

zero effect on the Securities Class Action Settlement that received final approval by the District Court on Wednesday, November 25,³ or the existing and fully performed funding agreement for the Securities Class Action Settlement. The terms of the Proposed Agreement – terms which are conspicuously absent from any of the Movants’ filings – do not overlap, or conflict, with the fully funded Securities Class Action Settlement, and the Securities Class Action Settlement is not part of the Proposed Agreement. In fact, the Proposed Agreement can be funded without touching either the funds in escrow for the Securities Class Action Settlement or the \$25 million IDL limits that remain in place to protect the independent directors.

The Movants depict a sense of urgency in their papers that does not exist. *Sua sponte* relief in the form of reconsideration or outright withdrawal of final approval of the Securities Class Action Settlement is completely unwarranted and would be disastrous to the Securities Class Action Settlement. (It should be noted that Mr. Corzine – a defendant in all litigation – did not join in the request for any relief in connection with the Securities Class Action Settlement.) There is nothing to prevent the Securities Class Action Settlement from reaching its “Effective Date” in the due course, while the Proposed Agreement undergoes an orderly and procedurally proper notice and approval process. Given the publically undisclosed terms of the Proposed Agreement, the Movants lack any reasonable basis to seek extraordinary or expedited relief from the Court.

The Litigation Trustee and Plan Administrator have previously asserted that they have no objection to the Securities Class Action Settlement other than the fact that they wish it had been funded by insurance under which they have no rights. There is no good faith argument they can advance that the \$25 million in IDL coverage should have funded the Securities Class Action

³ *DeAngelis v. Corzine*, Civil Action No. 1:11-CV-07866-VM (S.D.N.Y. November 25, 2015) Doc. 1030.

Settlement, and there is certainly no argument that can be advanced that the \$25 million in IDL coverage should fund the Proposed Agreement (addressing remaining litigation where none of the Insureds under the IDL policies are named as defendants).

The District Court has already held that, “[t]he Plan Administrator is incorrect that the MF Global Estate holds any rights to the proceeds of the D&O insurance policies used to fund the Proposed [Securities Class Action] Settlement.” *DeAngelis v. Corzine*, Civil Action No. 1:11-CV-07866-VM (S.D.N.Y. November 25, 2015) Doc. 1027. The District Court further held in connection with granting final approval of the Securities Class Action Settlement:

In any circumstance, the \$25 million of independent director-only insurance proceeds have never been property of the MF Global estate, and the Plan Administrator has no right to the proceeds of that policy. The Plan Administrator's assertion that final approval of the Proposed Settlement erases a potential source of recovery for estate claimants does not change the fact that "MFGI and MFGH do not have a property interest in the D&O proceeds." *In re MF Glob. Holdings Ltd.*, 515 B.R. at 207.

The Plan Administrator will sustain no formal legal prejudice as a result of final approval of the Proposed Settlement, because it does not have a legal interest in the D&O insurance proceeds and therefore will lose no "legal claim . cause of action . [or] contract rights" if the settlement, funded by the agreed-upon insurance proceeds, is finalized. *See Anwar v. Fairfield Greenwich Ltd.*, No. 09-cv- 0118, 2015 WL 5547233, at *2 (S.D.N.Y. Sept. 15, 2015) (citing *Bhatia*, 756 F.3d at 218).

Id. at p. 12-3.

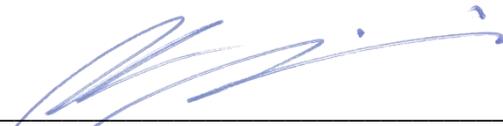
Accordingly, the Movants have absolutely no cognizable claim in connection with the funding of the Securities Class Action Settlement. It appears that their filings merely serve to further deplete the available insurance limits that might otherwise respond to the Proposed Agreement, to unjustifiably attempt to delay or avoid the “Effective Date” of the Securities Class Action Settlement through scorched-earth litigation tactics, and to advance scurrilous and

completely unfounded allegations against insurers.⁴ The Court should not countenance such behavior.

It is our understanding that other parties will be filing orderly responses to the Movants' pleadings in keeping with the timing provided for in the applicable procedural rules, and AIG requests leave to further respond, as appropriate, in the normal course.

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By: _____



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⁴ For the avoidance of any doubt, AIG categorically denies each and every allegation made in the Movants' pleadings, including but not limited to the defamatory allegations found in footnote 13 of their Thanksgiving-eve brief – which appear to have been drafted out of whole cloth. *DeAngelis v. Corzine*, Civil Action No. 1:11-CV-07866-VM (S.D.N.Y. November 25, 2015) Doc. 1028, at p. 9.