Final. Any amounts transferred to the Customer Class Escrow Account pursuant to this SubParagraph that are not claimed by Customer Class Members on the first anniversary of the later of (i) the Effective Date and (ii) the date on which any settlement funded in whole or in part from the CFTC O'Brien Reserve becomes effective, shall be returned to the Settlement Fund.

(ii) Within seven (7) calendar days of the date on which any settlement funded in whole or in part from the CFTC O'Brien Reserve becomes effective or any judgment or other resolution of the CFTC Action against O'Brien becomes Final, MFGH and O'Brien shall jointly instruct the CFTC Reserve Escrow Agent to transfer to MFGAA any funds remaining in the CFTC O'Brien Reserve that are not required for any permissible use of such funds authorized by this Agreement.

(iii) O'Brien agrees not to assert any claim, or seek any recovery from, any of the Plaintiffs, any of the other Defendants, the Insurers, the E&O Insurers' respective reinsurers, D&O Insurers' respective reinsurers, Dissenting Insurers, or Fidelity Bond Insurers for any amounts required to settle or otherwise resolve claims of the CFTC against O'Brien that cannot be satisfied by the CFTC O'Brien Reserve, including any amounts in excess of the CFTC O'Brien Reserve or any amounts that would not be covered by the D&O Policies or the E&O Policies.

(iv) O'Brien shall (i) use reasonable best efforts to ensure MFG Plaintiffs Counsel are included in material settlement negotiations and discussions between the CFTC on the one hand and O'Brien or her counsel on the other hand, and (ii) keep MFG Plaintiffs Counsel informed of all material developments in such settlement negotiations and discussions.

(c) In no event shall more than \$3 million in the aggregate be paid from the CFTC Corzine Reserve and the CFTC O'Brien Reserve in satisfaction of any CFTC Corzine Allocation or CFTC O'Brien Allocation. For greater clarity, if the CFTC Corzine Allocation plus the CFTC O'Brien Allocation exceeds \$3 million in the aggregate, any

amount over \$3 million shall not be payable from either the CFTC Corzine Reserve or CFTC O'Brien Reserve.

(d) Procedure for Payment of Reasonable CFTC Defense Costs.

- (i) No defense fees or costs relating to the CFTC Action shall be paid out of the CFTC Corzine Reserve or CFTC O'Brien Reserve except for Reasonable CFTC Defense Costs that have been approved for payment by either the Responding D&O Insurer or the CFTC Reserve Escrow Agent in a manner consistent with the review process currently employed by the D&O Insurers and in accordance with the procedures set forth in this SubParagraph 10(d). For the avoidance of doubt, Reasonable CFTC Defense Costs shall require the approval of either the Responding D&O Insurer or the CFTC Reserve Escrow Agent, but Reasonable CFTC Defense Costs shall not under any circumstances require the approval of both the Responding D&O Insurer and the CFTC Reserve Escrow Agent.
- (ii) Corzine and O'Brien, respectively, shall submit all invoices for Reasonable CFTC Defense Costs to the CFTC Reserve Escrow Agent for review within twenty-one (21) calendar days following the last day of the month in which such Reasonable CFTC Defense Costs were incurred. The CFTC Reserve Escrow Agent shall review such invoices promptly. Reasonable CFTC Defense Costs that have been approved by the CFTC Reserve Escrow Agent shall be paid by the CFTC Reserve Escrow Agent from either the CFTC Corzine Reserve, if incurred by or

on behalf of Corzine, or from the CFTC O'Brien Reserve, if incurred by or on behalf of O'Brien, within thirty (30) calendar days after such approval, except that if on such date the relevant reserve has not yet been funded pursuant to Paragraph 6 of this Agreement, then payment shall occur on the first business day after that reserve has been funded.

- (iii) The foregoing notwithstanding, prior to the Initial Limits Payment Date, Corzine and O'Brien may, but are not required to, submit any invoices for Reasonable CFTC Defense Costs to the Responding D&O Insurer for review and payment. Any Reasonable CFTC Defense Costs that are invoiced to the Responding D&O Insurer pursuant to this SubParagraph, and that are approved exclusively by the Responding D&O Insurer in a manner consistent with the review process currently employed by the D&O Insurers, may be paid from the D&O Policies' proceeds if, and only if, they are paid prior to the Initial Limits Payment Date. For the avoidance of doubt, any amounts paid pursuant to this SubParagraph shall be deducted from the amounts funded to the CFTC Corzine Reserve or CFTC O'Brien Reserve, as applicable, in accordance with Paragraphs 6(e) and 6(f) herein. No Reasonable CFTC Defense Costs shall be paid by any D&O Insurer after the Initial Limits Payment Date.
- (iv) The Plaintiffs shall not contest or dispute any Reasonable CFTC Defense Costs that have been approved for payment by either the Responding D&O Insurer or the CFTC Reserve Escrow Agent. Further, the Plaintiffs shall not in any way prevent, delay, or attempt to prevent or

delay payment of Reasonable CFTC Defense Costs that have been approved for payment by either the Responding D&O Insurer or the CFTC Reserve Escrow Agent.

(e) For the avoidance of doubt, except as specifically set forth in this Agreement, in no event shall the Settlement Fund be used, or shall any Plaintiff, Insurer, E&O Insurer's reinsurer, D&O Insurer's reinsurer, Dissenting Insurer, or Fidelity Bond Insurer be required to pay or reimburse, (i) any amounts required to be paid in connection with any settlement, judgment, or other resolution of the CFTC Action, or (ii) any Reasonable CFTC Defense Costs, or any other fees or costs incurred in connection with the CFTC Action.

11. [REDACTED]

- (a) [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

(c) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(d) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12. Settlement of Claims Asserted by Sapere.

(a)

[REDACTED]

(b) The receipt by Sapere of

[REDACTED] the releases granted by the Releasing Sapere Parties as set forth in this Agreement, and the releases granted to the Released Sapere Parties as set forth in this Agreement, shall constitute the total consideration for settlement of the Sapere Action.

(c)

[REDACTED]

(d)

[REDACTED]

(e) The Parties shall not disclose to any person or entity, and shall keep

confidential, any and all terms and conditions relating to [REDACTED]

[REDACTED]

APPROVAL, JUDGMENT AND DISMISSALS

13. No later than fourteen (14) calendar days following the Execution Date, the Plan Administrator and Litigation Trustee shall jointly submit to the Bankruptcy Court, under seal, a motion and supporting papers requesting entry of the Bankruptcy Court Approval Order, including a provision approving the payment of proceeds from certain of the E&O Policies (not including any Identified Dissenters' Policies) toward the Settlement Fund, barring third party claims against and otherwise releasing those certain E&O Policies in accordance with this Agreement. Redacted copies of the motion and supporting papers shall be publicly filed on the Bankruptcy Court's docket.

14. No later than fourteen (14) calendar days following the Execution Date, the Customer Class Representatives shall file with the District Court in the Customer Class Action, materials requesting entry of the Customer Class Preliminary Approval Order and shall request that the Court schedule a final approval hearing with respect to the Customer Class Judgment and Order of Dismissal on the earliest possible date. Defendants shall make best efforts to comply with the service requirements under 28 U.S.C. § 1715(b) as soon as practicable, and no later than ten (10) business days, after the filing of the materials requesting entry of the Customer Class Preliminary Approval Order. Within fourteen (14) days of the entry of the Customer Class Preliminary Approval Order (unless otherwise agreed in writing by the MFG Plaintiffs and the Customer Class Representatives), the Customer Class Representatives shall file with the District Court in the Customer Class Action a motion seeking Customer Class Counsel fees and/or expenses (the “Customer Class Counsel Fees Motion”) that sets forth the total amount of any and all fees and/or expenses requested by Customer Class Counsel in connection with the MF Global Actions, including, without limitation, in connection with the Customer Class Action, the Net Equity Claims, or under the CCAA, the NES Assignment Agreement, and/or the Sale and Assumption Agreement. Customer Class Counsel and the MFG Plaintiffs shall cooperate in requesting a reasonable mutually agreed briefing schedule with respect to the Customer Class Counsel Fees Motion. Unless otherwise agreed in writing by the MFG Plaintiffs, other than by way of the Customer Class Counsel Fees Motion, including any appeals thereof, Customer Class Counsel shall not seek any award of fees or expenses in connection with the MF Global Actions, including, without limitation, in connection with the Customer Class Action, the Net Equity Claims, or under the CCAA, the NES Assignment Agreement, and/or the Sale and Assumption Agreement, in any other manner or in any other court or tribunal. Anything else in this Agreement

notwithstanding, the MFG Plaintiffs shall have full rights to object, oppose, appeal, or otherwise contest, on any ground, any award of fees and/or expenses sought or requested by the Customer Class Counsel, or any statement, request, or representation made by Customer Class Counsel that relates to the amount of fees or expenses sought by Customer Class Counsel, whether in the Customer Class Counsel Fees Motion or otherwise. For the avoidance of doubt, unless otherwise agreed to in writing by the MFG Plaintiffs or approved by Judge Francis, no notice or administration costs incurred in connection with the settlement of the Customer Class Action (including, by way of illustration but not limitation, any fees incurred by a claims administrator) in excess of one hundred thousand dollars (\$100,000.00) shall be paid out of the Settlement Fund. In no event shall any notice or administration costs be sought from or paid by any of the Defendants or the Insurers or their reinsurers.

15. As soon as practicable after the Initial Limits Payment Date: (a) the Litigation Trustee and the Litigation Trust Action Defendants shall jointly request that the District Court enter the Litigation Trust Judgment and Order of Dismissal; and (b) Sapere and Defendants shall jointly request that the District Court enter the Sapere Judgment and Order of Dismissal. The foregoing notwithstanding, Sapere shall have no duty to request the Sapere Judgment and Order of Dismissal until [REDACTED]

[REDACTED] The Parties shall cooperate in requesting that the Court enter the Litigation Trust Judgment and Order of Dismissal, the Customer Class Judgment and Order of Dismissal, and the Sapere Judgment and Order of Dismissal on the same date.

16. The MFG Plaintiffs have filed with the Bankruptcy Court the Section 105 Adversary Proceeding Notice of Dismissal in accordance with the terms of the IDL Settlement and Release Agreement.

17. Plaintiffs and Abelow have each withdrawn with prejudice all objections, appeals, or other documents filed in connection with the settlement of the Securities Class Action, and shall take no further action to object, delay, or prevent implementation of that settlement in accordance with the terms of the IDL Settlement and Release Agreement.

RELEASES AND COVENANTS NOT TO SUE

18. In addition to the effect of the Litigation Trust Judgment and Order of Dismissal, the Customer Class Judgment and Order of Dismissal and the Section 105 Adversary Proceeding Notice of Dismissal, and subject to Paragraph 27 herein, upon the Effective Date, the Releasing MFG Parties shall release and shall be deemed to have released all Released Claims against all Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, and Released Sapere Parties. In connection therewith, upon the Effective Date, and subject to Paragraph 27 herein, each of the Releasing MFG Parties: (i) shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged to the fullest extent permitted by law all Released Claims against the Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, and Released Sapere Parties; (ii) shall forever be enjoined from prosecuting in any forum any Released Claim against any of the Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, and Released Sapere Parties; and (iii) agrees and covenants not to sue any of the Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, or Released Sapere Parties with respect to any Released Claims or to assist any third party in commencing or maintaining any suit against any Released Defendant Party, Released Insured Person Parties, Released Insurer Parties, Released Customer Party, or Released Sapere Party related in any way to any Released Claims. The foregoing notwithstanding, this

Paragraph shall not: (a) release any Party from any obligations created by this Agreement, including, without limitation, the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance with all of the terms and conditions of Paragraph 1 herein and all SubParagraphs thereof; (b) release any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policy; (c) release any Dissenting Insurer with respect to any claim or right asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (d) release any rights or obligations relating to Customer Class Counsel Fees created by the CCAA, the NES Assignment Agreement and/or the Sale and Assumption Agreement, including, without limitation, the rights of the MFG Plaintiffs to object to, appeal, or in any way contest the Customer Class Counsel Fees Motion or Customer Class Counsel Fees Order as set forth herein, including, without limitation, in Paragraph 14 hereof; (e) release any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (f) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (g) release any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; or (h) release any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement. For the avoidance of doubt, the foregoing exception (e) shall not apply to any claim that the MFG Plaintiffs may have against the Released Sapere Parties.

19. In addition to the effect of the Litigation Trust Judgment and Order of Dismissal and the Customer Class Judgment and Order of Dismissal, and subject to Paragraph 27 herein, upon the Effective Date, the Releasing Defendants shall release and shall be deemed to have released all Released Claims against all Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, and Released Sapere Parties. In connection therewith, upon the Effective Date of Settlement, and subject to Paragraph 27 herein, each of the Releasing Defendants: (i) shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged to the fullest extent permitted by law all Released Claims against the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties and Released Sapere Parties; (ii) shall forever be enjoined from prosecuting in any forum any Released Claim against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, or Released Sapere Parties; and (iii) agrees and covenants not to sue any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, or Released Sapere Parties with respect to any Released Claims or to assist any third party in commencing or maintaining any suit against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, Released Customer Parties, or Released Sapere Parties related in any way to any Released Claims. The foregoing notwithstanding, this Paragraph shall not: (a) release any Party from any obligations created by this Agreement, including, without limitation, the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance with all of the terms and conditions of Paragraph 1 herein and all

SubParagraphs thereof; (b) release any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policy; (c) release any Dissenting Insurer with respect to any claim or right asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (d) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (e) release any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; or (f) release any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement.

20. In addition to the effect of the Litigation Trust Judgment and Order of Dismissal, the Customer Class Judgment and Order of Dismissal and the Section 105 Adversary Proceeding Notice of Dismissal, and subject to Paragraph 27 herein, upon the Effective Date, the Releasing Customer Parties shall release and shall be deemed to have released all Released Claims against all Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, and Released Sapere Parties. In connection therewith, upon the Effective Date, each of the Releasing Customer Parties: (i) shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged to the fullest extent permitted by law all Released Claims against the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, and Released Sapere Parties; (ii) shall forever be enjoined from prosecuting in any forum any Released Claim against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Sapere Parties; and (iii) agrees and covenants not to sue any of the Released MFG Parties, Released

Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Sapere Parties with respect to any Released Claims or to assist any third party in commencing or maintaining any suit against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Sapere Parties related in any way to any Released Claims. The foregoing notwithstanding, this Paragraph shall not: (a) release any Party from any obligations created by this Agreement, including, without limitation, the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance with all of the terms and conditions of Paragraph 1 herein and all SubParagraphs thereof; (b) release any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policy; (c) release any Dissenting Insurer with respect to any claim or right asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (d) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; or (e) release any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds.

21. In addition to the effect of the Sapere Judgment and Order of Dismissal, and subject to Paragraph 27 herein, effective upon the Effective Date, the Releasing Sapere Parties shall release and shall be deemed to have released all Released Claims against all Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, and Released Customer Parties. In connection therewith, upon the Effective Date of Settlement, each of the Releasing Sapere Parties: (i) shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged to the fullest extent permitted by law all Released Claims against the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties,

Released Insurer Parties, and Released Customer Parties; (ii) shall forever be enjoined from prosecuting in any forum any Released Claim against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Customer Parties; and (iii) agrees and covenants not to sue any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Customer Parties with respect to any Released Claims or to assist any third party in commencing or maintaining any suit against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Customer Parties related in any way to any Released Claims. The foregoing notwithstanding, this Paragraph shall not: (a) release any Party from any obligations created by this Agreement, including, without limitation, the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance with all of the terms and conditions of Paragraph 1 herein and all SubParagraphs thereof; (b) release any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policy; (c) release any Dissenting Insurer with respect to any claim or right asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (d) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; or (e) release any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds.

22. The Releasing Parties may hereafter discover facts other than or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims. Nevertheless, subject to Paragraph 27 herein, Releasing Parties shall expressly, fully,

finally, and forever settle and release, upon the Effective Date, any and all Released Claims in accordance with Paragraphs 18-21 above, whether or not there are or may be any concealed or hidden facts and without regard to the subsequent discovery or existence of such different or additional facts. The Releasing Parties acknowledge that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for and is a key component of this Agreement.

23. In addition, subject to Paragraph 27 herein, with respect to any and all Released Claims as set forth in Paragraphs 18-22 above, the Parties stipulate and agree that, upon the Effective Date, the Releasing Parties shall have expressly waived the provisions, rights, and benefits of Cal. Civ. Code § 1542 and any federal, state or foreign law, rule, regulation or common-law doctrine that is similar, comparable, equivalent, or identical to, or that has the effect in whole or part of, Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

24. The proposed Litigation Trust Judgment and Order of Dismissal shall contain a bar order that permanently bars, enjoins, and restrains any person or entity that is not a Party to the Settlement Agreement or any Funding Agreement, including any Dissenting Insurer, from contesting or disputing the Reasonableness Of Settlement, or commencing, prosecuting, or asserting any claims, including, without limitation, claims for contribution, indemnity, or comparative fault (however denominated and on whatsoever theory), arising out of or related to the MF Global Actions (other than the PWC Action) against: (i) any Party; (ii) any Insured Person; (iii) any Insurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond

Insurers); or (iv) any E&O Insurer's reinsurer or D&O Insurer's reinsurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers). For the avoidance of doubt, such bar order shall not preclude (i) claims by the Parties to this Settlement Agreement or Released Parties to enforce any obligations created herein, including, without limitation, claims against Defendants for the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of Paragraph 1 herein and all SubParagraphs thereof; (ii) claims against the Group A Defendants for their payment obligations under Paragraphs 1(b), 1(c)(iv), 1(c)(v), and/or 12(a); (iii) any claims by the Insurance Assignees to enforce the Assigned Rights; (iv) any claim or right asserted by any MFG Plaintiff against any Dissenting Insurer on its own behalf (as distinct from the Assigned Rights); (v) any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (vi) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; (vii) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (viii) any claims or assigned claims against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; or (ix) the CFTC Action. The Parties shall use reasonable efforts to obtain the bar order contemplated by this Paragraph, but the District Court's refusal to enter such a bar order, in whole or in part, shall not prevent this Agreement from becoming effective.

25. As part of the Customer Class Final Judgment and Order of Dismissal, upon the Effective Date, and subject to Paragraph 27 herein, the Customer Class Members shall forever be

barred, enjoined, and restrained from prosecuting in any forum any Released Claim against any of the Released MFG Parties, the Released Defendant Parties, the Released Insured Person Parties, Released Insurer Parties, and/or the Released Sapere Parties, and their respective past, present and future, direct and indirect corporate parents (including holding companies), subsidiaries, related entities and affiliates, associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934), predecessors, successors, and all of their respective officers, directors, partners, managing directors, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, administrators, shareholders, advisors, and assigns.

26. Notwithstanding the foregoing Paragraphs 18-25, and subject to Paragraph 27 herein, nothing in the Litigation Trust Judgment and Order of Dismissal or this Agreement shall bar any action by the Parties, or any of them, to enforce or effectuate the terms of this Agreement, the Bankruptcy Court Approval Order, the Litigation Trust Judgment and Order of Dismissal, the Customer Class Judgment and Order of Dismissal, or the Sapere Judgment and Order of Dismissal.

27. Nothing in this Agreement, including, without limitation, Definitional Paragraph (dddd) and/or Paragraphs 18-26, shall constitute a release or discharge of the rights or claims of the Releasing MFG Parties with respect to: (i) any person or entity's obligation to pay, or obligation or right to cause to be paid, Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of this Agreement, including, without limitation, Paragraph 1 herein and all SubParagraphs thereof; (ii) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the

PWC Action; (iii) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; (iv) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (v) the Assigned Rights against the Dissenting Insurers, in their capacity as issuers of the Dissenters' Policies; (vi) the MFG Plaintiffs' rights (as distinct from the Assigned Rights) against the Dissenting Insurers; or (vii) any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement. Notwithstanding anything to the contrary herein, the insureds under the Fidelity Bonds reserve all rights to pursue coverage under the Fidelity Bonds. For the avoidance of doubt, the foregoing exception (iv) shall not apply to any claim that the MFG Plaintiffs may have against the Released Sapere Parties.

28. If the holders of claims asserted against the Fidelity Bond Insurers enter into settlements with any of the Fidelity Bond Insurers either before or after a judgment is obtained against such Fidelity Bond Insurers, such holders shall make a condition of such settlement that such Fidelity Bond Insurer provide a release of known and unknown claims against each and every Defendant, directly or indirectly, arising from, based upon, attributable to, or derived from any provision of such Fidelity Bonds, including any subrogated rights of recovery by the Fidelity Bond Insurers against such Defendants.

29. In addition to the releases provided herein, all Plaintiffs (including the Customer Class Representatives on behalf of themselves and on behalf of the Customer Class, subject to court approval), effective upon the Effective Date, do hereby release, acquit, and forever discharge each of the Outside Directors, MacDonald, the IDL Insurers and AIG Claims, Inc., and each of

their retained professionals solely in their capacity as such, from all past, present, and future demands, claims, actions, causes of action, controversies, suits, liabilities, costs, expenses, attorneys' fees, losses, judgments, settlements, promises, duties, responsibilities, agreements, covenants, damages, declaration of rights, monetary or non-monetary relief of whatever kind or nature, whether in law or in equity, known or unknown, oral or written, now existing or hereafter arising, contractual or extra-contractual, under warranty or otherwise, that the Plaintiffs once had, now have, or may have in the future, held in their own right or assigned to them by a third party, based upon, arising out of, related to, or in any way directly or indirectly relating to: (1) the Reported Matters, (2) the Securities Class Action; (3) the Securities Appeal; (4) the MDL Proceeding; (5) the MDL Settlement; (6) the 105 Proceeding; (7) the IDL Policies; and (8) each IDL Insurer's and AIG Claims Inc.'s, investigation, response to or handling of the Reported Matters, and/or the defense and settlement thereof through the date of the execution of this Agreement, including without limitation all claims of "bad faith," or claims of unfair business or insurance practice under any state or federal statute, all common law claims for bad faith insurance practices or breach of the implied covenant of good faith and fair dealing, and all claims for any alleged failure to effectuate prompt, fair, and equitable settlements of claims. This release does not apply (i) to the obligations contained in the IDL Settlement and Release Agreement; (ii) to any proof of claim asserted by MacDonald in the MFGH Chapter 11 proceedings; or (iii) to any obligation of any IDL Insurer with respect to any liability it may have under any insurance policy other than the IDL Policies. This Paragraph is subject to Paragraph 27 and, for the avoidance of doubt, shall not: (a) release any Party from any obligations created by this Agreement, including, without limitation, the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation or any other obligation to and/or for the benefit of the Plaintiffs in accordance

with all of the terms and conditions of Paragraph 1 herein and all SubParagraphs thereof; (b) release any Dissenting Insurer with respect to the Assigned Rights, in such Dissenting Insurer's capacity as the issuer of any Dissenters' Policy; (c) release any Dissenting Insurer with respect to any claim or right asserted by any MFG Plaintiff on its own behalf (as distinct from the Assigned Rights); (d) release any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (e) release any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; or (f) release any rights or assigned rights against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement.

TAXES

30. The Escrow Accounts (including, for the avoidance of doubt, the Settlement Fund) are intended to be treated at all possible times as a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1. No Party shall take any position for tax purposes inconsistent therewith. The Settlement Fund, less any amounts incurred for Taxes (as defined below), plus any accrued interest thereon, shall be returned to the persons and entities that made payments into the Settlement Fund in the amounts paid by each of them, as provided in and subject to Paragraph 40 if the Settlement does not become effective for any reason, including by reason of a termination of this Agreement pursuant to Paragraph 39.

31. The Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of Paragraph 30 including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back to the earliest permissible date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary

documentation for signature by all necessary parties, and thereafter to cause the appropriate filing(s) to occur.

32. For the purpose of Section 468B of the Internal Revenue Code and the Treasury regulations thereunder, the Escrow Agent shall be designated as the “administrator” of the Escrow Accounts. The Escrow Agent shall timely and properly file all income, informational, and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)). Such returns shall be consistent with this Paragraph 32 and in all events shall reflect that all Taxes (as defined below) on the income earned by the Escrow Accounts shall be paid out of the Settlement Fund as provided herein.

33. All: (i) taxes or other similar imposts or charges (including any estimated taxes, interest, penalties, or additions to tax) arising with respect to the income earned by the Settlement Fund, including any taxes that may be imposed upon the Released Parties with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement Fund” within the meaning of Treasury Regulation § 1.468B-1 (or any relevant equivalent for state tax purposes); (ii) other taxes imposed on or in connection with the Settlement Fund (collectively, “Taxes”); and (iii) expenses and costs incurred in connection with the operation and implementation of Paragraph 32 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described herein (“Tax Expenses”)), shall promptly be paid out of the Settlement Fund by the Escrow Agent without prior order from the Court. Taxes shall be treated as, and considered to be, a cost of administration of the Escrow Accounts, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold

from distribution to any claimants authorized by the Court any funds necessary to pay such amounts including the establishment of adequate reserves for any Taxes (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)). The Parties shall cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Paragraph.

34. (a) Neither the Parties, their counsel, the Insurers, E&O Insurers' respective reinsurers, nor D&O Insurers' respective reinsurers shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission, or determination of the Escrow Agent or any other person or entity, or any of their respective designees or agents, in connection with the administration of the Escrow Accounts or otherwise; (ii) any plan of distribution; (iii) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (v) the payment or withholding of any Taxes and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

(b) Neither the Parties, their counsel, the Insurers, E&O Insurers' respective reinsurers, nor D&O Insurers' respective reinsurers shall have any responsibility for or liability whatsoever with respect to any act, omission, or determination of the CFTC Reserve Escrow Agent or any other person or entity, or any of their respective designees or agents, in connection with the activities of the CFTC Reserve Escrow Agent as set forth in this Agreement or otherwise. Further, the MFG Plaintiffs, Corzine, and O'Brien explicitly agree that the CFTC Reserve Escrow Agent shall not be liable for its actions, omissions, or determinations in connection with its activities pursuant to this Agreement (including but not limited to any approval for payment of

Reasonable CFTC Defense Costs), *provided that* the CFTC Reserve Escrow Agent shall be liable for its own gross negligence or willful misconduct.

COOPERATION OBLIGATIONS

35. The Parties shall cooperate with one another in good faith to effectuate and implement the terms and conditions of this Agreement and to exercise their reasonable best efforts to accomplish the terms of this Agreement. For avoidance of doubt, except with respect to the MFG Plaintiffs' rights to object to Customer Class Counsel's fee request pursuant to Paragraph 14 herein, no Party shall oppose any request for approval, or any reasonable request for relief on shortened time or notice, of the Customer Class Preliminary Approval Order, the Customer Class Judgment and Order of Dismissal, the Bankruptcy Court Approval Order, the Litigation Trust Judgment and Order of Dismissal, or the Sapere Judgment and Order of Dismissal.

36. Defendants, respectively, agree to the following specific cooperation obligations:

(a) In addition to the cooperation obligations set forth in Paragraphs 1(c)(iii) and 35 above, Corzine shall, upon reasonable notice and at reasonable times, cooperate with (i) the Plan Administrator and MFGAA in connection with the litigation of the PWC Action, provided that the Plan Administrator and MFGAA shall reimburse Corzine for reasonable and necessary expenses, including reasonable attorneys' fees, subject to mutually agreed reasonable prenegotiated caps, to the extent that such expenses and/or fees are directly related to any cooperation requested by the Plan Administrator or MFGAA in connection with the litigation of the PWC Action; and (ii) the MFG Plaintiffs in connection with their efforts to maximize the value of Debtors' estates. Such cooperation shall include testifying at depositions and in court proceedings, preparation for any such testimony, providing information reasonably necessary to prepare others to testify, and to the extent that Corzine believes any requested declarations, affidavits, or certifications are true and

accurate, providing declarations and affidavits for motion practice including summary judgment, and providing declarations or certifications that certain documents or data are genuine, authentic, and a record of a regularly conducted activity pursuant to Fed. R. Evid. 803(6).

(b) In addition to the cooperation obligations set forth in Paragraphs 1(c)(iii) and 35 above, O'Brien shall, upon reasonable notice and at reasonable times, cooperate with the Plan Administrator and MFGAA in connection with the litigation of the PWC Action, provided that the Plan Administrator and MFGAA shall reimburse O'Brien for reasonable and necessary expenses, including reasonable attorneys' fees, subject to mutually agreed reasonable prenegotiated caps, to the extent that such expenses and/or fees are directly related to any cooperation requested by the Plan Administrator or MFGAA in connection with the litigation of the PWC Action. Such cooperation shall include testifying at depositions and in court proceedings, preparation for any such testimony, providing information reasonably necessary to prepare others to testify, and to the extent that O'Brien believes any requested declarations, affidavits, or certifications are true and accurate, providing declarations and affidavits for motion practice including summary judgment, and providing declarations or certifications that certain documents or data are genuine, authentic, and a record of a regularly conducted activity pursuant to Fed. R. Evid. 803(6). O'Brien shall not be required to cooperate with the MFG Plaintiffs or any holder of any claims asserted against the Fidelity Bond Insurers in connection with any other litigation or claims, including but not limited to any claim asserted by any person or entity against the Fidelity Bond Insurers.

(c) In addition to the cooperation obligations set forth in Paragraphs 1(c)(iii) and 35 above, Abelow shall, upon reasonable notice and at reasonable times, cooperate with (i) the Plan Administrator and MFGAA in connection with the litigation of the PWC Action, provided that the Plan Administrator and MFGAA shall reimburse Abelow for reasonable and necessary expenses, including reasonable attorneys' fees, subject to mutually agreed reasonable prenegotiated caps, to the extent that such expenses and/or fees are directly related to any cooperation requested by the Plan Administrator or MFGAA in connection with the litigation of the PWC Action; and (ii) the MFG Plaintiffs in connection with their efforts to maximize the value of Debtors' estates. Such cooperation shall include testifying at depositions and in court proceedings, preparation for any such testimony, providing information reasonably necessary to prepare others to testify, and to the extent that Abelow believes any requested declarations, affidavits, or certifications are true and accurate, providing declarations and affidavits for motion practice including summary judgment, and providing declarations or certifications that certain documents or data are genuine, authentic, and a record of a regularly conducted activity pursuant to Fed. R. Evid. 803(6).

(d) In addition to the cooperation obligations set forth in Paragraphs 1(c)(iii) and 35 above, Steenkamp agrees upon reasonable notice and at reasonable times, to cooperate with (i) the Plan Administrator and MFGAA in connection with any actions pending against the MFG Plaintiffs; and (ii) with respect to the PWC Action agrees to appear at trial in any litigation between the Plan Administrator and PWC, and not to cooperate with PWC in connection with the litigation of the PWC Action.

(e) In addition to the cooperation obligations set forth in Paragraphs 1(c)(iii) and 35 above, Dunne and Mahajan agree not to disclose to or otherwise to share with PWC or any Fidelity Bond Insurer (i) any confidential or proprietary information of MF Global, (ii) any attorney work product belonging to MF Global, or (iii) any attorney-client privileged communications or information as to which MF Global holds the privilege.

(f) Nothing in this Paragraph 36 shall require or permit the disclosure of any documents or information that is the subject of the attorney-client privilege, work product doctrine, joint defense privilege, or mediation privilege, including but not limited to privileged communications with Insurers, E&O Insurers' respective reinsurers and D&O Insurers' respective reinsurers, all of which are expressly reserved and not waived.

(g) [REDACTED]

(h) [REDACTED]

[REDACTED]

(i) The provisions of Paragraphs 1(c)(iii), 35, and 36 herein shall take effect upon the Execution Date, subject to termination solely in the event that this Agreement is terminated in accordance with Paragraphs 39-40 hereof.

REPRESENTATIONS

37. As a material and express component of this Settlement, Defendants, and each of them, warrant and represent that:

(a) Defendants have obtained authorizations to enter into the Settlement from all Insurers necessary to assure the performance of the obligations contained in

SubParagraph 1(a) hereof (and, for greater certainty, not including the consent of the Identified Dissenting Insurers as to the Identified Dissenters' Policies).

(b) To the best of Defendants' knowledge, which is based solely upon information provided by the Insurers, the aggregate amount of the limits of liability remaining on the D&O Policies upon the Execution Date is not less than \$40 million.

(c) To the best of Defendants' knowledge, which is based solely upon information provided by the Insurers, the aggregate amount of the limits of liability remaining on the E&O Policies upon the Execution Date is not less than \$118 million.

(d) Defendants have not previously assigned any of the Released Claims or previously released or assigned any of the Assigned Claims.

38. As a material and express component of this Settlement, the MFG Plaintiffs and Sapere, as applicable, warrant and represent that (a) the board of directors of MFGH, the managing member of MFGAA, and the managing general partner of Sapere, respectively, have duly approved the terms of this Settlement, (b) all of them are fully authorized to deliver their respective releases of the Released Claims, and (c) none of them has previously released or assigned any of the Released Claims to be released by that Plaintiff.

TERMINATION OF SETTLEMENT

39. Each MFG Plaintiff, in its discretion, shall have the right to terminate this Settlement and Agreement prior to the Effective Date by providing written notice to all other Plaintiffs, Defendants, and the Escrow Agent of an election to do so within thirty (30) calendar days following any of the following events: (i) Defendants, or any of them, fail to meet any of their obligations under Paragraphs 1(a) or 1(c)(i) herein; (ii) the Initial Limits Payment is not made in accordance with SubParagraph 1(a) herein; (iii) the Funding Agreements are not executed within five (5) calendar days of the Execution Date; (iv) [REDACTED]

[REDACTED]

[REDACTED] (v) the Bankruptcy Court declines to enter an order modifying the Plan Injunction substantially in the form of Exhibit F, or a Bankruptcy Court order modifying the Plan Injunction is vacated, reversed, or modified in any material respect by any court of appeal, except if the Bankruptcy Court determines that this Settlement and the payment of proceeds from the E&O Policies does not require its approval; (vi) the Bankruptcy Court declines to approve this Agreement or any material part of it, except if the Bankruptcy Court determines that this Settlement and the payment of proceeds from the E&O Policies do not require its approval; (vii) a Bankruptcy Court order approving this Agreement is vacated, reversed, or modified in any material respect by any court of appeal or higher court; (viii) the District Court enters an order declining to approve the settlement of the Customer Class Action in any material respect; (ix) the District Court enters an order declining to enter the Customer Class Preliminary Approval Order in any material respect; (x) the District Court enters an order declining to enter the Customer Class Judgment and Order of Dismissal in any material respect; (xi) the Customer Class Judgment and Order of Dismissal is modified in any material respect or reversed by a court of appeal or any higher court; (xii) the District Court enters an order declining to enter the Sapere Judgment and Order of Dismissal in any material respect; (xiii) the Sapere Judgment and Order of Dismissal is modified in any material respect or reversed by a court of appeal or any higher court; (xiv) the District Court enters an order declining to enter the Litigation Trust Judgment And Order of Dismissal in any material respect; or (xv) the Litigation Trust Judgment and Order of Dismissal is modified in any material respect or reversed by a court of appeal or any higher court. Sapere, in its sole discretion, shall have the right to terminate this Settlement and this Agreement prior to the Effective Date by providing written notice to all other Plaintiffs, Defendants and the Escrow Agent

of an election to do so within thirty (30) calendar days after the occurrence of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

40. Except as otherwise provided herein, in the event the Settlement is terminated in accordance with Paragraph 39 herein, the Parties to this Agreement shall be deemed to have reverted to their respective status in the MF Global Actions as of December 23, 2015, and the Parties shall proceed in all respects as if this Agreement and any related motions had not been filed and any related orders had not been entered, provided, however, that in the event of termination of this Settlement, this Paragraph 40, and Paragraphs 12(e), 57, and 59 hereof, and the IDL Settlement Release Agreement, shall nonetheless survive and continue to be in effect and binding. Within ten (10) business days following any notice of termination being delivered to the Escrow Agent, the Settlement Fund and any and all amounts remaining in the Customer Class Escrow Account, Customer Class Counsel Escrow Account, [REDACTED] CFTC Corzine Reserve, CFTC O'Brien Reserve, and/o [REDACTED] shall be returned to the persons, Insurers, and Insurers' respective reinsurers in the amounts paid by them (including any accrued interest thereon), less Taxes, if any. For the avoidance of doubt, any Ongoing Defense Costs that have been paid, any fees or expenses reimbursed under this Agreement, and any amounts that have been spent from the CFTC Corzine Reserve, CFTC O'Brien Reserve, or [REDACTED] including any amounts for Reasonable CFTC Defense Costs at the time that a notice of termination is delivered shall not be returned and shall be deducted from the amount returned to the lowest excess D&O Insurer(s), in the order of their respective attachments, that made payment(s) to the

Settlement Fund. No Party shall bear any liability or obligation to repay such amounts to any other Party. The Escrow Agent shall be directed by the Parties to apply for any tax refund owed on the Settlement Fund and to pay the proceeds to the applicable Insurer(s) as instructed by Defense Counsel.

MISCELLANEOUS

41. Defendants shall inform MFG Plaintiffs Counsel of all non-privileged material communications (but not including privileged communications relating to the defense of the Settling Plaintiffs Litigation or privileged communications subject to a mediation privilege) between them and the Dissenting Insurers that relate in any way to this Settlement.

42. Exhibit A and all Schedules attached hereto are hereby incorporated by reference as though fully set forth herein and are material and integral parts hereof.

43. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

44. The headings herein are used for the purpose of convenience only and are not intended to have legal effect.

45. The Parties irrevocably submit to the exclusive jurisdiction of the Bankruptcy Court and District Court for the administration and consummation of the Settlement, and for the purpose of entering all orders relating to matters addressed in this Agreement or any of the ancillary or side agreements entered into concurrently with this Agreement. Except with respect to enforcement of the Assigned Rights, any proceedings against the Dissenting Insurers, and proceedings in connection with the Customer Class Fees Motion as provided in Paragraph 14 hereof, the Parties agree to submit any disputes under this Agreement or any of the ancillary or side agreements entered into concurrently with this Agreement exclusively to Magistrate Judge James

C. Francis (or if Magistrate Judge James C. Francis is no longer a Magistrate Judge, to a judicial officer or mediator agreed upon by the parties to adjudicate such disputes) for full and final resolution including, without limitation, any dispute relating to the release provisions herein.

46. For the purpose of construing or interpreting this Agreement, the Parties agree that it shall be deemed to have been drafted equally by all Parties hereto and shall not be construed strictly for or against any Party.

47. This Agreement shall constitute the definitive agreement between the Parties pertaining to the Settlement, supersedes any and all inconsistent prior negotiations, term sheets and agreements, and is not subject to any condition not explicitly provided for in this Agreement itself. In entering into and executing this Agreement, each of the Parties respectively warrants that he, she, or it is acting upon their respective independent judgments and upon the advice of their respective counsel, and not in reliance upon any warranty or representation, express or implied, of any nature or kind by any other Person, other than the warranties and representations expressly made in this Agreement. The terms of this Agreement are and shall be binding upon each of the Parties hereto, their heirs, executors, administrators, representatives, agents, attorneys, partners, successors, predecessors-in-interest, and assigns, and upon all other Persons claiming any interest in the subject matter hereto through any of the Parties hereto. This provision is not intended to, and does not, mean that the Funding Agreements or any other binding agreement executed by some or all Parties to this Agreement prior to, concurrently with, or subsequent to this Agreement are superseded by this Agreement, except for the November 30 Term Sheet.

48. The terms of this Agreement are not severable (except as noted in Paragraph 24), but are interdependent and have been agreed to only as a whole by the Parties.

49. This Agreement may be modified, amended, or supplemented only by a writing executed on behalf of the MFG Plaintiffs, on the one hand, and any Party whose rights are being altered by the modification or amendment, or their respective successors-in-interest, on the other hand.

50. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of New York without regard to its choice-of-law principles.

51. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach of this Agreement, whether prior, subsequent, or contemporaneous. If one Party to this Agreement considers another Party to be in breach of its obligations under this Agreement, that Party must provide the breaching Party with written notice of the alleged breach and provide a reasonable opportunity to cure the breach before taking any action to enforce any rights under this Agreement.

52. Each of the Released Parties is intended to be and is a third-party beneficiary of this Agreement and is authorized to enforce the provisions of this Agreement applicable to such Released Party, including without limitation the release of Released Claims against the Released Parties and covenant not to sue the Released Parties, and such other provisions of this Agreement as are applicable to each Released Party.

53. Except as otherwise provided herein, each Party shall bear its own costs.

54. It is anticipated that one or more of the MFG Plaintiffs will submit to the Bankruptcy Court a plan of distribution or allocation with respect to any funds recovered by them, through settlements or judgments, including distribution of the Settlement Fund, at some time following the Effective Date. A plan of distribution or allocation is not a term of this Agreement, and it is not a condition of this Agreement that any particular plan of distribution or allocation be

approved. Any plan of distribution or allocation is a matter separate and apart from the Settlement between the Parties and any decision by the Bankruptcy Court concerning a plan of distribution shall not affect the validity or finality of the Settlement.

55. This Agreement may be executed in counterparts by or on behalf of the Parties, and a facsimile or .pdf signature shall be deemed an original signature for purposes of executing this Agreement.

56. The Parties acknowledge that they have been represented by counsel and have made their own investigations of the matters covered by this Agreement to the extent they have deemed it necessary to do so. Therefore, the Parties and their respective counsel agree that they will not seek to set aside any part of this Agreement on the grounds of mistake. Moreover, the Parties and their respective counsel understand, agree, and expressly assume the risk that any fact may turn out hereinafter to be other than, different from or contrary to the facts now known to them or believed by them to be true, and further agree that this Agreement shall be effective in all respects notwithstanding and shall not be subject to termination, modification, or rescission by reason of any such difference in facts.

57. This Agreement, in its unredacted form, shall be kept strictly confidential and may only be provided to the Insurers (and others) as specified in the Funding Agreements, the Escrow Agent and the CFTC Reserve Escrow Agent as specified in their respective escrow agreements, and to the following parties on the condition that they agree to maintain strict confidentiality: (a) Parties; (b) the spouse of any Party who is a natural person; and (c) accountants, lawyers, or other professionals engaged by a Party, within the scope of their retention. Notwithstanding the foregoing, Schedule 3 and Schedule 4 may only be provided to the Group A Defendants, the MFG Plaintiffs, or their respective spouses, accountants, lawyers, or other professionals, as applicable.

If this Agreement is publicly filed or provided to any person or entity not enumerated in the foregoing sentence (including, for the avoidance of doubt, any Customer Class Member who is not a Customer Class Representative), it shall be redacted in exactly the same form as Exhibit H hereto and Schedules 3 and 4 hereto shall be kept strictly confidential. For the avoidance of doubt and without limitation, the Parties and anyone receiving this Agreement shall keep Schedules 3 and 4 hereto, and all terms and conditions of this Agreement relating to the [REDACTED] including Paragraph 11 hereof, strictly confidential.

58. The MFG Plaintiffs shall provide notice to counsel for each Party within five (5) calendar days of as the satisfaction of each condition set forth in Definitional Paragraph (zz) (defining “Effective Date”). The Parties agree that, for the purposes of this provision, notice via email to counsel is sufficient. For the avoidance of doubt, this Paragraph shall not obligate the MFG Plaintiffs to make a filing in any court and/or provide public notice regarding the satisfaction of any condition set forth in Definitional Paragraph (zz) (defining “Effective Date”). However, if the MFG Plaintiffs are otherwise required to make such a filing, then that filing shall satisfy the conditions of this Paragraph.

59. Any notice or materials to be provided pursuant to or relating to this Agreement shall be in writing and shall be given by email and sent to the following as applicable :

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(including the Plan Administrator)

Jane Rue Wittstein, Esq.
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jruewittstein@jonesday.com

NADER TAVAKOLI, AS TRUSTEE FOR THE MF GLOBAL HOLDINGS LTD.
LITIGATION TRUST

Bruce Bennett, Esq.
Michael Schneidereit, Esq.
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mschneidereit@jonesday.com

CUSTOMER CLASS REPRESENTATIVES:

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-and-
Merrill G. Davidoff
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Edward M. Pinter, Esq.
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60. Each of the undersigned attorneys represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Agreement.

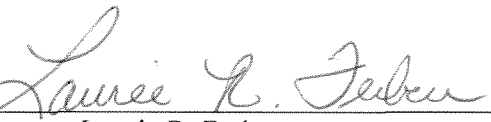
MFG Global Settlement

EXECUTION VERSION


IN WITNESS WHEREOF, the Parties hereto, through their fully authorized representatives, have agreed to this Agreement as of the date first herein written above.

On behalf of Plaintiffs

MF GLOBAL HOLDINGS LTD.

By: 
Name: Laurie R. Ferber
Title: General Counsel

MF GLOBAL HOLDINGS ASSIGNED ASSETS LLC

By: 
Name: Laurie R. Ferber
Title: General Counsel

**NADER TAVAKOLI, AS TRUSTEE OF THE
MF GLOBAL LITIGATION TRUST**

Name: Nader Tavakoli
Title: Trustee of the MF Global Litigation Trust

MFG Global Settlement

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties hereto, through their fully authorized representatives, have agreed to this Agreement as of the date first herein written above.

On behalf of Plaintiffs


MF GLOBAL HOLDINGS LTD.

By: _____
Name: Laurie R. Ferber
Title: General Counsel

MF GLOBAL HOLDINGS ASSIGNED ASSETS LLC

By: _____
Name: Laurie R. Ferber
Title: General Counsel

**NADER TAVAKOLI, AS TRUSTEE OF THE
MF GLOBAL LITIGATION TRUST**


Name: Nader Tavakoli
Title: Trustee of the MF Global Litigation Trust

MFG Global Settlement

EXECUTION VERSION



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-and-

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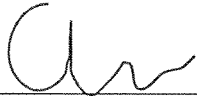
Counsel for Customer Class Representatives

MFG Global Settlement

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Counsel for Customer Class Representatives

MFG Global Settlement

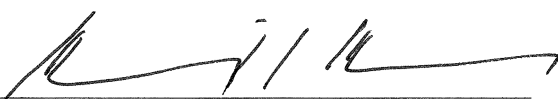
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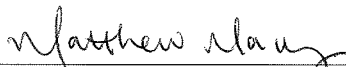
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Counsel for Customer Class Representatives

MFG Global Settlement

EXECUTION VERSION

On behalf of Defendants:



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Counsel for Edith O'Brien


MFG Global Settlement

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Counsel for Edith O'Brien

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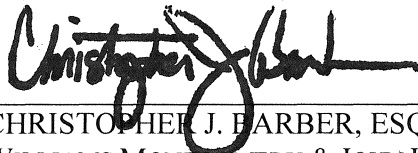
On behalf of Defendants:

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New York, NY 10110
gjo@dorlaw.com

Counsel for Vinay Mahajan

Exhibit A

ASSIGNMENT AGREEMENT

This Assignment Agreement (the “Assignment”) is made and entered into on July 6, 2016, between (i) MF Global Assigned Assets, LLC, as assignee of certain claims, rights and interests of MF Global Inc.; (ii) MF Global Holdings Ltd., as Plan Administrator (“Plan Administrator”) under the *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”); and (iii) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (with the persons and entities described in (i), (ii), and (iii) collectively referred to as the “MFG Plaintiffs”); and (iv) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne, Vinay Mahajan, and Edith O’Brien (with the individuals listed in (iv) collectively referred to as “Defendants”). The MFG Plaintiffs and Defendants are collectively referred to herein as the “Parties.”

WHEREAS, the MFG Plaintiffs and Defendants are among the parties to a Stipulation and Agreement of Settlement (the “Global Settlement Agreement”), of even date herewith, reflecting the terms and conditions of a settlement of certain actions and claims relating to the Settling Plaintiffs Litigation.¹

WHEREAS, Defendants are insureds to whom coverage is provided under the errors and omissions and directors and officers policies set forth on Schedules 1 and 2 to the Global Settlement Agreement (the “Policies”).

WHEREAS, Defendants have sought, requested and demanded each and every Insurer’s consent to enter into the Global Settlement Agreement and full payment of each and every Policy’s limit of liability to fund the agreed Settlement.

¹ Capitalized terms not defined herein shall have the meaning ascribed in the Global Settlement Agreement.

WHEREAS, the terms “Dissenting Insurers”, “Dissenters’ Policies”, “Identified Dissenters’ Policies,” and “Other Dissenters’ Policies” are defined in the Global Settlement Agreement, and those definitions are incorporated herein;

WHEREAS, as of the date of entry into this Assignment, the Identified Dissenters' Policies consist of the following: (1) Allied World Assurance Company Ltd., Excess Liability Insurance Policy Number C007357/005 (\$15 million in excess of \$132.5 million); (2) Iron-Starr Excess Agency Ltd., Excess Follow Form Liability Insurance Policy Number ISF0000508 (\$5 million in excess of \$147.5 million); and (3) Federal Insurance Company, Excess E&O Policy Number 8208-3220 (\$5 million in excess of \$152.5 million).

WHEREAS, pursuant to and in furtherance of the Global Settlement Agreement and the Settlement, Defendants wish to assign their rights and all claims that they have against the Dissenting Insurers and the Dissenters’ Policies, consisting of the Identified Dissenters’ Policies and the Others’ Dissenters’ Policies, in connection with the MF Global Actions to the MFG Plaintiffs or their designee.

NOW, THEREFORE, FOR TEN DOLLARS, AND SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE ACKNOWLEDGED BY EACH DEFENDANT:

1. Effective immediately, each of the Defendants hereby irrevocably assigns, grants, transfers, and otherwise conveys to the MFG Plaintiffs, or their designee, jointly and severally, as their interests may appear, the entirety of that Defendant’s claims, causes of action, choses in action, rights, rights of recovery, title, interest in, and any other entitlement to any benefits, of any nature whatsoever (specifically including but not limited to policy limits of liability, costs, fees, interest, damages of any nature, bad faith and extracontractual recoveries, and all other

forms of relief, at law or in equity) from, under, by reason of, or against the Dissenting Insurers, including in respect of the Dissenters' Policies (the "Assigned Rights").

2. This Assignment and the Assigned Rights include, without limitation, the transfer to the MFG Plaintiffs, or their designee, of any and all claims that each of the Defendants has, may have, had, or could have, against the Dissenting Insurers with respect to the Dissenters' Policies.

3. Each Defendant individually warrants and represents that the aforementioned Assigned Rights have not been previously assigned by that Defendant and, to the best of his or her knowledge, are free from all liens, encumbrances, or adverse claims.

4. This Assignment shall inure to the benefit of each of the MFG Plaintiffs, their successors, assigns, and personal representatives, and heirs at law.

6. Each of the MFG Plaintiffs, as it deems advisable in its sole and absolute discretion, may prosecute, collect, settle, compromise, and grant releases on any or all of the claims to enforce the Assigned Rights against any Dissenting Insurer.

7. This Assignment shall be governed by, and construed in accordance with the laws of the State of New York, without reference to principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment as of the date first above written.

MF GLOBAL HOLDINGS LTD.

By: _____
Name: Laurie R. Ferber
Title: General Counsel

MF GLOBAL HOLDINGS ASSIGNED ASSETS LLC

By: _____
Name: Laurie R. Ferber
Title: General Counsel

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On the ____ day of _____ in the year 2016 before me, the undersigned, personally appeared **Laurie R. Ferber**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signatures on the instrument, the persons upon behalf of which the individual acted, executed the instrument.

(Signature and office of individual taking acknowledgment.)

**NADER TAVAKOLI, AS TRUSTEE OF THE
MF GLOBAL LITIGATION TRUST**

Name: Nader Tavakoli
Title: Trustee of the MF Global Litigation Trust

STATE OF _____)
) ss:
COUNTY OF _____)

On the ___ day of _____ in the year 2016 before me, the undersigned, personally appeared **Nader Tavakoli**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

(Signature and office of individual taking acknowledgment.)

BRADLEY ABELOW

Name: Bradley Abelow

STATE OF _____)
) ss:
COUNTY OF _____)

On the ____ day of _____ in the year 2016 before me, the undersigned, personally appeared **Bradley Abelow**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

(Signature and office of individual taking acknowledgment.)

EDITH O’BRIEN

Name: Edith O’Brien

STATE OF _____)
) ss:
COUNTY OF _____)

On the ____ day of _____ in the year 2016 before me, the undersigned, personally appeared **Edith O’Brien**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual executed the instrument.

(Signature and office of individual taking acknowledgment.)

DAVID DUNNE

Name: David Dunne

STATE OF _____)
) ss:
COUNTY OF _____)

On the ____ day of _____, 2016, David Dunne, personally known to me or proved to me on the basis of satisfactory evidence to be Mr. Dunne, personally appeared before me and executed the foregoing Assignment Agreement, and acknowledged to me that he executed the same as his free act and deed.

Notary Public

[Seal]

VINAY MAHAJAN

Name: Vinay Mahajan

STATE OF _____)
) ss:
COUNTY OF _____)

On the ____ day of _____ in the year 2016 before me, the undersigned, personally appeared **Vinay Mahajan**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

(Signature and office of individual taking acknowledgment.)

Exhibit B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 11-15059 (MG)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**ORDER GRANTING MOTION PURSUANT TO RULE 9019 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN
ORDER APPROVING THE SETTLEMENT AGREEMENT AMONG THE PLAN
ADMINISTRATOR, THE TRUSTEE OF THE LITIGATION TRUST, INDIVIDUAL
DEFENDANTS, SAPERE CTA FUND, L.P., AND THE CUSTOMER REPRESENTATIVES**

This matter coming before the Court on the [*Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives*] (the "Motion"); the Court having reviewed the Motion, and having heard the statements of counsel regarding the relief requested in the Motion, and any objections thereto, at a hearing before the Court (the "Hearing"); the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Hearing was adequate and in compliance with the Case Management Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors'

¹ The debtors in these chapter 11 cases (the "Chapter 11 Cases") are MF Global Holdings Ltd.; MF Global Finance USA Inc.; and MF Global Holdings USA Inc. (collectively, the "Debtors"). The bankruptcy cases of MF Global Market Services LLC, MF Global FX Clear LLC, and MF Global Holdings USA Inc. were closed pursuant to the *Order of Final Decree* entered by this Court on February 11, 2016.

estates and their creditors; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in all respects.

2. The Stipulation And Agreement Of Settlement, dated July 6, 2016, between: (a) MF Global Assigned Assets, LLC, as assignee of certain claims, rights, and interests of MF Global Inc.; (b) MF Global Holdings Ltd., as Plan Administrator and otherwise; (c) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust; (d) the Customer Class Representatives (as defined in the Settlement Agreement); (e) Sapere CTA Fund, L.P.; and (f) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne, Vinay Mahajan, and Edith O'Brien (the "Settlement Agreement"),² including the Settlement Fund created thereby, is fair, reasonable and adequate; satisfies the factors comprising Reasonableness of Settlement as defined therein; and is authorized and approved pursuant to Rule 9019 of the Bankruptcy Rules and applicable law.

3. To the extent not previously authorized by this Court, the plan injunction (the "Plan Injunction") as to the Debtors and their respective property established pursuant to paragraph 75 in the *Order Confirming Amended and Restated Joint Plan of Liquidation* entered by this Court on April 5, 2013, to the extent applicable, shall be modified solely to the extent necessary, and without further order of the Bankruptcy Court, to authorize any and all actions reasonably necessary to consummate the Global Settlement, including, without limitation, any payments under certain insurance policies required under the Settlement Agreement or any payments under any other agreement referenced therein or associated therewith. Furthermore,

² Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Global Settlement Agreement.

any person or entity that is not a Party to the Settlement Agreement is permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claims arising out of payments made under certain insurance policies in accordance with the Settlement Agreement or any other agreement referenced therein or associated therewith.

4. Except as stated expressly herein, nothing in this Order shall modify or amend any other provisions of the Plan Injunction.

5. The Plan Administrator and Litigation Trustee are hereby authorized to take any and all actions reasonably necessary to consummate the Global Settlement pursuant to the obligations of each as set forth in the Settlement Agreement and perform any and all obligations contemplated therein.

6. In accordance with and subject to the terms of the Settlement Agreement, including, without limitation, Paragraph 27 thereof, and pursuant to section 105 of the Bankruptcy Code and other applicable law, upon the Effective Date: (a) all covenants, conditions, provisions, settlements, and releases contained in the Settlement Agreement shall bind and inure to the benefit of the Parties and Released Parties and their respective legal representatives, successors, heirs, and assigns, as set forth in the Settlement Agreement; and (b) all Releasing Parties are permanently enjoined from commencing or prosecuting any action constituting a Released Claim against the Released Parties.

7. Upon entry of this Order, any person or entity that is not a Party to the Settlement Agreement, including any Dissenting Insurer, is permanently barred, enjoined, and restrained from contesting or disputing the Reasonableness of Settlement, or commencing, prosecuting, or asserting any claims, including, without limitation, claims for contribution, indemnity, or comparative fault (however denominated and on whatsoever theory), arising out of or related to the MF Global Actions (other than the PWC Action or the CFTC Action) against:

- (a) any Party;
- (b) any Insured Person;
- (c) any Insurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers); or
- (d) any E&O Insurer’s funding reinsurer or D&O Insurer’s reinsurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers).

8. For the avoidance of doubt, nothing in this Order shall preclude:

(i) claims by the Parties to the Settlement Agreement or Released Parties to enforce any obligations created therein, including, without limitation, claims against Defendants for the Defendants’ respective obligation to pay or cause to be paid Defendants’ Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of Paragraph 1 therein and all SubParagraphs thereof; (ii) claims against the Group A Defendants for their payment obligations under Paragraphs 1(b), 1(c)(iv), 1(c)(v), and/or 12(a) of the Settlement Agreement; (iii) any claims by the Insurance Assignees to enforce the Assigned Rights; (iv) any claim or right asserted by any MFG Plaintiff against any Dissenting Insurer on its own behalf (as distinct from the Assigned Rights); (v) any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (vi) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; (vii) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (viii) any claims or assigned claims against any Dissenting Insurer’s respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; or (ix) the CFTC Action.

9. Any and all objections to the Motion or to the relief requested therein that

have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits.

10. The failure to specifically include any particular provision of the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Settlement Agreement, and all actions required for its implementation, be approved in its entirety.

11. If the Effective Date of the Settlement Agreement does not occur, then this Order shall be deemed to be nullified and void *ab initio* in all respects.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

13. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order and to enforce and implement the terms and provisions of the Settlement Agreement and resolve disputes thereunder.

Dated: _____, 2016
New York, New York

MARTIN GLENN
United States Bankruptcy Judge

Exhibit C

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE MF GLOBAL HOLDINGS LTD.
INVESTMENT LITIGATION

Master Docket No.: 12 MD 2338 (VM)

JOSEPH DEANGELIS, et al.,

11 Civ. 7866 (VM)

Plaintiffs,

v.

JON S. CORZINE, et al.,

Defendants.

THIS DOCUMENT RELATES TO:

The Commodity Customer Class Action

x

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL

VICTOR MARRERO, United States District Judge:

On this __ day of ____, 2016, a hearing (the “Hearing”) having been held before this Court to determine: (a) whether the terms and conditions of the Stipulation And Agreement Of Settlement (the “Settlement Agreement”), dated July 6, 2016, between (i) MF Global Assigned Assets, LLC (“MFGAA”), as assignee of certain claims of MF Global Inc. (“MFGI”); (ii) MF Global Holdings Ltd., as Plan Administrator and otherwise (“MFGH”); (iii) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (the “Litigation Trustee”

and, together with MFGI, MFGAA, and MFGH, the “MFG Plaintiffs”); (iv) the Customer Class Representatives¹; (v) Sapere CTA Fund, L.P. (“Sapere”); (vi) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne, Vinay Mahajan, and Edith O’Brien (the “Defendants”), are fair, reasonable, and adequate; and (b) whether judgment should be entered dismissing with prejudice the Released Claims held by Releasing Customer Parties against all Released Defendant Parties, Released MFG Parties, Released Insured Person Parties, Released Insurer Parties, and Released Sapere Parties.

Notice having been provided to the class of Customers certified by Order dated July 20, 2015 (the “Customer Class”), substantially in the form and manner approved by the Court in Paragraph 8 of the Order Granting Preliminary Approval of the Final Customer Settlement with the Individual Defendants, Approving the Proposed Notice to the Class, and Setting a Schedule for Final Approval, dated [DATE] (ECF ____) (the “Preliminary Approval Order”) and the Court, having considered all matters submitted to it at the Hearing, along with all prior submissions by the parties to the Settlement Agreement, and otherwise having determined the fairness and reasonableness of the proposed settlement and release of the claims of the Customer Class members as set forth in the Settlement Agreement;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. For purposes of this Final Judgment and Order of Dismissal (the “Judgment”), capitalized terms not defined herein shall have the meaning ascribed in the Settlement Agreement.
2. This Court has jurisdiction over the subject matter of this action and over all parties to the Customer Class Action, and all members of the Customer Class.

¹ Defined as Augustus International Master Fund L.P., Bearing Fund LP, Kay P. Tee LLC, Mark Kennedy, Robert Marcin, Thomas G. Moran, Paradigm Global Fund I Ltd., Paradigm Equities Ltd., Paradigm Asian Fund Ltd., PS Energy Group, Inc., Summit Trust Company, Henry Rogers Varner Jr., and Thomas S. Wacker.

3. The Court hereby finds that the notice given to the Customer Class in accordance with Paragraph 7 of the Preliminary Approval Order was the best notice practicable under the circumstances. Said notice provided due and adequate notice of these proceedings and the matters addressed herein, including the proposed Settlement set forth in the Settlement Agreement, to all members of the Customer Class entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, due process, and all other applicable laws and rules.

4. Pursuant to Federal Rule of Civil Procedure 23, the Court hereby approves the Settlement, including the terms set forth in the Settlement Agreement, as fair, reasonable and adequate, and in the best interests of the Customer Class. The Parties are authorized to consummate the Settlement in accordance with the terms and provisions of the Settlement Agreement, including but not limited to the Customer Class Distribution set forth in ¶ 7 therein.

5. The Customer Class Action is hereby dismissed with prejudice.

6. The releases set forth in paragraphs 18-29 of the Settlement Agreement (subject in all respects to Paragraph 27 thereof) are expressly incorporated herein and approved, and shall be effective as of the Effective Date.

7. Upon the Effective Date, and subject to Paragraph 27 of the Settlement Agreement, the Releasing Customer Parties shall forever be barred, enjoined, and restrained from prosecuting in any forum any Released Claim against any of the Released MFG Parties, Released Defendant Parties, Released Insured Person Parties, Released Insurer Parties, or Released Sapere Parties, and their respective past, present and future, direct and indirect corporate parents (including holding companies), subsidiaries, related entities and affiliates, associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange

Act of 1934), predecessors, successors, and all of their respective officers, directors, partners, managing directors, employees, agents, contractors, attorneys, legal or other representatives, trustees, trusts, heirs, beneficiaries, estates, executors, administrators, shareholders, advisors, and assigns.

8. Notwithstanding anything to the contrary herein, including, without limitation, the preceding paragraphs 5-7, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Settlement Agreement, this Judgment, the Bankruptcy Court Approval Order, the Sapere Judgment and Order of Dismissal, or the Litigation Trust Judgment And Order Of Dismissal. Furthermore, this Judgment shall in all respects be subject to Paragraph 27 of the Settlement Agreement and shall not be interpreted to alter the terms thereof in any manner whatsoever.

9. Neither this Judgment nor the Settlement (including the Settlement Agreement or any of its terms, or any aspect of any of the negotiations, discussions and proceedings in connection with the negotiation of and/or efforts to consummate the Settlement): (a) shall be offered in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum or other tribunal other than as may be necessary to enforce the terms of this Judgment, the Settlement Agreement and/or any related judgments, orders, or agreements; (b) shall be described as, construed as, interpreted as or offered against any party as evidence of and/or deemed to be evidence of any presumption, concession or admission as to any liability, negligence, fault, wrongdoing on their part or the validity of any claim by any party or the merits of any of their defenses; or (c) shall be described as, construed as, interpreted as or offered against any party as evidence of any infirmity in the claims of any

party, or as evidence that the damages recoverable from any party would not have exceeded the consideration paid under the Settlement.

10. A separate order shall be entered regarding an award of attorneys' fees and reimbursement of costs and expenses. The entry or lack of entry of such order shall in no way affect the finality of this Judgment. Nothing in this Judgment shall be interpreted to alter or restrict the rights of Customer Class Counsel to seek fees and/or expenses, or the rights of the MFG Plaintiffs to object, oppose, appeal, or otherwise contest such fees and/or expenses, as provided in the Settlement Agreement, including, without limitation, paragraph 14 thereof.

11. The Court finds that during the course of the Customer Class Action, the parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

12. The Settlement Fund, as defined and provided for in the Settlement Agreement, is approved.

13. In the event that the Settlement Agreement terminates according to its terms prior to the Effective Date, this Judgment shall be rendered null and void and shall be vacated and, in such event, all orders entered and releases given in connection herewith shall be null and void *nunc pro tunc*, and the Parties will be deemed to have reverted to their respective status as of December 23, 2015.

14. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Settlement or the Settlement Agreement.

15. Without affecting the finality of this Judgment in any way, the Court hereby retains continuing jurisdiction over: (i) the administration and consummation of the Settlement;

(ii) the entry of orders relating to matters addressed in the Settlement Agreement; (iii) the disposition, administration, and distribution of the Customer Class Distribution.

16. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

SO ORDERED this ____ day of _____, 2016.

The Honorable Victor Marrero
United States District Judge

EXHIBIT D

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE MF GLOBAL HOLDINGS LTD. INVESTMENT LITIGATION	Case No. 12-MD-2338 (VM)
JOSEPH DEANGELIS, <i>et al.</i> , Plaintiffs, - against -	Case No. 11-Civ-7866 (VM)
JON S. CORZINE, <i>et al.</i> , Defendants.	ECF CASE
THIS DOCUMENT RELATES TO: The Commodity Customer Class Action	

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF THE FINAL
CUSTOMER SETTLEMENT WITH THE INDIVIDUAL DEFENDANTS, APPROVING
THE PROPOSED NOTICE TO THE CLASS, AND SETTING A SCHEDULE
FOR FINAL APPROVAL**

WHEREAS, the above-captioned consolidated multi-district litigation (the “MDL”) includes a class action (the “Customer Class Action”) on behalf of former commodity customers (the “Customers”) of MF Global Inc. (“MFGI”) asserting claims for pre-judgment interest and/or loss-of-use damages (the “Customer Interest Claims”) based on MFGI’s failure to return Customers’ net equity deposits (“Net Equity”) following MFGI’s October 31, 2011 collapse;

WHEREAS, Co-Lead Counsel for the Customers are litigating both: (i) the Customer Interest Claims; and (ii) the claims of Customers and the MFGI estate arising from the shortfall in Customers’ Net Equity (the “Net Equity Claims”), which were assigned by the Customers to

the MFGI estate pursuant to an October 2, 2013 assignment (the “Assignment Agreement”) in exchange for the advance of general estate funds sufficient to repay 100% of Customers’ outstanding net equity (the “Net Equity Settlement”);¹

WHEREAS, since August 2015, Co-Lead Counsel have litigated the Net Equity Claims on behalf of MF Global Assigned Assets, LLC (“MFGAA”), pursuant to a July 24, 2015 Sale and Assumption Agreement (the “Sale and Assumption Agreement”) under which the SIPA Trustee sold the Net Equity Claims to MFGAA;

WHEREAS, because, pursuant to the Assignment Agreement, Net Equity Settlement, and Sale and Assumption Agreement, the Customers no longer hold the Net Equity Claims and settlement of those claims does not require approval under Federal Rule of Civil Procedure 23(e);

WHEREAS, pursuant to the Assignment Agreement, Net Equity Settlement, and Sale and Assumption Agreement, the remaining Customer Interest Claims, consisting of the pre-judgment interest and/or loss-of-use of funds, are subrogated and subordinated to recovery of the shortfall claim held by MFGAA, such that any recovery on behalf of the Customer Class in litigation would have to be paid over to MFGAA until the shortfall advances (totaling in excess of \$400 million) have been recovered;

WHEREAS, (i) MFGAA as assignee of certain claims of MFGI; (ii) MF Global Holdings Ltd., as Plan Administrator and otherwise (“MFGH”); (iii) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (the “Litigation Trustee” and, together with MFGAA and MFGH, the “MFG Plaintiffs”); (iv) the Customer class representatives; (v) Sapere CTA Fund, L.P.; and (vi) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne,

¹ The MFGI estate’s claims based on the shortfall were originally assigned by James W. Giddens (the “SIPA Trustee”), Trustee for the liquidation of MFGI under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* (the “SIPA Proceeding”), to the customer representatives to permit the claims to be litigated by Co-Lead Counsel in conjunction with the Customers’ claims in one action.

Vinay Mahajan, and Edith O’Brien (collectively, the “Individual Defendants”) have executed a Stipulation and Agreement of Settlement (the “Settlement Agreement”), dated July 6, 2016 (the “Execution Date”), that resolves certain claims in the MDL (the “Global Settlement”), including both the Customer Interest Claims and the Net Equity Claims, as well as any and all claims on behalf of the Customers that could have been brought as part of the Customer Class Action (the “Settled Class Claims”);

WHEREAS, the Global Settlement provides for payment to a settlement fund of amounts equal to all remaining limits under certain errors and omissions liability policies (the “E&O Policies”) and directors and officers liability policies (the “D&O Policies”) (subject to the payment of defense costs and the establishment of certain reserves, including to address claims against Jon Corzine and Edith O’Brien asserted by the Commodity Futures Trading Commission (the “CFTC”), and includes an assignment to the Plan Administrator of the Individual Defendants’ rights to litigate coverage disputes with non-paying carriers;

WHEREAS, Co-Lead Counsel for the Customers and the Plan Administrator have negotiated an amount of \$2 million (plus the potential for an additional allocation of up to \$3 million upon resolution of the CFTC’s ongoing action), to be paid *pro rata* to Customer Class Members (as defined below) based on the amount each Customer Class member received in the Net Equity Settlement, to be allocated to the settlement of the Customer Interest Claims (the “Customer Settlement Fund”) that is fair and equitable, particularly in light of the subrogated and subordinated nature of the Customer Interest Claims;

WHEREAS, Class counsel for the Customers are not seeking an award of attorneys’ fees and litigation expenses from the Customer Settlement Fund and only intend to seek attorneys’ fees and litigation expenses consistent with agreements with MFGI now held by MFGAA under the Sale and Assumption Agreement;

WHEREAS, settlement of the Customer Interest Claims (the “Customer Settlement”) requires approval and notice under Federal Rule of Civil Procedure 23(e) and, by letter motion dated June __ 2016, Co-Lead Counsel moved for an order preliminarily approving the Customer Settlement, under the applicable terms set forth in the Settlement Agreement;

WHEREAS, efficient summary procedures for notifying Customers and the identity of Customers who are members of the class entitled to share in the Customer Settlement Fund have been established through Customer claims filed in the SIPA Proceeding and through: (i) claims filed by Customers in connection with the Customers’ 2013 settlement with JPMorgan Chase Bank, N.A.; (ii) the Net Equity Settlement; and (iii) the Customers’ 2014 settlement with The CME Group Inc. and Chicago Mercantile Exchange, Inc. (collectively, the “Prior Settlements”);

WHEREAS, Customers were sent notices for each of the Prior Settlements, the Court certified a settlement class of Customers entitled to recover in each of the Prior Settlements, the Court subsequently certified a class of Customers by Order dated July 20, 2015 (the “Customer Class”) that are entitled to share in recovery from the Customer Interest Claims, such that no additional claimants can now claim to be part of the Customer Class, thus the class of Customers entitled to share in the Customer Settlement Fund is established (the “Customer Class Members”);

WHEREAS, Co-Lead Counsel on behalf of the Customer Class has submitted a proposed *Notice to Former Commodity Futures Customers of MF Global Inc. of the Final Customer Settlement with the Individual Defendants and the Date for a Hearing on Final Approval* (the “Notice”);

WHEREAS, the amount of the Net Equity shortfall that the MFGI estate was required to advance to Customers pursuant to the Net Equity Settlement, as established by the Bankruptcy Court in the SIPA Proceeding by order dated November 6, 2013, continues to exceed at least

\$400 million and is far greater than the assets available to the Individual Defendants to pay claims;

WHEREAS, the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims owned by MFGAA;

WHEREAS, in the interest of expediency and efficiency, and given the procedural history of the Customer Class Action, including the: (i) Court's familiarity with the facts and procedural history of the case; (ii) ease of notice using the names and contact information amassed in the SIPA Proceeding and Prior Settlements, including the fact that the members of the Customer Class have been established through the Prior Settlements and the Customer Class has been certified; (iii) Prior Settlements involving the Customers approved by the Court and the submissions in connection with those Prior Settlements that underscored the issues in the Customer Class Action; (iv) fact that the Net Equity Claims have been assigned to MFGAA; and (v) fact that the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Preliminary Approval of the Customer Settlement:** Based on the Court's review of the Settlement Agreement, including consideration of the amount of the Customer Settlement Fund and the subrogated and subordinated nature of the Customer Interest Claims to the Net Equity Claims, the Court hereby preliminarily approves the Customer Settlement as fair, reasonable and adequate, and in the best interest of the Customer Class, subject to further consideration at the final approval hearing (the "Final Hearing"), if necessary, to be conducted at the date and time identified herein.

2. Preliminary approval and approval of the proposed Notice is appropriate without the necessity of a notice of motion, memorandum of law or supporting declaration.

3. **Settlement Hearing:** The Court will hold the Final Hearing, if necessary, on August __, 2016, or as soon thereafter as the Court is available, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 11B, New York, NY 10007-1312, for the following purposes: (a) to determine whether the proposed Customer Settlement is fair, reasonable and adequate, and should be approved by the Court; (b) to determine whether a final order approving the Customer Settlement and dismissing the Customer Interest Claims and Settled Class Claims with prejudice should be entered; and (c) to consider any other matters that may properly be brought before the Court in connection with the Customer Settlement. Notice of the Customer Settlement and the Final Hearing shall be furnished to the Customer Class as set forth in Paragraphs 7-8 of this Order.

4. The deadline for Co-Lead Counsel to file a notice of motion for final approval, memorandum of law in support of final approval, and declaration in support of final approval, if the Court deems them necessary, and any additional submissions, shall be due not later than twenty-eight (28) days prior to the Final Hearing. Any requests for exclusion or written objections by Customer Class Members, as well as any statements, objections, or responses by any other parties in interest to any portion of the motion for final approval (this Order does not act to create standing for parties where none exists), shall be due not later than fourteen (14) days prior to the Final Hearing. Any replies by Co-Lead Counsel shall be due not later than five (5) days before the Final Hearing.

5. The deadline for Co-Lead Counsel to file a notice of motion seeking an award of attorneys' fees and the reimbursement of litigation expenses, memorandum of law in support, and declaration in support, shall be due within fourteen (14) days of entry of this Order, unless otherwise agreed by Co-Lead Counsel and counsel for the MFG Plaintiffs. Nothing herein limits

the right of the MFG Plaintiffs to object, oppose, or otherwise contest any fees or expenses as provided under Paragraph 14 of the Settlement Agreement.

6. The Court may adjourn the Final Hearing and/or approve the Customer Settlement with such modifications as the parties may agree to, if appropriate, without further notice to the Customer Class, and, further, in the event no Customer Class files a written objection to any aspect of the Customer Settlement pursuant to Paragraph 15 herein, the Court shall give final approval to the Customer Settlement on submission, and enter such appropriate orders and judgments of dismissal as submitted by Co-Lead Counsel pursuant to Paragraph 4 herein.

7. **Use of Collected Data and Manner of Notice:** All distributions to Customer Class Members from the Customer Settlement Fund upon final approval, which will be made *pro rata* based on the amount each Customer received in the Net Equity Settlement, shall be allocated as appropriate based on the data collected and contact information established in the SIPA Proceeding to Customer Class Members, ***except that no member of the class that delivers a valid and timely request for exclusion from the Global Settlement shall receive any portion of the Customer Settlement Fund.***

Co-Lead Counsel shall furnish the Notice to the Customer Class as follows:

(a) Epiq Systems Inc. (“Epiq”), formerly claims administrator in the SIPA Proceeding, will cause to be sent by first-class mail within ten (10) days of entry of this Order the Notice, substantially in the form attached as Exhibit 2 to Co-Counsel’s letter motion, to Customer Class Members identified through the Customer claims process in the SIPA Proceeding and through any claim forms filed in connection with the Prior Settlements;

(b) When available, Co-Counsel will make the following materials available on their respective websites at www.entwistle-law.com and www.bergermontague.com: (i) the executed Preliminary Approval Order; (ii) the Settlement Agreement, without schedules or

exhibits, and with provisions not material to the Customer Settlement redacted; and (iii) any submissions by Co-Lead Counsel in connection with final approval of the Customer Settlement; and

(c) Because Customer Class Members were identified through the Customer claims process in the SIPA Proceeding and through claim forms filed in connection with the Prior Settlements, Co-Lead Counsel are not required also to publish notice.

8. **Approval of Form and Content of Notice:** The Court (a) approves the manner of notice provided in Paragraph 7, and (b) finds that the mailing and distribution of the Notice and website posting of the materials identified in Paragraph 7(b): (i) are appropriate under the circumstances; (ii) constitute notice that is reasonably calculated, under the circumstances, to apprise Customer Class Members of the relevant details of the Customer Settlement; (iii) constitute due, adequate and sufficient notice to all persons or entities entitled to receive notice of the Customer Settlement; and (iv) satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, and all other applicable law and rules.

9. **Participation in the Customer Settlement:** Customer Class Members who previously submitted a customer proof of claim in the SIPA Proceeding and/or in connection with the Prior Settlements and who wish to participate in the Customer Settlement **DO NOT** need to submit a claim or take any additional steps; they will automatically participate in the Customer Settlement **UNLESS** they elect to be excluded by following the procedure outlined herein.

10. Any Customer who did not submit a claim in the SIPA Proceeding and/or in connection with the Prior Settlements: (i) shall be deemed to have waived his, her or its right to receive payment in the Customer Settlement; (ii) shall be bound by the provisions of the Customer Settlement, all proceedings, determinations, orders and judgments in the Customer Class Action relating thereto, whether favorable or unfavorable to the Customers; and (iii) will be barred from

commencing, maintaining or prosecuting any of the Settled Class Claims, including Customer Interest Claims.

11. **Exclusion From the Customer Settlement:** Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who wishes to exclude himself, herself or itself from the Customer Settlement must request exclusion in writing as follows: (a) any such request for exclusion from the Customer Settlement must be mailed or delivered such that it is received by Co-Lead Counsel, as set forth in Paragraph 15 below, no later than fourteen (14) calendar days prior to the Final Hearing; and (b) that each request for exclusion must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state that such person or entity “requests exclusion from the Customer Settlement in the Customer Class Action consolidated into *In re MF Global Ltd. Investment Litigation*, 11-MD-2338 (VM) (S.D.N.Y.)”; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

12. Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who timely and validly requests exclusion from the Customer Settlement, in compliance with the terms stated in this Order, and is excluded from the Customer Settlement, shall not be a class member for purposes of the Customer Settlement, shall not be bound by the terms of the Customer Settlement, and ***shall have no right to receive any payment from Customer Settlement Fund.***

13. Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who does not timely and validly request exclusion from the Customer Settlement in the manner stated in this Order: (a) shall be

deemed to have waived his, her or its right to be excluded from the Customer Settlement; (b) shall be forever barred from requesting exclusion from the Customer Settlement in this or any other proceeding; (c) shall be bound by the provisions of the Customer Settlement and all proceedings, determinations, orders and judgments in the Customer Class Action, whether favorable or unfavorable to the Customers; and (d) will be barred from commencing, maintaining or prosecuting any of the Settled Class Claims, including Customer Interest Claims.

14. **Appearance and Objections at Settlement Hearing**: Any Customer Class member who does not request exclusion from the Customer Settlement may enter an appearance in the Customer Class Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to Co-Lead Counsel, as set forth in Paragraph 15 below, such that it is received no later than fourteen (14) calendar days prior to the Final Hearing, or as the Court may otherwise direct. Any Customer Class member who does not enter an appearance will be represented by Co-Lead Counsel.

15. Any Customer Class member who does not request exclusion from the Customer Settlement may file written objections to any aspect of the Customer Settlement and appear at the Final Hearing and show cause, if he, she or it has any cause, why the proposed Customer Settlement should not be approved; *provided, however*, that no Customer Class member shall be heard or entitled to contest the approval of the terms and conditions of any aspect of the proposed Customer Settlement unless that person or entity has filed written objections with the Court and served copies of such objections on Co-Lead Counsel at the addresses set forth below such that they are received no later than fourteen (14) calendar days prior to the Final Hearing:

TO THE COURT

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN UNITED STATES COURTHOUSE
500 PEARL STREET
NEW YORK, NY 10007-1312
RE: *IN RE MF GLOBAL LTD. INVESTMENT*
LITIGATION, 11-MD-2338 (VM)

CO-LEAD COUNSEL

ANDREW J. ENTWISTLE
ENTWISTLE & CAPPUCCI LLP
299 PARK AVENUE, 20TH FLOOR
NEW YORK, NY 10171

MERRILL G. DAVIDOFF
BERGER & MONTAGUE, P.C.
1622 LOCUST STREET
PHILADELPHIA, PA 19103

16. Any objections, filings and other submissions by any objecting Customer Class member (a) must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the objector wishes to bring to the Court's attention; and (b) must include documents sufficient to prove membership in the class.

17. Any Customer Class member who does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the Customer Settlement, and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Customer Settlement, or from otherwise being heard concerning the Customer Settlement.

18. **Termination:** If the Customer Settlement is terminated, or is not approved, this Order shall become null and void, and shall be without prejudice to the rights of the Customer Class, the MFG Plaintiffs, or the Individual Defendants.

19. **Injunction:** Pending final determination of whether the Customer Settlement should be approved, or by further order of the Court, no Customer, whether directly, representatively or in any other capacity, and whether or not such person or entity has appeared in

the above-captioned consolidated action, shall commence or prosecute, or continue to prosecute, in any court or forum any action involving the subject matter of any of the Settled Class Claims, including Customer Interest Claims. This injunction is necessary to protect and effectuate the Customer Settlement, this Order, and the Court’s flexibility and authority to enter judgment when appropriate.

20. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Customer Settlement.

SO ORDERED this _____ day of _____, 2016.

The Honorable Victor Marrero
United States District Judge

EXHIBIT 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS LTD. INVESTMENT LITIGATION	Case No. 12-MD-2338 (VM)
JOSEPH DEANGELIS, <i>et al.</i> , Plaintiffs, - against - JON S. CORZINE, <i>et al.</i> , Defendants.	Case No. 11-Civ-7866 (VM) ECF CASE
THIS DOCUMENT RELATES TO: The Commodity Customer Class Action	

**NOTICE TO FORMER COMMODITY FUTURES CUSTOMERS OF MF GLOBAL INC.
OF THE FINAL CUSTOMER SETTLEMENT WITH THE INDIVIDUAL DEFENDANTS
AND THE DATE FOR A HEARING ON FINAL APPROVAL**

I. OVERVIEW

The above-captioned consolidated multi-district litigation (the “MDL”) includes a class action (the “Customer Class Action”) on behalf of former commodity customers (the “Customers”) of MF Global Inc. (“MFGI”) against certain former officers, directors and employees of MFGI and its parent company MF Global Holdings Ltd. (the “Individual Defendants”), asserting claims for pre-judgment interest and/or loss-of-use damages (the “Customer Interest Claims”) arising from MFGI’s failure to return Customers’ net equity deposits (“Net Equity”) following MFGI’s October 31, 2011 collapse.

Pursuant to an October 2, 2013 assignment (the “Assignment Agreement”) that Customers adopted in connection with a March 14, 2014 settlement that advanced general estate funds of MFGI sufficient to repay 100% of Customers’ outstanding Net Equity (the “Net Equity Settlement”), Customers’ remaining interest in the MDL is limited to the Customer Interest Claims against the Individual Defendants, ***and not***, as explained below, the claims based on the shortfall in Customers’ Net Equity (the “Net Equity Claims”).

In order to provide for payment to the Customers of 100% of their Net Equity, the Net Equity Settlement and Assignment Agreement provided for an assignment to the MFGI estate of all of the Customers’ Net Equity Claims against the Individual Defendants up to the amount of the shortfall in the MFGI estate created by the advance of MFGI estate funds to repay Customers’ outstanding Net Equity. Under the Assignment Agreement, the remaining Customer Interest Claims, consisting only of the pre-judgment interest and/or loss-of-use of funds, are subrogated and subordinated to (*i.e.*, the right to payment on those Customer Interest Claims stands behind) recovery of the shortfall by the MFGI estate or its successors and assigns (now, MF Global Assigned Assets LLC (“MFGAA”)). In this case, the shortfall owed to MFGAA created by the payment of 100% of the Net Equity to Customers (in excess of \$400 million) far exceeds any assets available for recovery against the Individual Defendants, making any further recovery by the Customers in litigation extremely remote since MFGAA is entitled to be made whole first. Nevertheless, the settlement of remaining claims against the Individual Defendants, as set forth below, does provide for an additional payment to Customers negotiated by Counsel for the Customers, even though the settlement does not result in recovery of an amount greater than the shortfall created when the Customers were paid 100% of their Net Equity.

You are receiving this Notice because the claims administrator in the liquidation of

MFGI has determined that you filed a claim in the SIPA Liquidation or during the supplementary claims process in connection with the settlement with JPMorgan Chase Bank N.A. (approved in July 2013), or certain settlements thereafter including the Net Equity Settlement, and are therefore a member of the Class. The parties in the MDL have executed a Stipulation and Agreement of Settlement (the “Settlement Agreement”), dated June [], 2016 (the “Execution Date”), that resolves certain claims against the Individual Defendants in the MDL, including the Customer Interest Claims (the “Customer Settlement”).

To receive a distribution under the Customer Settlement you DO NOT need to take any additional steps. You will automatically receive a payment UNLESS you exclude yourself by following the procedures set forth in this Notice. A federal court authorized this Notice. This is not a solicitation from a lawyer.

II. RELEVANT TERMS OF THE CUSTOMER SETTLEMENT

The Customer Settlement establishes a fund (the “Customer Settlement Fund”) of at least \$2 million to be paid to Customers as provided in the Settlement Agreement (which, as set forth in Part IV below, is available for your review at www.entwistle-law.com and www.bergermontague.com). Based on the outcome of claims against certain Individual Defendants asserted by the U.S. Commodity Futures Trading Commission (the “CFTC”), the Customer Settlement Fund could increase to up to \$5 million *if* the CFTC allocates additional amounts to Customers.

The Settlement Fund is to be divided among the Customers *pro rata* based on the amount of each respective Customer’s Net Equity claim as of March 14, 2014, the date of the final approval of the Net Equity Settlement. Class members will release all remaining claims against the Individual Defendants.

Class counsel for the Customers does not intend to seek an award of attorneys’ fees and litigation expenses from the Customer Settlement Fund.

III. YOUR RIGHTS AND OPTIONS UNDER THE CUSTOMER SETTLEMENT

DO NOTHING:

You will automatically receive a distribution from the Customer Settlement Fund unless you choose to exclude yourself from the Customer Settlement.

EXCLUDE YOURSELF:

You may request exclusion from the Customer Settlement at the address provided below. You will get no payment. This is the only option that allows you to commence a separate lawsuit to seek recovery of interest or loss-of-use damages against a third party, although the time period for filing such a lawsuit may have passed. ***Your deadline to request exclusion from the Customer Settlement is []**.

OBJECT:

You may write to the Court at the address provided below if you do not like specific terms of the Customer Settlement. ***Your deadline to object to the Customer Settlement is []**.

ATTEND THE HEARING:

You may ask to speak in Court about the fairness of the Customer Settlement. ***The Court will hold a hearing on the fairness of the Customer Settlement, if necessary, on [] at [] (the “Final Hearing”) at the courthouse referenced below.**

Any Customer who wishes to exclude himself, herself or itself from the Customer Settlement must request exclusion in writing as follows: (a) any such request for exclusion from the Customer Settlement must be mailed or delivered such that it is received no later than fourteen (14) calendar days prior to the Final Hearing by Counsel identified below; and (b) each request for exclusion must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state that such person or entity “requests exclusion from the Customer Settlement in the Customer Class Action consolidated into *In re MF Global Ltd. Investment Litigation*,

11-MD-2338 (VM) (S.D.N.Y.)”); and (iii) be signed by the person or entity requesting exclusion or an authorized representative.

Requests for exclusion must be sent to Counsel at the following addresses:

To COUNSEL

ANDREW J. ENTWISTLE
ENTWISTLE & CAPPUCCI LLP
299 PARK AVENUE, 20TH FLOOR
NEW YORK, NY 10171

MERRILL G. DAVIDOFF
BERGER & MONTAGUE, P.C.
1622 LOCUST STREET
PHILADELPHIA, PA 19103

Written objections to the Customer Settlement must be mailed or delivered to the Court *and* sent to Counsel (at the above addresses) such that they are received no later than fourteen (14) calendar days prior to the Final Hearing:

I. TO THE COURT

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN UNITED STATES COURTHOUSE
500 PEARL STREET
NEW YORK, NY 10007-1312
RE: *IN RE MF GLOBAL LTD. INVESTMENT LITIGATION*,
11-MD-2338 (VM)

IV. ADDITIONAL INFORMATION IS AVAILABLE ON COUNSEL’S WEBSITES

Copies of the Settlement Agreement memorializing the Customer Settlement and filings in support of its approval will be posted at www.entwistle-law.com and www.bergermontague.com. Portions of the Settlement Agreement that do not relate to the Customer Settlement may be redacted pursuant to Order of this Court and may not be available to the public or Customers. For additional information you can write to Counsel at the above addresses or call (212) 894-7200 or (215) 875-3000.

DATED: June [], 2016

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS LTD.
INVESTMENT LITIGATION

Master Docket No.: 12 MD 2338 (VM)

JOSEPH DEANGELIS, et al.,

11 Civ. 7866 (VM)

Plaintiffs,

v.

JON S. CORZINE, et al.,

Defendants.

THIS DOCUMENT RELATES TO:

*Tavakoli, as Litigation Trustee v. Corzine
et al.*

x

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL

VICTOR MARRERO, United States District Judge:

This Court having been informed that the matters in controversy in the above-captioned action (the "Litigation Trust Action") brought by Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (the "Litigation Trustee") against Jon S. Corzine, Bradley Abelow, and Henri Steenkamp (the "Defendants"), have been settled and compromised in full pursuant to the terms of the Stipulation And Agreement Of Settlement dated July 6, 2016 (the "Settlement Agreement"), and the Litigation Trustee and Defendants having jointly requested that this Court dismiss the Litigation Trust Action with prejudice,

IT IS HEREBY ORDERED THAT:

1. The Litigation Trust Action is dismissed with prejudice.
2. The Settlement Agreement is approved, solely with respect to the settlement of the Litigation Trust Action, and without prejudice to approval of other settlements or compromises contained therein, including, without limitation, the Settlement Fund established thereby.
3. Upon entry of this Judgment and Order of Dismissal, any person or entity that is not a Party to the Settlement Agreement or any Funding Agreement, including any Dissenting Insurer,¹ is permanently barred, enjoined, and restrained from contesting or disputing the Reasonableness Of Settlement, or commencing, prosecuting, or asserting any claims, including, without limitation, claims for contribution, indemnity, or comparative fault (however denominated and on whatsoever theory), arising out of or related to the MF Global Actions (other than the PWC Action and CFTC Action) against: (i) any Party; (ii) any Insured Person; (iii) any Insurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers); or (iv) any E&O Insurer's funding reinsurer or D&O Insurer's reinsurer (for avoidance of doubt, not including any Dissenting Insurer or the Fidelity Bond Insurers). For the avoidance of doubt, such bar order shall not preclude: (i) claims by the Parties to the Settlement Agreement or Released Parties to enforce any obligations created therein, including, without limitation, claims against Defendants for the Defendants' respective obligation to pay or cause to be paid Defendants' Financial Obligation to and/or for the benefit of the Plaintiffs in accordance with and subject to all of the terms and conditions of Paragraph 1 therein and all SubParagraphs thereof; (ii) claims against the Group A Defendants for their payment obligations under Paragraphs 1(b), 1(c)(iv), 1(c)(v), and/or 12(a) of the Settlement Agreement; (iii) any claims by

¹ Capitalized terms not defined herein shall have the meanings ascribed in the Settlement Agreement

the Insurance Assignees to enforce the Assigned Rights; (iv) any claim or right asserted by any MFG Plaintiff against any Dissenting Insurer on its own behalf (as distinct from the Assigned Rights); (v) any claims asserted or that could be asserted by the MFG Plaintiffs against PWC, including, without limitation, any claims or causes of action asserted in the PWC Action; (vi) any claim made or proof of loss submitted by any of the MFG Plaintiffs under the Fidelity Bonds; (vii) any subrogation or other rights of MFGAA with respect to any Customer Class Interest Claims, including any Opt-Out Claims, except to the extent of the Customer Class Distribution; (viii) any claims or assigned claims against any Dissenting Insurer's respective reinsurer to the extent such reinsurer failed to contribute the limits of its respective certificate of reinsurance to such Dissenting Insurer pursuant to the E&O Funding Agreement; or (ix) the CFTC Action.

4. In the event that the Settlement Agreement terminates according to its terms prior to the Effective Date (as defined in the Settlement Agreement), this Judgment and Order of Dismissal shall be rendered null and void *ab initio* and shall be vacated.

5. Without affecting the finality of this Judgment in any way, the Court retains continuing jurisdiction over: (i) the administration and consummation of the Settlement as to the Litigation Trust Action and (ii) the entry of orders relating to matters addressed in the Settlement Agreement as to settlement of the Litigation Trust Action.

6. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

SO ORDERED this _____ day of _____, 2016.

The Honorable Victor Marrero
United States District Judge

Exhibit F

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re	:	Chapter 11
	:	
MF GLOBAL HOLDINGS LTD., et al.,	:	Case No. 11-15059 (MG)
	:	
Debtors.¹	:	(Jointly Administered)
-----X		

**STIPULATION AND ORDER REGARDING
LIMITED RELIEF FROM THE PLAN INJUNCTION TO PERMIT
PAYMENTS UNDER CERTAIN ERRORS AND OMISSIONS INSURANCE POLICIES**

This Stipulation and Order (this “Stipulation”) is made and entered into on the date hereof, by and among MF Global Holdings Ltd. (“Holdings Ltd.” or the “Plan Administrator”), the Plan Administrator under the *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* (the “Second Amended and Restated Plan”) 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., MF Global Assigned Assets, LLC (“MFGAA”), as assignee of certain claims, rights, and interests of MF Global Inc. (“MFGI”); Federal Insurance Company (“Federal”), and MFG Assurance Company Ltd. (“MFG Assurance,” and collectively with Federal and Holdings Ltd., the “Parties”).

¹ The debtors in these chapter 11 cases (the “Chapter 11 Cases”) are MF Global Holdings Ltd.; MF Global Finance USA Inc.; and MF Global Holdings USA Inc. (collectively, the “Debtors”). The bankruptcy cases of MF Global Market Services LLC, MF Global FX Clear LLC, and MF Global Holdings USA Inc. were closed pursuant to the *Order of Final Decree* entered by this Court on February 11, 2016.

RECITALS:

A. MFG Assurance issued certain primary or excess professional liability policies (the “MFG Assurance Policies”) for the one year period commencing May 31, 2011, for which MFG Assurance obtained certificates of reinsurance from various reinsurers for all such MFG Assurance Policies except the primary policy. Federal issued that certain excess professional liability policy (the “Federal Lower Excess Policy”) for the one year period commencing May 31, 2011.²

B. On October 31, 2011, Holdings Ltd. and MF Global Finance USA Inc. filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). Thereafter, the remaining Chapter 11 Debtors filed their respective voluntary petitions for relief under chapter 11 of the Bankruptcy Code and the Chapter 11 Debtors’ cases are being jointly administered.

C. On April 25, 2012, the Bankruptcy Court entered its Order Lifting Automatic Stay to Permit Payments of Defense Costs Under Certain Insurance Policies (the “Initial Order”) (Holdings Ltd. ECF No. 652), which, among other things, modified the automatic stay under 11 U.S.C. § 362(a), to the extent applicable, to permit MFG Assurance to advance and/or make payments under the MFG Assurance Policies for defense costs incurred by insured individuals in connection with pending lawsuits, investigations and disputes, as well as any additional matters that may arise in the future, subject to: (i) the Insurers’ determination that such matters are potentially covered under the respective insurance policies; (ii) the reservation of rights issued in respect of any claims, and (iii) an aggregate “soft cap” of \$30 million as set forth therein.

² The MFG Assurance Policies and the Federal Lower Excess Policy, among other excess professional liability policies, are set forth on Schedule 2 to the “Settlement Agreement” defined in ¶ I herein.

D. On April 5, 2013, the Bankruptcy Court entered an order confirming the Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for 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. (Holdings Ltd. ECF No. 1288) (the “Confirmation Order”). On May 2, 2013, the Bankruptcy Court entered an order granting the motion for approval of certain nonmaterial modifications to the confirmed plan, and on May 3, 2013, the Second Amended and Restated Plan was filed (Holdings Ltd. ECF No. 1382), which reflects the approved nonmaterial modifications. The effective date of the Second Amended and Restated Plan occurred on June 4, 2013.

E. Pursuant to paragraph 75 of the Confirmation Order, a plan injunction (the “Plan Injunction”) as to the Chapter 11 Debtors and their respective property was established and remains in full force and effect.

F. On May 30, 2014, the Bankruptcy Court entered its Order to Lift the Automatic Stay to Permit Payments of Defense Costs Under Certain Insurance Policies (the “Second Order”) (Holdings Ltd. ECF No. 1091) which increased the “soft cap” put in place by the First Order to an aggregate total of \$43.8 million.

G. On December 24, 2014, the Bankruptcy Court entered an order styled Certain Advances of Defense Costs Under Certain Errors and Omissions Insurance Policies (the “Third Order”) (Holdings Ltd. ECF No. 2060), which increased the “soft cap” solely with respect to the E&O Policies in the amount of \$1,810,898.73 to allow for advances of defense costs, as set forth more fully therein.

H. On November 5, 2015, the Bankruptcy Court entered its Order Concerning Advances of Defense Costs Under Certain Insurance Policies of the Debtors (the “Fourth Order”) (Holdings Ltd. ECF No. 2154), which denied a motion seeking to further extend the

“soft cap” in light of the Bankruptcy Court’s finding that proceeds of certain directors and officers liability policies (the “D&O Policies”) were no longer subject to the Plan Injunction or any other applicable stay, and in light of an agreement permitting applicable defense costs to be advanced from proceeds of such D&O Policies pending further relief from the Bankruptcy Court allowing MFG Assurance, Federal, and others to pay to the insurers under the D&O Policies some or all of the defense costs that were to be paid from the proceeds of the D&O Policies.

I. A Stipulation and Agreement of Settlement, dated July 6, 2016, has been executed between: (a) MF Global Assigned Assets, LLC, as assignee of certain claims, rights, and interests of MF Global Inc.; (b) MF Global Holdings Ltd., as Plan Administrator and otherwise; (c) Nader Tavakoli (the “Litigation Trustee”), in his capacity as litigation trustee of the MF Global Litigation Trust; (d) the Customer Class Representatives (as defined in the Settlement Agreement); (e) Sapere CTA Fund, L.P.; and (f) Jon S. Corzine, Bradley Abelow, Henri Steenkamp, David Dunne, Vinay Mahajan, and Edith O'Brien (the “Settlement Agreement”).³ On June __, 2016, the Plan Administrator and the Litigation Trustee filed the Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere C.T.A. Fund, and the Customer Representatives with the Bankruptcy Court (Holdings Ltd. ECF. No. __), to which is annexed a redacted copy of the Settlement Agreement and certain exhibits and schedules thereto.

J. Pursuant to the terms of the Settlement Agreement or as otherwise provided in the Funding Agreements or other agreements referenced in the Settlement Agreement or associated therewith, MFG Assurance and Federal have agreed to contribute certain payments under the MFG Assurance Policies or the Federal Lower Excess Policy, as applicable, toward the Initial

³ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Settlement Agreement.

Limits Payment as set forth in the Settlement Agreement or as otherwise provided in the Funding Agreements and other agreements referenced in the Settlement Agreement or associated therewith.

K. The Debtors, by Holdings Ltd. as Plan Administrator, have agreed to consent to relief from the Plan Injunction, to the extent applicable, for the limited purpose of authorizing MFG Assurance and Federal to contribute their payments towards the Initial Limits Payment as set forth in the Settlement Agreement or as otherwise provided in the Funding Agreements and other agreements referenced in the Settlement Agreement or associated therewith.

L. In light of the foregoing, the Parties have agreed, subject to approval of the Bankruptcy Court, to a modification of the Plan Injunction, to the extent necessary, so that MFG Assurance and Federal can contribute their payments towards the Initial Limits Payment as set forth in the Settlement Agreement or as otherwise provided in the Funding Agreements and other agreements referenced in the Settlement Agreement or associated therewith.

NOW, THEREFORE, subject to Bankruptcy Court approval, in consideration of the mutual covenants, promises, and obligations set forth herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

STIPULATION:

1. The Recitals set forth above form an integral part of this Stipulation and are incorporated fully herein.
2. This Stipulation shall not become effective until the date it has been executed by the Parties and approved by Final Order (as defined below) of the Bankruptcy Court (the “Effective Date”). “Final Order” shall mean an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, or amended, and as to which order or judgment (or

any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending; provided, however, that no order or judgment shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, Rule 9024 of the Federal Rules of Bankruptcy Procedure, any similar local bankruptcy rule, or any similar state statute or rule may be filed with respect to such order or judgment.

3. Upon the Effective Date, the Plan Injunction as to the Debtors, to the extent applicable, shall be modified solely to the extent necessary, and without further order of the Bankruptcy Court, to authorize MFG Assurance and Federal to contribute their payments towards the Initial Limits Payment as set forth in the Settlement Agreement or as otherwise provided in the Funding Agreements and other agreements referenced in the Settlement Agreement or associated therewith.

4. Except as stated expressly herein, nothing in this Stipulation shall modify or amend any other provisions of the Plan Injunction.

5. The Parties agree that, except as stated expressly herein, nothing in this Stipulation shall constitute (i) a determination, representation or admission of any insurance coverage rights or obligations under the MFG Assurance Policies or the Federal Lower Excess Policy or any other insurance policies, (ii) a determination of the impact of the Plan Injunction as to the Debtors in respect of the MFG Assurance Policies, the Federal Lower Excess Policy, or any other policy issued by any Insurer as defined in the Settlement Agreement, or (iii) any modification of the Bankruptcy Court's Initial Order, Second Order, Third Order, or Fourth Order, or any other order issued by the Bankruptcy Court.

6. Each person who executes this Stipulation on behalf of a Party hereto represents

that he or she is duly authorized to execute this Stipulation on behalf of such Party.

7. This Stipulation shall bind and inure to the benefit of the Parties and their respective legal representatives, successors, heirs, and assigns.

8. Holdings Ltd. and MFGAA agree to promptly seek, and MFG Assurance and Federal agree not to oppose, approval of this Stipulation by the Bankruptcy Court. If the Stipulation is not approved within sixty (60) calendar days of Holdings Ltd.'s and the Trustee's application for Bankruptcy Court approval, the Stipulation shall be null and void and the Parties shall revert to their respective statuses and litigation positions immediately prior to the execution date of the Settlement Agreement.

9. This Stipulation may be executed in counterparts and all of the counterparts, taken together, constitute a single agreement. The facsimile or PDF image of an originally signed signature page shall serve as, and constitute, an originally executed copy of such signature page.

10. Each of the Parties consents to the jurisdiction of the Bankruptcy Court with respect to any action to interpret or enforce the terms and provisions of this Stipulation.

11. This Stipulation shall be governed by and shall be interpreted in accordance with the internal laws of the State of New York, without regard to its conflicts of law principles.

12. To the extent it would otherwise apply, the 14-day stay pursuant to Federal Rule of Bankruptcy Procedure 4001(a) is hereby waived.

Dated: _____, 2016
New York, New York

Bruce Bennett
JONES DAY
555 S. Flower Street, 50th Floor
Los Angeles, CA 90071
Telephone: (213) 489-3939
Fax: (213) 243-2539
bbennett@jonesday.com

ALLEN & OVERY LLP
1221 Avenue of the Americas
New York, NY 10020

*Counsel for MFG Assurance Company
Limited*

-and-

Jane Rue Wittstein
JONES DAY
250 Vesey Street
New York, NY 10281
Telephone: (212) 326-3415
Fax: (212) 755-7306
jruewittstein@jonesday.com

HOGAN LOVELLS US LLP
875 Third Avenue
New York, NY 10022
Telephone: (212) 918-3000

Counsel for Federal Insurance Company

*Counsel for MF Global Holdings Ltd.,
as Plan Administrator, and
MF Global Assigned Assets LLC*

MARTIN GLENN
United States Bankruptcy Judge

Exhibit G

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
:
IN RE: MF GLOBAL HOLDINGS LIMITED :
INVESTMENT LITIGATION : Master Docket No.: 12 MD 2338 (VM)
:
----- :
JOSEPH DEANGELIS, et al. : 1:11-cv-07866 (VM)
:
Plaintiffs, :
:
vs. :
:
JON S. CORZINE, et al., :
Defendants :
:
----- :
This Document Relates To: :
Sapere CTA Fund, L.P. v. Corzine et al. :
:
-----X

[PROPOSED] JUDGMENT AND FINAL ORDER OF DISMISSAL

Sapere CTA Fund, L.P. (“Sapere”)¹ and the Sapere Action Defendants, having informed this Court that the matters in controversy have been settled and compromised in full pursuant to the terms of the Stipulation And Agreement Of Settlement dated July 6 (the “Settlement Agreement”), and having jointly requested that this Court dismiss the Sapere Action with prejudice,

¹ Capitalized terms not defined herein shall have the meanings ascribed in the Settlement Agreement.

IT IS HEREBY ORDERED THAT:

1. The Sapere Action is dismissed with prejudice.
2. The Settlement Agreement, solely with respect to the settlement of the Sapere Action, and without prejudice to approval of other settlements or compromises contained therein, is approved.
3. In the event that the Settlement Agreement terminates according to its terms prior to the Effective Date (as defined in the Settlement Agreement), this Judgment and Order of Dismissal shall be rendered null and void and shall be vacated.
4. Without affecting the finality of this Judgment in any way, the Court retains continuing jurisdiction over: (i) the administration and consummation of the Settlement as to the Sapere Action and (ii) the entry of orders relating to matters addressed in the Settlement Agreement as to settlement of the Sapere Action.
5. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

SO ORDERED this __ day of _____, 2016

The Honorable Victor Marrero
United States District Judge

Schedule 1

“D&O Policies” means the following insurance policies, issued by the “D&O Insurers” identified below:

Primary Policy Side ABC

D&O Insurer	Policy Number	Policy Period	Limit
U.S. Specialty Insurance Company	14-MGU-11-A23947	May 31, 2011 to May 31, 2012	\$25 million limit of liability in excess of a \$2.5 million self-insured retention or zero retention for non-indemnifiable loss

Side ABC Excess Insurers

D&O Insurer	Policy Number	Policy Period	Limit
XL Specialty Insurance Company	ELU121502-11	May 31, 2011 to May 31, 2012	\$25 million limit of liability in excess of \$25 million of underlying insurance
Axis Insurance Company	MNN 732350/01/2011	May 31, 2011 to May 31, 2012	\$15 million limit of liability in excess of \$50 million of underlying insurance
ACE American Insurance Company	DOX G23655901 005	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$65 million of underlying insurance
Illinois National Insurance Company	01-880-23-08	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$75 million of underlying insurance
Federal Insurance Company	8208-3225	May 31, 2011 to May 31, 2012	\$5 million limit of liability in excess of \$85 million of underlying insurance
Ironshore Indemnity, Inc.	000425002	May 31, 2011 to May 31, 2012	\$10 million part of the \$35 million limit of liability in excess of \$90 million of underlying insurance.
Westchester Fire Insurance Company	G23822684 005	May 31, 2011 to May 31, 2012	\$10 million part of the \$35 million limit of liability in excess of \$90 million of underlying insurance.
New Hampshire Insurance Company	15927114	May 31, 2011 to May 31, 2012	\$15 million part of the \$35 million limit of liability in excess of \$90 million of underlying insurance.
Hartford Accident & Indemnity	00 DA 0250858-11	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$125 million of underlying insurance
St. Paul Mercury Insurance Company	EC09004078	May 31, 2011 to May 31, 2012	\$5 million limit of liability in excess of \$135 million of underlying insurance

D&O Insurer	Policy Number	Policy Period	Limit
Iron-Starr Excess Agency Ltd., on behalf of subscribing insurers Ironshore Insurance Ltd., 70% part of the \$10 million limit of liability, and Starr Insurance & Reinsurance Limited, 30% part of the \$10 million limit of liability	ISF0000507	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$140 million of underlying insurance

Side A Only Excess Insurers

D&O Insurer	Policy Number	Policy Period	Limit
Allied World Assurance Company, Ltd.	C007490/005	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$150 million of underlying insurance
Axis Specialty Limited	1132770111QA	May 31, 2011 to May 31, 2012	\$15 million limit of liability in excess of \$160 million of underlying insurance
Catlin Insurance Company, Inc.	XSP-100903-0511	May 31, 2011 to May 31, 2012	\$10 million limit of liability in excess of \$175 million of underlying insurance
Federal Insurance Company	8208-3266	May 31, 2011 to May 31, 2012	\$5 million part of the \$15 million limit of liability in excess of \$185 million of underlying insurance
Everest National Insurance Company	FL5SA00006-111	May 31, 2011 to May 31, 2012	\$5 million part of the \$15 million limit of liability in excess of \$185 million of underlying insurance
Continental Casualty Company	425151372	May 31, 2011 to May 31, 2012	\$5 million part of the \$15 million limit of liability in excess of \$185 million of underlying insurance

(END OF SCHEDULE)

SCHEDULE 2

“E&O Policies” means the following insurance policies, issued by the “E&O Insurers” identified below:

MFGA Primary Policy

E&O Insurer	Policy Number	Policy Period	Limit
MFG Assurance Company Limited	1-18001-00-11	May 31, 2011 to May 31, 2012	\$7,475,000 limit of liability in excess of a \$25,000 self-insured retention for each claim

MFGA Excess Policies

E&O Insurer	Policy Number	Policy Period	Limit
MFG Assurance Company Limited	1-18002-00-11	May 31, 2011 to May 31, 2012	\$15,000,000 limit of liability in excess of \$7,475,000 underlying insurance
MFG Assurance Company Limited	1-18003-00-11	May 31, 2011 to May 31, 2012	\$15,000,000 limit of liability in excess of \$22,475,000 underlying insurance
MFG Assurance Company Limited	1-18004-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$37,475,000 underlying insurance
MFG Assurance Company Limited	1-18005-00-11	May 31, 2011 to May 31, 2012	\$5,000,000 limit of liability in excess of \$47,475,000 underlying insurance
MFG Assurance Company Limited	1-18005-01-11	May 31, 2011 to May 31, 2012	\$5,000,000 limit of liability in excess of \$47,475,000 underlying insurance
MFG Assurance Company Limited	1-18006-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$57,475,000 underlying insurance
MFG Assurance Company Limited	1-18007-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$67,475,000 underlying insurance

E&O Insurer	Policy Number	Policy Period	Limit
MFG Assurance Company Limited	1-18009-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$77,475,000 underlying insurance
MFG Assurance Company Limited	1-18010-00-11	May 31, 2011 to May 31, 2012	\$5,000,000 limit of liability in excess of \$87,475,000 underlying insurance
MFG Assurance Company Limited	1-18011-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$92,475,000 underlying insurance
MFG Assurance Company Limited	1-18011-01-11	May 31, 2011 to May 31, 2012	\$15,000,000 limit of liability in excess of \$92,475,000 underlying insurance
MFG Assurance Company Limited	1-18012-00-11	May 31, 2011 to May 31, 2012	\$10,000,000 limit of liability in excess of \$117,475,000 underlying insurance

E&O Direct Excess Policies

E&O Insurer	Policy Number	Policy Period	Limit
Federal Insurance Company	8208-3277	May 31, 2011 to May 31, 2012	\$5 million limit of liability in excess of \$120 million of underlying reinsurance and \$7.5 million from the MFGA Primary Policy
Allied World Assurance Company Ltd.	C007357/005	May 31, 2011 to May 31, 2012	\$15 million limit of liability in excess of \$125 million of underlying insurance and reinsurance and \$7.5 million from the MFGA Primary Policy
Iron-Starr Excess Agency Ltd.	ISF0000508	May 31, 2011 to May 31, 2012	\$5 million limit of liability in excess of \$140 million of underlying insurance and reinsurance and \$7.5 million from the MFGA Primary Policy, on behalf of subscribing insurers Ironshore Insurance Ltd., 70% part of the \$5 million limit of liability, and Starr Insurance & Reinsurance Limited, 30% part of the \$5 million limit of liability
Federal Insurance Company	8208-3220	May 31, 2011 to May 31, 2012	\$5 million limit of liability in excess of \$145 million of underlying insurance and reinsurance and \$7.5 million from the MFGA Primary Policy

Schedule 3

[REDACTED]

Schedule 4

[REDACTED]

EXHIBIT C

Hearing Date: Thursday, August 11, 2016 at 11:00 a.m.. (prevailing Eastern Time)
Response Deadline: Wednesday, August 3, 2016 at 4:00 p.m. (prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- x **Chapter 11**
:
In re : **Case No. 11-15059 (MG)**
:
MF GLOBAL HOLDINGS LTD., et al., : **(Jointly Administered)**
:
Debtors.¹ :
:
:
:
----- X

**DECLARATION OF ERIK M. GRABER IN
SUPPORT OF THE MOTION PURSUANT TO
RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE TO APPROVE THE SETTLEMENT AMONG THE PLAN
ADMINISTRATOR, THE TRUSTEE OF THE LITIGATION TRUST, INDIVIDUAL
DEFENDANTS, SAPERE CTA FUND, L.P., AND THE CUSTOMER REPRESENTATIVES**

¹ The debtors in the chapter 11 cases (the “Chapter 11 Cases”) are MF Global Holdings Ltd.; MF Global Finance USA Inc.; MF Global Capital LLC; MF Global Market Services LLC; MF Global FX Clear LLC; and MF Global Holdings USA Inc. (collectively, the “Debtors”). The Court entered an order of final decree closing the chapter 11 cases of MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services LLC on February 11, 2016.

I, Erik M. Graber, am Chief Operating Officer (“COO”) of MF Global Holdings Ltd. (“MFGH” or the “Plan Administrator”), on behalf of itself and its affiliates, including MF Global Assigned Assets LLC (“MFGAA”), which serves 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.* (D.I. 1382)² (the “Plan”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) and is the managing member of MFGAA. I submit this declaration pursuant to 28 U.S.C. § 1746 in support of the Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives (the “Motion”). The statements in this Declaration are based on (a) my personal knowledge in my capacity as COO of MFGH and MFGAA, (b) my review of relevant documents, and (c) information provided to me by, or discussions with, the Plan Administrator’s advisors. If called to testify, I could and would testify to each of the facts set forth herein on that basis, and hereby state as follows:

1. As COO of Holdings, I am familiar with the Chapter 11 Cases, the Plan, MFGAA, and the Plan Administrator's rights, duties, and obligations under the Plan. I am involved in the daily administration of the Plan Administrator's operations, including working closely with the General Counsel, Board of Directors, and outside professionals to oversee the

² Citations to “D.I.” refer to docket items in the main bankruptcy case of MFGH, Case No. 11-15059. Citations to “MDL D.I.” refer to docket items in the consolidated MDL proceeding *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) (the “MDL”). Citations to “SIPA D.I.” refer to docket items in the SIPA liquidation of MF Global Inc., which was proceeding before the Bankruptcy Court as Case No. 11-02790 before it was closed on April 4, 2016. Citations to “Adv D.I.” refer to docket items in Adversary Proceeding Number 13-01333 (Bankr. S.D.N.Y.). Citations to “Section 105 Adv. D.I.” refer to docket items in Adversary Proceeding Number 15-01362 (Bankr. S.D.N.Y.) (the “Section 105 Adversary Proceeding”).

Plan Administrator's satisfaction of its duties and obligations under the Plan. The Plan grants the Plan Administrator very broad authority to take any actions that are necessary and proper to implement the provisions of the Plan, including the authority to settle causes of action. See Plan Section IV.C. Under the Plan, the Plan Administrator's primary objective is the maximization of distributions to the Debtors' creditors. As described in my previous Declaration dated July 24, 2015 (the "Graber July 2015 Decl.") in connection with the *Joint Motions Of The SIPA Trustee and MF Global Holdings Ltd., as Plan Administrator, for an Order Approving (I) the Sale and Assumption Agreement, (II) the Transfer and Abandonment of Specified Systems and Documents and the SIPA Trustee's Corresponding Limitation of Discovery and Retention Obligations, (III) a Final Distribution on Allowed General Unsecured Claims not Held by the MFGH Entities, and (IV) Related Relief* (the "Sale and Assumption Motion") (D.I 2115 at Ex. A ¶ 3) and related filings in connection with the Sale and Assumption Motion,³ MFGAA acquired the Net Equity Claims in the MDL previously held by MFGI, and any recoveries on account of these claims will be distributed to the Debtors' creditors in the same pro rata shares as they would have received from the MFGI estate. (Graber July 2015 Decl. ¶¶ 5-6).

2. The management of MFGH has coordinated closely with outside counsel and with Nader Tavakoli, as Trustee of the MF Global Litigation Trust created pursuant to the Plan (the "Litigation Trustee"), in connection with the efforts to reach the global settlement embodied in that certain Stipulation and Agreement of Settlement dated as of July 6, 2016 (the "Settlement Agreement"),⁴ by and among (i) MFGAA, as assignee of certain claims, rights, and interests of MF Global Inc. ("MFGI"); (ii) MFGH; (iii) the Litigation Trustee (together with MFGI, MFGAA,

³ See, e.g., Letter from J. Rue Wittstein to Hon. Victor Marrero advising that MFGI had assigned the Net Equity Claims to MFGAA (MDL D.I. 996); SIPA Trustee's Memoranda of Law in Support of the Sale and Assumption Motion at Ex. A, Declaration of Vilia Hayes ("Hayes Decl.") ¶¶ 8-18 (SIPA D.I. 8828 at Ex. A).

⁴ Capitalized terms not otherwise defined in this declaration have the meaning given to them in the Settlement Agreement.

and MFGH, the “MFG Plaintiffs”); (iv) the Customer Class Representatives; (v) Sapere CTA Fund, L.P. (“Sapere”), and, together with the MFG Plaintiffs and the Customer Class Representatives, the “Plaintiffs”); (vi) Jon S. Corzine (“Corzine”), Bradley Abelow (“Abelow”), and Henri Steenkamp (“Steenkamp” and, together with Corzine and Abelow, the “Litigation Trust Action Defendants”); and (vii) David Dunne (“Dunne”), Vinay Mahajan (“Mahajan”), and Edith O'Brien (“O'Brien” and, together with the Litigation Trust Action Defendants, Dunne, and Mahajan, the “Defendants.” The Plaintiffs and Defendants are collectively referred to herein as the “Settling Parties”).

3. The Settlement Agreement is the final culmination of the agreement in principle reached on November 30, 2015, when the MFG Plaintiffs, the Defendants, and the Customer Class Representatives entered into a confidential term sheet (the “November 30 Term Sheet”)⁵ to provide for the terms of a global settlement resolving (or setting aside capped funds to defend and/or resolve) all claims remaining against the Defendants in the MF Global MDL litigation. In the months since the November 30 Term Sheet was entered, the MFG Plaintiffs have been coordinating with the Settling Parties to negotiate and finalize the documentation with the Settling Parties and the E&O Insurers and D&O Insurers, who entered into separate confidential Funding Agreements, and finally obtained all execution signatures on July 12, 2016 for the documentation comprising the Settlement.⁶

4. The Settlement Agreement provides that the primary component of the Defendants’ financial consideration for the Settlement Agreement is the obligation to pay (or cause to be paid) Defendants’ Financial Obligation to and/or for the benefit of the Plaintiffs,

⁵ A copy of the November 30 Term Sheet was provided to this Court under seal in connection with the Section 105 Adversary Proceeding.

⁶ The accompanying Declaration of Nader Tavakoli (who as Litigation Trustee oversaw the settlement negotiations that culminated in the Settlement Agreement) sets forth additional background on the structure and key terms of the proposed global Settlement.

which as calculated in accordance with the Settlement Agreement (Settlement Agreement ¶ 1(a)) is currently \$184,058,725.74, representing the total amount of the limits remaining in the D&O Policies and the E&O Policies on the Execution Date (comprised of E&O and excess E&O proceeds totaling \$118,128,771.52 and D&O proceeds of \$40,929,954.22 committed to the Settlement, plus the policy limits on the Identified Dissenters' Policies totaling \$25 million. (Settlement Agreement at 13 n.3).⁷ In other words, the Settlement provides for the contribution of all remaining insurance proceeds under the funding agreements entered into concurrently with the Settlement Agreement, expected to total approximately \$159 million,⁸ and an irrevocable assignment to the MFG Plaintiffs of Defendants' rights against the Identified Dissenters' Policies (and any insurer that does not pay the limits of its policies towards the settlement). I am advised that because the Settlement exhausts or assigns remaining policy limits, it was critical to the Defendants that the proposed settlement either settle other pending actions in the MDL or set aside funds to provide for the defense and/or settlement of those other actions.

5. Accordingly, the Settlement embodies not only the resolution of the claims brought by or for the benefit of the MFG Plaintiffs, but also the settlement of the Sapere Action, the establishment of reserves to provide for defense costs and/or settlement of claims against O'Brien and Corzine in the CFTC Action, and the settlement of the remaining Customer Class

⁷ Under the Settlement Agreement, Defendants' Financial Obligation is reduced by the amount of certain Defendants' fees and costs covered by the D&O Policies in connection with finalizing the Settlement and the fees and costs of Corzine and O'Brien paid in defense of the CFTC Action (which are also then deducted from the confidential CFTC Corzine Reserve and CFTC O'Brien Reserve). (Settlement Agreement Definitional ¶ (qq)).

⁸ This figure is comprised of E&O and excess E&O proceeds totaling \$118,128,771.52 and D&O proceeds of \$40,929,954.22, but does not include the \$25 million of Identified Dissenters' Policies which are not contributed to the Settlement. (Settlement Agreement at 13 n.3). The Settlement also provides for certain confidential personal contributions by certain defendants, identified only as the Group A Defendants. The particulars of these individual defendants' obligations are set forth in a confidential Supplement prepared by the Movants to be filed under seal after Court approval to do so (the "Supplement"), and the effect of these contributions is disclosed (*see* ¶ 5 below) in a net figure with the confidential carve-outs for the settlements of other actions to avoid violating the strict confidentiality required by the Settlement Agreement and avoid prejudicing the Settling Parties while still providing disclosure of the total gross recoveries anticipated for the benefit of the MFG Plaintiffs from the Settlement.

claims for a payment of \$2 million out of the Settlement Fund and up to an additional \$3 million if required by the CFTC, to be satisfied out of the CFTC Reserves (the settlement of which I am advised requires separate District Court approval). (Settlement Agreement ¶¶ 6-12). As set forth in the Supplement, the aggregate effect of these settlement payments, reserves with respect to the CFTC Action, and other confidential reserves (netted against certain confidential payments to be made by the Group A Defendants) reduces the Settlement Fund by up to \$24.8 million, leaving approximately \$134 million in adjusted gross proceeds (before reductions of \$2 million for the Customer Class Distribution and other fees and expenses, including Customer Class Counsel fees and expenses, that can further reduce the gross proceeds available to the MFG Plaintiffs).⁹ Therefore, the gross aggregate recovery for the MFG Plaintiffs anticipated from the Settlement upon the Effective Date is approximately \$132 million.¹⁰ (See Motion ¶ 30; Supplement ¶ 7).

6. By this Motion, the Plan Administrator, on behalf of MFGH and its affiliates, including MFGAA, is seeking the Court's approval of the Settlement Agreement to achieve projected aggregate gross recoveries for the MFG Plaintiffs of approximately \$132 million in exchange for the MFG Plaintiffs' releases provided in the Settlement Agreement and dismissal of the Settling Plaintiffs' pending actions against Defendants.¹¹ The projected aggregate gross

⁹ Confidential provisions relating to the settlements among the Defendants and Settling Plaintiffs (other than the MFG Plaintiffs) are described in the confidential Supplement to be provided to the Court under seal and have been redacted from the publicly filed Settlement Agreement as required by, *inter alia*, Paragraph 57 & Ex.H .

¹⁰ Amounts could revert to the MFG Plaintiffs from certain of the confidential reserves, but the Settlement's reasonableness is not dependent on such recoveries. Similarly, no estimate can be made for the assigned rights against the Dissenting Insurers at this time.

¹¹ The Litigation Trustee's settlement of the Litigation Trust Action as part of the Settlement is the subject of the separate Declaration of Nader Tavakoli as Litigation Trustee. As set forth in the Motion, the MFG Plaintiffs are not seeking the Court's approval at this time for the allocation of proceeds among the MFG Plaintiffs or the approval to make distributions of the funds to creditors. (Motion ¶ 34) Because approval of the Settlement under Rule 9019 is a required condition for the E&O Insurers and D&O Insurers to contribute the Initial Limits Payment into the Settlement Fund (and is also a prerequisite to the Settlement's Effective Date), seeking approval in the first instance and then addressing the allocation and distribution of the funds once received is expected to streamline the process, while preserving all creditors' rights to be heard on allocation and distribution issues in subsequent motions.

recoveries for the MFG Plaintiffs of approximately \$132 million under the Settlement will be subject to certain other costs and expenses, including the fees and expenses for the Customer Class Counsel (the amount of which is yet to be determined and requires approval of the District Court (Settlement Agreement ¶ 14), and could also be supplemented, *inter alia*, by additional recoveries against Dissenting Insurers or amounts not paid from the CFTC Reserves.¹² In exchange for these recoveries, the proposed Settlement provides mutual releases, with certain carve-outs to preserve rights and claims that are not being released by the Settlement. (e.g., Settlement Agreement Definitional ¶ dddd and ¶¶ 18-29). Releases of the Released Insurer Parties and a bar against the assertion of claims that would undermine the Settlement are also crucial components of the Settlement, which I am advised that the funding Insurers and Defendants insisted be part of the Settlement to bring finality to the considerable array of disputes resolved herein. (Motion ¶ 33).

7. The Plan Administrator is convinced that entry into the Settlement Agreement is a prudent exercise of the Plan Administrator's and MFGAA's business judgment and that the proposed Settlement is in the best interests of the Debtors' estates. The specific claims held by the Plan Administrator and/or MFGAA which are being compromised by this Settlement are the Net Equity Claims and certain direct rights against the E&O Policies held by MFGH and by MFGAA, as assignee of MFGI (the "Direct E&O Claims") seeking damages on account of the remaining net equity shortfall of \$484 million (e.g., Hayes Decl. ¶¶ 8-18).¹³ In the Plan Administrator's and MFGAA's business judgment, compromising these claims as part of the

¹² See supra n.10. As with all estimates involving litigation and proposed settlements, any gross recoveries or projected ranges are not a guaranteed recovery but are provided only to indicate the MFG Plaintiffs' reasonable estimate of the estates' aggregate anticipated projected recoveries under the contemplated Settlement, assuming it goes final.

¹³ I am advised that the current amount of the Net Equity Claims is \$484 million, as calculated in expert reports exchanged in the MDL.

Settlement is in the best interests of the estates because after years of litigation and failed prior settlement and mediation efforts, the Settling Parties were finally able to reach an agreement in principle that provides for the full remaining limits of the E&O Policies and D&O Policies, except the Dissenters' Policies, to fund the Settlement. Continuing to litigate the Net Equity Claims to trial would carry all the attendant risks of complex litigation.¹⁴ I am advised that defense costs associated with litigating the Net Equity Claims, including expert fees and costs of the Defendants, have been and would continue to be reimbursed out of the same insurance proceeds available to fund any damages that are ultimately awarded.¹⁵

8. Given the rate at which insurance proceeds have been depleted thus far, with in excess of \$97 million spent on defense costs prior to summary judgment motions, trial or appeals, there is no certainty as to what proceeds would remain if these cases were litigated to judgment to satisfy damage awards. While the Plan Administrator believes that both the Net Equity Claims and Direct E&O Claims are meritorious, the pragmatic calculus that must be employed by the Plan Administrator in determining whether the settlement is in the best interest of creditors is whether the amounts to be recovered by the MFG Plaintiffs pursuant to the settlement are reasonably expected to exceed the amount that could be recovered if the Net Equity Claims, Direct E&O Claims, and Litigation Trust Action were pursued to judgment. Given the continued depletion of insurance proceeds in the absence of this Settlement, the only other source of recovery on the MDL claims would be against the Defendants' personal assets.

¹⁴ The Settlement also avoids any risks or costs associated with commencing litigation on account of the Direct E&O Claims held by MFGH and MFGAA against the funding E&O Policies (although claims are preserved against any E&O Policies not contributed to the Settlement, including the Identified Dissenters' Policies).

¹⁵ As the Court is aware from presiding over various proceedings involving the depletion of the insurance proceeds from defense costs, the total wasting of the E&O Policies for such fees was frozen at \$14.4 million, and the Plan Administrator's advisors have confirmed that reimbursed costs totaling in excess of \$82.6 million have been paid out of the D&O Policies (which were no longer subject to the Court's supervision) through March 31, 2016.

Thus, the continued prosecution of the MFG Plaintiffs' claims would only be reasonable if the anticipated collection on any money judgment against the personal assets of the Defendants (while presumably competing against other Plaintiffs to do so) would be expected to net a greater recovery than the millions (likely tens of millions) of insurance proceeds which would be depleted in the interim for the Defendants' defense costs. I am advised that the Litigation Trustee vetted this issue with counsel and concluded that given the certain depletion of insurance proceeds for continued defense costs, the failure to pursue and consummate the proposed Settlement on the terms agreed to here would likely result in a destruction of value by further wasting the insurance proceeds funding the Settlement without the prospect for making up these recoveries by pursuing personal assets. (Tavakoli Decl. ¶¶ 9-10).¹⁶

9. The Board of Directors of MFGH (which is also the managing member of MFGAA) approved the settlement in principle agreed to in the November 30 Term Sheet, and also approved the Settlement Agreement as executed. Both the November 30 Term Sheet and final Settlement Agreement were the product of extensive good-faith, arms' length negotiations and represent, in the prudent exercise of the Board's business judgment, a fair and reasonable settlement of the claims held by the MFGH and its affiliates, including MFGAA.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 20, 2016
New York, New York

/s/ Erik M. Graber
Erik M. Graber

NAI-1500739462

¹⁶ The reasonableness of the Plan Administrator's conclusion finds support in the similar conclusion of Securities Lead Plaintiffs' counsel to forego personal contributions after requiring confidential disclosures, including verified disclosures to a mediator for certain defendants. *See Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of (I) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Plan Of Allocation; and (II) Co-Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses*, MDL D.I. 1002 at 7 ¶ 8, Ex. 3 at 3 ¶ 6.

EXHIBIT D

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 MF Global Assigned Assets LLC

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----	x	Chapter 11
	:	
In re	:	Case No. 11-15059 (MG)
	:	
MF GLOBAL HOLDINGS LTD., et al.,	:	(Jointly Administered)
	:	
Debtors.¹	:	
	:	
	:	
-----	X	

**DECLARATION OF NADER TAVAKOLI IN
 SUPPORT OF THE MOTION PURSUANT TO
 RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY
 PROCEDURE TO APPROVE THE SETTLEMENT AMONG THE PLAN
 ADMINISTRATOR, THE TRUSTEE OF THE LITIGATION TRUST, INDIVIDUAL
DEFENDANTS, SAPERE CTA FUND, L.P., AND THE CUSTOMER REPRESENTATIVES**

¹ The debtors in the chapter 11 cases (the “Chapter 11 Cases”) are MF Global Holdings Ltd.; MF Global Finance USA Inc.; MF Global Capital LLC; MF Global Market Services LLC; MF Global FX Clear LLC; and MF Global Holdings USA Inc. (collectively, the “Debtors”). The Court entered an order of final decree closing the chapter 11 cases of MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services LLC on February 11, 2016.

I, Nader Tavakoli, am the trustee of the Litigation Trust created pursuant to 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.* (D.I.² 1382) (the “Plan”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) and the Litigation Trust Agreement dated as of June 4, 2013 (the “Litigation Trust Agreement”). I submit this declaration in my capacity as Litigation Trustee³ pursuant to 28 U.S.C. § 1746 in support of the *Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives* (the “Motion”),⁴ which seeks approval of that certain Stipulation and Agreement of Settlement dated as of July 6, 2016 (the “Settlement Agreement”), by and among (i) MFGAA, as assignee of certain claims, rights, and interests of MF Global Inc. (“MFGI”); (ii) MFGH; (iii) the Litigation Trustee (together with MFGI, MFGAA, and MFGH, the “MFG Plaintiffs”); (iv) the Customer Class Representatives;⁵ (v) Sapere CTA

² Citations to “D.I.” refer to docket items in the main bankruptcy case of MFGH, Case No. 11-15059. Citations to “MDL D.I.” refer to docket items in the consolidated MDL proceeding *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) (the “MDL”). Citations to “SIPA D.I.” refer to docket items in the SIPA liquidation of MF Global Inc., which was proceeding before the Bankruptcy Court as Case No. 11-02790 before it was closed on April 4, 2016. Citations to “Adv D.I.” refer to docket items in Adversary Proceeding Number 13-01333 (Bankr. S.D.N.Y.). Citations to “Section 105 Adv. D.I.” refer to docket items in Adversary Proceeding Number 15-01362 (Bankr. S.D.N.Y.). Citations to “CFTC-ECF” are to the docket in the CFTC Action.

³ I understand that the separate Declaration of Erik Graber (“Graber Decl.”) is submitted in support of the Plan Administrator’s and MFGAA’s request for approval of the Settlement Agreement. I am also a member of the Board of MFGH, but do not submit this Declaration in that capacity.

⁴ Capitalized terms not otherwise defined in this declaration have the meaning given to them in the Motion.

⁵ The “Customer Class Representatives” are the parties appointed as lead plaintiffs in the class action cases alleging violations of the Commodity Exchange Act and associated regulations, all of which were

Fund, L.P. (“Sapere”), and, together with the MFG Plaintiffs and the Customer Class Representatives, the “Plaintiffs”); (vi) Jon S. Corzine (“Corzine”), Bradley Abelow (“Abelow”), and Henri Steenkamp (“Steenkamp”) (the “Litigation Trust Action Defendants”); and (vii) David Dunne (“Dunne”), Vinay Mahajan (“Mahajan”), and Edith O'Brien (“O'Brien” and, together with the Litigation Trust Action Defendants and Dunne and Mahajan, the “Defendants”); the Plaintiffs and Defendants are collectively referred to herein as the “Settling Parties”).⁶ The statements in this Declaration are based on (a) my personal knowledge in my capacity as Litigation Trustee, (b) my review of relevant documents, and (c) information provided to me by, or discussions with, Litigation Trust counsel. If called to testify, I could and would testify to each of the facts set forth herein on that basis, and hereby state as follows:

1. As trustee of the Litigation Trust, I am familiar with the Chapter 11 Cases, the Plan, the Plan Administrator’s rights, duties, and obligations under the Plan, along with the Litigation Trust, the Litigation Trust Agreement, the Litigation Trust Claims, and my obligations as trustee of the Litigation Trust. The Litigation Trust Agreement, in accordance with the Plan, assigned to the Litigation Trust the claims set forth in the complaint entitled *Louis J. Freeh, as Chapter 11 Trustee of MF Global Holdings Ltd., et al. v. Jon S. Corzine, et al.*,” Adversary

(continued...)

consolidated for pre-trial purposes into the case captioned *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) and *In re MF Global Holdings Ltd. Investment Litigation*, No. 12-md-2338 (VM) (the “MDL”). On August 20, 2015, the District Court entered its Decision and Order granting the class certification motion of the Customer Class Representatives, certifying a class of former commodities and securities customers of MFGI (the “Customer Class”), and appointing Co-Lead Class Counsel (“Class Counsel”). (MDL D.I. 981).

⁶ The Settlement Agreement in redacted form is annexed to the Motion as Exhibit B. For completeness, Movants are submitting a motion to file the unredacted Settlement Agreement under seal, along with the *Confidential Supplement to Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure For Entry of an Order Approving the Settlement Agreement Among the Plan Administrator, the Trustee of the Litigation Trust, Individual Defendants, Sapere CTA Fund, L.P., and the Customer Representatives* (the “Supplement”) to be provided to the Court with the unredacted Settlement Agreement once an order permitting the filings under seal is entered. The Supplement describes for the Court’s ease of reference the specific provisions required to be kept strictly confidential as part of Settlement. (See also Settlement Agreement ¶¶ 12(e), 57 (imposing confidentiality obligations)).

Proceeding Number 13-01333 (the “Adversary Proceeding”) in the U.S. Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), as well as any claims arising out of or related to the facts or circumstances alleged in the complaint or set forth in the *Report of Louis J. Freeh, as Chapter 11 Trustee of MF Global Holdings Ltd., et al.*, dated April 3, 2013 (D.I. 1279) (the “Litigation Trust Claims”).⁷

2. Among the primary objectives of the Litigation Trust under the Litigation Trust Agreement are the investigation, pursuit, litigation (including, as appropriate, settlement), and liquidation of the Litigation Trust Claims. (Litigation Trust Agreement at § 1.3). My broad authority under the Litigation Trust Agreement includes the authority to settle the Litigation Trust Claims. (See Litigation Trust Agreement §§1.3; 1.7; 3.1; 4.3(b), (d)(ii); 5.4). In furthering the objectives of the Litigation Trust, I am required to use my business judgment to maximize distributions to beneficiaries of the Litigation Trust without unduly prolonging its duration. (See *id.* at §§ 1.3; 3.1; 7.1).

3. Upon confirmation of the Plan and the transfer of the Litigation Trust Claims into the Litigation Trust, and in accordance with the Litigation Trust Agreement, I evaluated the Litigation Trust Claims and concluded that they are meritorious. I thereafter directed the filing of the First Amended Complaint on September 16, 2013 in the Adversary Proceeding (Adv D.I. 22), from which the reference was subsequently withdrawn and which was consolidated with the MDL under the caption *DeAngelis v. Corzine*, Docket No. 11-CV-07866 in the U.S. District Court for the Southern District of New York (the “District Court”) (MDL D.I. 513; CFTC-ECF 29).

⁷ The Litigation Trust Claims, as described in the *First Amended Complaint and Request For Jury Trial* (the “First Amended Complaint”) filed on September 16, 2013 in the Adversary Proceeding, seek damages from the Litigation Trust Action Defendants for alleged breaches of fiduciary duties of care and loyalty to MF Global prior to MF Global’s collapse as set forth more fully in the Motion and in considerable detail in the complaint. The damages sought as a result of these breaches in fiduciary duties are approximately \$2 billion.

4. On March 24, 2014, the District Court entered an opinion denying in full the Litigation Trust Defendants' motion to dismiss the First Amended Complaint. (MDL D.I. 703). Fact discovery with respect to the Litigation Trust Claims was completed on July 15, 2015, and expert discovery was completed on November 23, 2015.

5. At appropriate junctures, I have supported efforts to resolve the Litigation Trust Claims by settlement. I have been motivated in these settlement efforts in significant part by the fact that the primary source of funds available to satisfy any recoveries on claims against individual defendants in the MDL, either from a judgment or a settlement, are the proceeds of MF Global's directors and officers ("D&O") and errors and omissions ("E&O") insurance policies. Even though I am highly confident of the merits of the claims asserted in the Litigation Trust Action, I recognize that the D&O and E&O policies are wasting policies with finite total limits that have been drained to a significant degree in order to fund the Defendants' (and other insureds') litigation and settlement costs in the MDL.⁸ I also recognize that the facts underlying the Litigation Trust Claims are complex and the risk of proceeding to trial is significant.

6. Previous settlement discussions in 2014 and early 2015 that were facilitated by experienced mediators failed. In late 2015, I worked closely with counsel to design a settlement structure that would fix the financial obligation of the settling defendants at the full amount of all remaining insurance proceeds. All insurers who funded their policy limits to the global settlement would receive releases with respect to their funding policies, and the Defendants/Insureds would assign their rights against any insurers that refused to contribute their remaining policy limits. Because such a structure would exhaust remaining insurance proceeds (which also paid for the Defendants' defense costs), the Defendants insisted that the settlement in

⁸ I am advised that over \$97 million in proceeds from the D&O Policies and E&O Policies had been paid out for reimbursement of defense fees and costs through March 31, 2016.

principle either had to also settle all other pending litigations in the MDL or set aside funds to provide for the defense and/or settlement of those claims. On November 30, 2015, after extensive good-faith, arms' length negotiations, the MFG Plaintiffs, the Defendants, and the Customer Class Representatives entered into a confidential term sheet (the "November 30 Term Sheet") setting forth terms of a global settlement that would resolve (or set aside finite reserves to defend and/or resolve) all claims remaining against the Defendants in the MDL litigation.⁹

7. In the months since the November 30 Term Sheet was executed, the Settling Parties, with the participation of the D&O and E&O Insurers, have been negotiating the final documentation for the global settlement under the supervision of Magistrate Judge James C. Francis, as mediator. The Settlement Agreement and the agreements related thereto¹⁰ represent the final result of those negotiations. All execution signatures for all documentation comprising the global settlement were finally obtained on July 12, 2016.

8. In my business judgment, the Settlement for which the Motion seeks approval¹¹ is in the best interests of the beneficiaries of the Litigation Trust and will maximize the recovery that can be expected for the Litigation Trust (and all MFG Plaintiffs) given the wasting nature of the insurance proceeds and the time, expense, and risks inherent in taking the Litigation Trust Claims to trial. Litigating the Litigation Trust Claims to final judgment would be enormously

⁹ As set forth in the Supplement, the Settlement Agreement provides for certain personal contributions from the Group A Defendants that were the subject of good faith, arms' length negotiations. (Supplement ¶ 6). While the specifics of these contributions are required to be kept strictly confidential, the net impact of these personal contributions has been disclosed in calculating the expected adjusted gross proceeds from the Settlement. (Graber Decl. ¶ 5).

¹⁰ Among other side agreements that have been entered into in connection with the Settlement Agreement, the D&O insurers and E&O insurers have entered into confidential funding agreements that require contribution of the limits of certain policies to the global settlement.

¹¹ As set forth in the Graber Declaration, this Motion simply asks for approval under Rule 9019 of the aggregate recoveries flowing to the MFG Plaintiffs. The allocation of those proceeds among the MFG Plaintiffs will be sought through a separate motion. (Graber Decl. ¶ 6 n.11). I also will not reiterate here the breakdown of the insurance proceeds, amounts subject to confidential aspects of the Settlement, or the detailed explanations of the expected recoveries, which are fully set forth elsewhere. (E.g., *id.* ¶¶ 4-6).

expensive, given the complexity of the factual and legal issues and the large number of professionals involved in the case, with no certainty of outcome. Furthermore, defense costs, including expert fees and costs of the Defendants, have been and would continue to be reimbursed out of the same insurance proceeds available to fund any damages that are ultimately awarded.

9. Given the extremely high rate at which insurance proceeds have been spent up to this point, and considering the costs of trial(s) and likely appeals, it is possible that defense costs could consume much of the remaining E&O and D&O insurance proceeds before any recovery is achieved even assuming a favorable judgment. Pursuing litigation rather than supporting the proposed Settlement under this circumstance would only be prudent if a greater recovery would be expected to be realized from the Litigation Trust Action Defendants' personal assets, especially given the time and risks involved. After exploring this issue with my advisors, I concluded in my business judgment that the personal assets of the Defendants available to satisfy a judgment would not provide as great a recovery to the Litigation Trust as is provided by the proposed Settlement.¹² Furthermore, seeking such a recovery would only increase the expense, uncertainty, and duration of the recovery process.

10. In my business judgment, I conclude that pursuing the Litigation Trust Claims to trial would unduly prolong the existence of the Litigation Trust and would not maximize distributions to the Litigation Trust's beneficiaries. For this reason and for all of the reasons

¹² Notably, the Securities Lead Plaintiffs reached a similar conclusion and agreed to a settlement funded exclusively from insurance proceeds after requiring confidential disclosures, including verified disclosures to a mediator for certain defendants. See Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of (I) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Plan Of Allocation; and (II) Co-Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, MDL D.I. 1002 at 7 ¶ 8, Ex. 3 at 3 ¶ 6.

stated above, I respectfully request that the Court grant the Motion and approve the Settlement Agreement.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 20, 2016
New York, New York

/s/ Nader Tavakoli
Nader Tavakoli

NAI-1500739640

EXHIBIT E

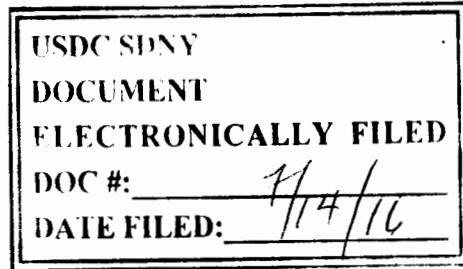
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS LTD. INVESTMENT LITIGATION	
JOSEPH DEANGELIS, <i>et al.</i> ,	Plaintiffs,
- against -	
JON S. CORZINE, <i>et al.</i> ,	Defendants.
THIS DOCUMENT RELATES TO: The Commodity Customer Class Action	

Case No. 12-MD-2338 (VM)

Case No. 11-Civ-7866 (VM)

ECF CASE



**ORDER GRANTING PRELIMINARY APPROVAL OF THE FINAL
CUSTOMER SETTLEMENT WITH THE INDIVIDUAL DEFENDANTS, APPROVING
THE PROPOSED NOTICE TO THE CLASS, AND SETTING A SCHEDULE
FOR FINAL APPROVAL**

WHEREAS, the above-captioned consolidated multi-district litigation (the “MDL”) includes a class action (the “Customer Class Action”) on behalf of former commodity customers (the “Customers”) of MF Global Inc. (“MFGI”) limited to claims for pre-judgment interest and/or loss-of-use damages (the “Customer Interest Claims”) based on MFGI’s failure to return Customers’ net equity deposits (“Net Equity”) following MFGI’s October 31, 2011 collapse;

WHEREAS, Co-Lead Counsel for the Customers are litigating both: (i) the Customer Interest Claims; and (ii) the claims of Customers and the MFGI estate arising from the shortfall in Customers’ Net Equity (the “Net Equity Claims”), which were assigned by the Customers to the MFGI estate pursuant to an October 2, 2013 assignment (the “Assignment Agreement”) in

exchange for the advance of general estate funds sufficient to repay 100% of Customers' outstanding net equity (the "Net Equity Settlement");¹

WHEREAS, since August 2015, Co-Lead Counsel have litigated the Net Equity Claims on behalf of MF Global Assigned Assets, L.L.C. ("MFCAA"), pursuant to a July 24, 2015 Sale and Assumption Agreement (the "Sale and Assumption Agreement") under which the SIPA Trustee sold the Net Equity Claims to MFGAA;

WHEREAS, because, pursuant to the Assignment Agreement, Net Equity Settlement, and Sale and Assumption Agreement, the Customers no longer hold the Net Equity Claims and settlement of those claims does not require approval under Federal Rule of Civil Procedure 23(e);

WHEREAS, pursuant to the Assignment Agreement, Net Equity Settlement, and Sale and Assumption Agreement, the remaining Customer Interest Claims, consisting of the pre-judgment interest and/or loss-of-use of funds, are subrogated and subordinated to recovery of the shortfall claim held by MFGAA, such that any recovery on the Customer class claims in litigation would have to be paid over to MFGAA until the shortfall advances (totaling in excess of \$400 million) have been recovered;

WHEREAS, (i) MFGAA as assignee of certain claims of MFGI; (ii) MF Global Holdings Ltd., as Plan Administrator and otherwise ("MFGH"); (iii) Nader Tavakoli, in his capacity as the Litigation Trustee of the MF Global Litigation Trust (the "Litigation Trustee" and, together with MFGAA and MFGH, the "MFG Plaintiffs"); (iv) the Customer class representatives; (v) Sapere CTA Fund, L.P.; and (vi) Jon S. Corzine, Bradley Atelow, Henri Steenkamp, David Dunne,

¹ The MFGI estate's claims based on the shortfall were originally assigned by James W. Giddens (the "SIPA Trustee"), Trustee for the liquidation of MFGI under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* (the "SIPA Proceeding"), to the customer representatives to permit the claims to be litigated by Co-Lead Counsel in conjunction with the Customers' claims in one action.

Vinay Mahajan, and Edith O'Brien (collectively, the "Individual Defendants") have executed a Stipulation and Agreement of Settlement (the "Settlement Agreement"), dated July 6, 2016 (the "Execution Date"), that resolves certain claims in the MDL (the "Global Settlement"), including both the Customer Interest Claims and the Net Equity Claims, as well as any and all claims on behalf of the Customers that could have been brought as part of the Customer Class Action (the "Settled Class Claims");

WHEREAS, the Global Settlement provides for payment to a settlement fund of amounts equal to all remaining limits under certain errors and omissions liability policies (the "E&O Policies") and directors and officers liability policies (the "D&O Policies") (subject to the payment of defense costs and the establishment of certain reserves, including to address claims against Jon Corzine and Edith O'Brien asserted by the Commodity Futures Trading Commission (the "CFTC")), and includes an assignment to the Plan Administrator of the Individual Defendants' rights to litigate coverage disputes with non paying carriers;

WHEREAS, Co-Lead Counsel for the Customers and the Plan Administrator have negotiated an amount of \$2 million (plus the potential for an additional allocation of up to \$3 million upon resolution of the CFTC's ongoing action) to be paid *pro rata* to Customer Class Members (as defined below) based on the amount each Customer Class member received in the Net Equity Settlement, to be allocated to the settlement of the Customer Interest Claims (the "Customer Settlement Fund") that is fair and equitable, particularly in light of the subrogated and subordinated nature of the Customer Interest Claims;

WHEREAS, Class counsel for the Customers are not seeking an award of attorneys' fees and litigation expenses from the Customer Settlement Fund and only intend to seek attorneys' fees and litigation expenses consistent with agreements with MFGI now held by MFGAA under the Sale and Assumption Agreement;

WHEREAS, settlement of the Customer Interest Claims (the “Customer Settlement”) requires approval and notice under Federal Rule of Civil Procedure 23(e) and, by letter motion dated July 12, 2016, Co-Lead Counsel moved for an order preliminarily approving the Customer Settlement, under the applicable terms set forth in the Settlement Agreement;

WHEREAS, efficient summary procedures for notifying Customers and the identity of Customers who are members of the class entitled to share in the Customer Settlement Fund have been established through Customer claims filed in the SIPA Proceeding and through: (i) claims filed by Customers in connection with the Customers’ 2013 settlement with JPMorgan Chase Bank, N.A.; (ii) the Net Equity Settlement; and (iii) the Customers’ 2014 settlement with The CME Group Inc. and Chicago Mercantile Exchange, Inc. (collectively, the “Prior Settlements”);

WHEREAS, Customers were sent notices for each of the Prior Settlements, the Court certified a settlement class of Customers entitled to recover in each of the Prior Settlements, the Court subsequently certified a class of Customers by Order dated July 20, 2015 (the “Customer Class”) that are entitled to share in recovery from the Customer Interest Claims, such that no additional claimants can now claim to be part of the Customer Class, thus the class of Customers entitled to share in the Customer Settlement Fund is established (the “Customer Class Members”);

WHEREAS, Co-Lead Counsel on behalf of the Customer Class has submitted a proposed *Notice to Former Commodity Futures Customers of MF Global Inc. of the Final Customer Settlement with the Individual Defendants and the Date for a Hearing on Final Approval* (the “Notice”);

WHEREAS, the amount of the Net Equity shortfall that the MFGI estate was required to advance to Customers pursuant to the Net Equity Settlement, as established by the Bankruptcy Court in the SIPA Proceeding by order dated November 6, 2013, continues to exceed at least

\$400 million and is far greater than the assets available to the Individual Defendants to pay claims;

WHEREAS, the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims owned by MFGAA;

WHEREAS, in the interest of expediency and efficiency, and given the procedural history of the Customer Class Action, including the: (i) Court's familiarity with the facts and procedural history of the case; (ii) ease of notice using the names and contact information amassed in the SIPA Proceeding and Prior Settlements including the fact that the members of the Customer Class have been established through the Prior Settlements and the Customer Class has been certified; (iii) Prior Settlements involving the Customers approved by the Court and the submissions in connection with those Prior Settlements that underscored the issues in the Customer Class Action; (iv) fact that the Net Equity Claims have been assigned to MFGAA; and (v) fact that the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Preliminary Approval of the Customer Settlement:** Based on the Court's review of the Settlement Agreement, including consideration of the amount of the Customer Settlement Fund and the subrogated and subordinated nature of the Customer Interest Claims to the Net Equity Claims, the Court hereby preliminarily approves the Customer Settlement as fair, reasonable and adequate, and in the best interest of the Customer Class, subject to further consideration at the final approval hearing (the "Final Hearing"), if necessary, to be conducted at the date and time identified herein.

2. Preliminary approval and approval of the proposed Notice is appropriate without the necessity of a notice of motion, memorandum of law or supporting declaration.

3. **Settlement Hearing:** The Court will hold the Final Hearing, if necessary, on September 16, 2016 at 2:00 p.m., or as soon thereafter as the Court is available, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 11B, New York, NY 10007-1312, for the following purposes: (a) to determine whether the proposed Customer Settlement is fair, reasonable and adequate, and should be approved by the Court; (b) to determine whether a final order approving the Customer Settlement and dismissing the Customer Interest Claims and Settled Class Claims with prejudice should be entered; and (c) to consider any other matters that may properly be brought before the Court in connection with the Customer Settlement. Notice of the Customer Settlement and the Final Hearing shall be furnished to the Customer Class as set forth in Paragraphs 7-8 of this Order.

4. The deadline for Co-Lead Counsel to file a notice of motion for final approval, memorandum of law in support of final approval, and declaration in support of final approval, if the Court deems them necessary, and any additional submissions, shall be due not later than twenty-eight (28) days prior to the Final Hearing. Any requests for exclusion or written objections by Customer Class Members, as well as any statements, objections, or responses by any other parties in interest to any portion of the motion for final approval (this Order does not act to create standing for parties where none exists), shall be due not later than fourteen (14) days prior to the Final Hearing. Any replies by Co-Lead Counsel shall be due not later than seven (7) days before the Final Hearing.

5. The deadline for Co-Lead Counsel to file a notice of motion seeking an award of attorneys' fees and the reimbursement of litigation expenses, memorandum of law in support, and declaration in support, shall be due within fourteen (14) days of entry of this Order, unless otherwise agreed by Co-Lead Counsel and counsel for the MFG Plaintiffs. Nothing herein limits

the right of the MFG Plaintiffs to object, oppose, or otherwise contest any fees or expenses as provided under Paragraph 14 of the Settlement Agreement.

6. The Court may adjourn the Final Hearing and/or approve the Customer Settlement with such modifications as the parties may agree to, if appropriate, without further notice to the Customer Class, and, further, in the event no Customer Class files a written objection to any aspect of the Customer Settlement pursuant to Paragraph 15 herein, the Court shall give final approval to the Customer Settlement on submission, and enter such appropriate orders and judgments of dismissal as submitted by Co-Lead Counsel pursuant to Paragraph 4 herein.

7. **Use of Collected Data and Manner of Notice:** All distributions to Customer Class Members from the Customer Settlement Fund upon final approval, which will be made *pro rata* based on the amount each Customer received in the Net Equity Settlement, shall be allocated as appropriate based on the data collected and contact information established in the SIPA Proceeding to Customer Class Members, *except that no member of the class that delivers a valid and timely request for exclusion from the Global Settlement shall receive any portion of the Customer Settlement Fund.*

Co-Lead Counsel shall furnish the Notice to the Customer Class as follows:

(a) Epiq Systems Inc., formerly claims administrator in the SIPA Proceeding, will cause to be sent by first-class mail within ten (10) days of entry of this Order the Notice, substantially in the form attached as Exhibit B to Co-Counsel's letter motion, to Customer Class Members identified through the Customer claims process in the SIPA Proceeding and through any claim forms filed in connection with the Prior Settlements;

(b) When available, Co-Counsel will make the following materials available on their respective websites at www.entwistle-law.com and www.bergermontague.com: (i) the executed Preliminary Approval Order; (ii) the Settlement Agreement, without schedules or

exhibits, and with provisions not material to the Customer Settlement redacted; and (iii) any submissions by Co-Lead Counsel in connection with final approval of the Customer Settlement; and

(c) Because Customer Class Members were identified through the Customer claims process in the SIPA Proceeding and through claim forms filed in connection with the Prior Settlements, Co-Lead Counsel are not required also to publish notice.

8. **Approval of Form and Content of Notice:** The Court (a) approves the manner of notice provided in Paragraph 7, and (b) finds that the mailing and distribution of the Notice and website posting of the materials identified in Paragraph 7(b): (i) are appropriate under the circumstances; (ii) constitute notice that is reasonably calculated, under the circumstances, to apprise Customer Class Members of the relevant details of the Customer Settlement; (iii) constitute due, adequate and sufficient notice to all persons or entities entitled to receive notice of the Customer Settlement; and (iv) satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, and all other applicable law and rules.

9. **Participation in the Customer Settlement:** Customer Class Members who previously submitted a customer proof of claim in the SIPA Proceeding and/or in connection with the Prior Settlements and who wish to participate in the Customer Settlement **DO NOT** need to submit a claim or take any additional steps; they will automatically participate in the Customer Settlement **UNLESS** they elect to be excluded by following the procedure outlined herein.

10. Any Customer who did not submit a claim in the SIPA Proceeding and/or in connection with the Prior Settlements: (i) shall be deemed to have waived his, her or its right to receive payment in the Customer Settlement; (ii) shall be bound by the provisions of the Customer Settlement, all proceedings, determinations, orders and judgments in the Customer Class Action relating thereto, whether favorable or unfavorable to the Customers; and (iii) will be barred from

commencing, maintaining or prosecuting any of the Settled Class Claims, including Customer Interest Claims.

11. **Exclusion From the Customer Settlement**: Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who wishes to exclude himself, herself or itself from the Customer Settlement must request exclusion in writing as follows: (a) any such request for exclusion from the Customer Settlement must be mailed or delivered such that it is received by Co-Lead Counsel, as set forth in Paragraph 15 below, no later than fourteen (14) calendar days prior to the Final Hearing; and (b) that each request for exclusion must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state that such person or entity “requests exclusion from the Customer Settlement in the Customer Class Action consolidated into *In re MF Global Ltd. Investment Litigation*, 11-MD-2338 (VM) (S.D.N.Y.)”; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

12. Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who timely and validly requests exclusion from the Customer Settlement, in compliance with the terms stated in this Order, and is excluded from the Customer Settlement, shall not be a class member for purposes of the Customer Settlement, shall not be bound by the terms of the Customer Settlement, and ***shall have no right to receive any payment from Customer Settlement Fund.***

13. Any Customer Class member who previously submitted a claim in the SIPA Proceeding and/or in connection with the Prior Settlements who does not timely and validly request exclusion from the Customer Settlement in the manner stated in this Order: (a) shall be

TO THE COURT

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN UNITED STATES COURTHOUSE
500 PEARL STREET
NEW YORK, NY 10007-1312
RE: *IN RE MFG GLOBAL LTD. INVESTMENT
LITIGATION*, 11-MD-2338 (VM)

CO-LEAD COUNSEL

ANDREW J. ENTWISTLE
ENTWISTLE & CAPPUCCI LLP
299 PARK AVENUE, 20TH FLOOR
NEW YORK, NY 10171

MERRILL G. DAVIDOFF
BERGER & MONTAGUE, P.C.
622 LOCUST STREET
PHILADELPHIA, PA 19103

16. Any objections, filings and other submissions by any objecting Customer Class member (a) must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the objector wishes to bring to the Court's attention; and (b) must include documents sufficient to prove membership in the class.

17. Any Customer Class member who does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the Customer Settlement, and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Customer Settlement, or from otherwise being heard concerning the Customer Settlement.

18. **Termination:** If the Customer Settlement is terminated, or is not approved, this Order shall become null and void, and shall be without prejudice to the rights of the Customer Class, the MFG Plaintiffs, or the Individual Defendants.

19. **Injunction:** Pending final determination of whether the Customer Settlement should be approved, or by further order of the Court, no Customer, whether directly,

EXHIBIT F

Hon. Victor Marrero
July 13, 2016
Page 2

As the Court is aware, the remaining parties in the MDL have executed a Stipulation and Agreement of Settlement (the “Settlement Agreement”), dated July 6, 2016 (the “Execution Date”), that resolves all the remaining non-securities claims in the MDL (the “Global Settlement”). The Global Settlement resolves the Customer Interest Claims for *at least* \$2 million, to be distributed to the members of the certified class of Customers (the “Customer Class”)³ from the Global Settlement proceeds *pro rata* based on the amount each Customer received in the Net Equity Settlement, with the potential for an additional distribution of up to \$3 million from any allocation by the Commodity Future Trading Commission (the “CFTC”) to Customers from recoveries in the CFTC’s ongoing action against certain of the Individual Defendants. To be clear, this \$2 million to \$5 million recovery for the Customers is *in addition to* the prior 100% recovery by Customers from the Net Equity Settlement, and the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims assigned to the SIPA Trustee as a condition of that settlement.

The Global Settlement also resolves: (i) the Net Equity Claims, which Co-Lead Counsel are now litigating on behalf of MF Global Holdings Ltd. (“MFGH”), as Plan Administrator, pursuant to a July 24, 2015 Sale and Assumption Agreement under which the SIPA Trustee sold certain MFGI Estate assets to a designee of the Plan Administrator; and (ii) MFGH’s own claims against certain of the Individual Defendants for breach of duties of care. The Global Settlement recovers the full amount of remaining insurance policy proceeds, subject to certain reserves for ongoing litigation with the CFTC and allocations to other claims in the MDL.

Co-Lead Counsel submit this letter motion to request that the Court: (i) grant an order preliminarily approving the portion of the Global Settlement that resolves the Customer Interest Claims (the “Customer Settlement Portion”) – which, due to the Net Equity Settlement and Assignment Agreement pursuant to which Customers assigned their Net Equity Claims, is the only remaining portion of the Global Settlement that requires approval under Federal Rule of Civil Procedure 23(e) – substantially in the form of the proposed order attached hereto as Exhibit A;⁴ (ii) approve the “short form” notice to the Customer Class, substantially in the form attached hereto as Exhibit B,⁵ which is similar to the summary notice utilized in certain of the Prior Settlements; and (iii) set a hearing for final approval (the “Final Hearing”), if necessary, of the Customer Settlement Portion for September 16, 2016 at 2:00 p.m., or as soon thereafter as the Court is available.⁶

³ By Decision and Order dated July 20, 2015, the Court certified the class of Customers entitled to receive proceeds from any settlement of the Customer Interest Claims.

⁴ See Exhibit A: *Proposed Order Granting Preliminary Approval of the Final Customer Settlement with the Individual Defendants, Approving the Proposed Notice to the Class, and Setting a Schedule for Final Approval* (the “Preliminary Approval Order”).

⁵ See Exhibit B: *Notice to Former Commodity Futures Customers of MF Global Inc. of the Final Customer Settlement with the Individual Defendants and the Date for a Hearing on Final Approval* (the “Notice”).

⁶ As the Court may recall, Co-Lead Counsel deferred the bulk of its attorneys’ fees and reimbursement of litigation expenses in connection with the Prior Settlements, including, in particular, the Net Equity Settlement, subject to a later application for reasonable fees to be paid out of the recovery on the Net Equity and MFGI Estate Claims as provided by the Assignment Agreement. Such fee application is not part of Co-Lead Counsel’s instant letter motion for preliminary

Hon. Victor Marrero
July 13, 2016
Page 3

By this letter motion, Co-Lead Counsel seek to initiate the same expedited process to facilitate approval of the Customer Settlement Portion that the Court followed in approving certain of the Prior Settlements, in particular the Net Equity Settlement.⁷ The expedited procedure and schedule requested herein will enable final approval of the Customer Settlement Portion on a similar schedule to other aspects of the Global Settlement, as contemplated by the Settlement Agreement. In particular, immediate preliminary approval and designation of a date for the Final Hearing will permit prompt transmittal by mail of the Notice to the Customer Class and will establish a schedule for Co-Lead Counsel to make full submissions in support of final approval of the Customer Settlement Portion, if the Court deems them necessary.⁸ As contemplated by the Preliminary Approval Order, Co-Lead Counsel will make final approval submissions, if any, no less than twenty-eight (28) days before the Final Hearing, and the deadline for members of the Customer Class to request exclusion or to file objections will be no less than fourteen (14) days prior to the hearing.⁹ Such submissions for final approval, if any, will also be published on Co-Lead Counsel's respective websites.

Paragraph 14 of the Settlement Agreement requires Co-Lead Counsel to seek the Court's entry of the Preliminary Approval Order concerning the Customer Settlement Portion within fourteen (14) days of the Execution Date. The Settlement Agreement also requires the Plan Administrator to seek approval of the Global Settlement from the Bankruptcy Court within fourteen (14) days of the Execution Date and to seek final judgement from this Court as soon as practicable after the insurance payments are made, which the agreement contemplates will be made within thirty (30) days of entry of the Preliminary Approval Order and bankruptcy court approval. Accordingly, if the Court preliminarily approves the Customer Settlement Portion and sets a date for the Final Hearing on September 16, 2016, as requested herein (which is 65 days from the date of this letter), it will facilitate final approval of the Customer Settlement Portion of the Global Settlement on a schedule very close to approval of the other aspects of the Global Settlement, as contemplated by Paragraphs 13 and 15 of the Settlement Agreement.

approval. Pursuant to Paragraph 14 of the Settlement Agreement, Co-Lead Counsel will submit a separate fee and expense application within fourteen (14) days of the Court's entry of the Preliminary Approval Order.

⁷ Given that Court's extensive familiarity with the facts and issues in the MDL, Co-Lead Counsel submit this letter motion to avoid burdening the District Court with a formal notice of motion, memorandum of law, and supporting declaration in support of preliminary approval. However, Co-Lead Counsel will submit such materials if the Court prefers formal submissions.

⁸ In the Prior Settlements, notice to the Customers was mailed by Epiq Systems Inc. ("Epiq"), claims administrator in the SIPA Proceeding. Although the SIPA Proceeding has now concluded, given the framework in place, information gathered by Epiq in the SIPA Proceeding and in the Prior Settlements, and the summary nature of the Notice, Co-Lead Counsel believes that the cost of mailing the Notice will be *de minimis*.

⁹ Assuming the Court sets the Final Hearing on September 16, 2016 as requested, the date for Co-Lead Counsel's submission of final approval papers will be August 19, 2016 and the Customers' deadline to request exclusion will be September 2, 2016.

Hon. Victor Marrero
July 13, 2016
Page 4

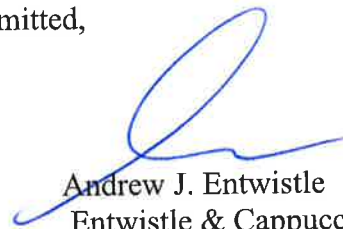
Given the Court's extensive familiarity with the facts and issues in the MDL, the model the Prior Settlements established for an expedited and judicially efficient procedure for approval, the fact that the identity of Customer Class members has been established in the SIPA Proceeding and Prior Settlements, and the fact that the Court certified the Customer Class and the class will not and cannot now include any additional claimants, Co-Lead Counsel believe that the Preliminary Approval Order and Notice are appropriate to commence the administrative process of notifying the Customer Class and establishing a schedule for final approval. The procedure is particularly appropriate given that the Customer Interest Claims are subrogated and subordinated to the Net Equity Claims pursuant to the terms of the Net Equity Settlement, and, accordingly, recovery on the Customer Interest Claims consists of only a small portion of the Global Settlement.

Co-Lead Counsel are available to answer any questions by the Court arising from the foregoing.

Respectfully submitted,



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Andrew J. Entwistle
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Co-Lead Counsel for the Customer Interest Claims and Net Equity Claims

cc: Hon. James C. Francis (via hand delivery)
Hon. Martin Glenn (via hand delivery)
All Counsel (via ECF)