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David B. Stratton *(pro hac vice)*
David M. Fournier *(pro hac vice)*
Evelyn J. Meltzer *(pro hac vice)*

Proposed Special Counsel for Louis J. Freeh, Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	)	Chapter 11
MF GLOBAL HOLDINGS LTD., *et al.*,	)	11-15059 (MG)
Debtors.	)	Jointly Administered

DECLARATION OF WILLIAM J. NOLAN PURSUANT TO 28 U.S.C. §1746 IN SUPPORT OF MOTION OF THE DEBTORS FOR INTERIM AND FINAL ORDERS UNDER 11 U.S.C. §§ 105, 361, 362, 363(C), AND 363(E) AND BANKRUPTCY RULES 2002, 4001, 6003, 6004 AND 9014 (I) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO THE LIQUIDITY FACILITY LENDERS, AND (III) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(B) AND (C)

William J. Nolan, of full age, under penalty of perjury, by way of declaration, states as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc. (together with its wholly owned subsidiaries, agents, independent contractors and employees, "FTI"), an international consulting and financial advisory services firm with numerous offices throughout the world. I submit this Declaration (the "Declaration") in support of the Motion of the Debtors

for Interim and Final Orders Under 11 U.S.C. §§ 105, 361, 362, 363(c), and 363(e) and Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014 (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Liquidity Facility Lenders, and (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) (the "Cash Collateral Motion")[1] (Docket No. 8).

2. Except where specifically noted, the statements in this Declaration are based on my personal knowledge, my review of relevant documents, my review of the books and records of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of Louis J. Freeh as the Chapter 11 trustee in the above-captioned cases (the "Chapter 11 Trustee").

3. I hold a B.S. in Economics from the University of Delaware and an M.B.A. in Finance from the Wharton School, University of Pennsylvania. I have been a Senior Managing Director with FTI since 2002. Prior to joining FTI, I was a Partner at PricewaterhouseCoopers LLP. I have significant experience in the areas of financial and operational restructuring, loan workouts and business planning. I have assisted in developing business plans, devising financial strategies and projections for use in troubled debt restructures and implementing controls over cash expenditures, overhead and operating costs, both in and out of bankruptcy. As a Senior Managing Director with FTI, I have served as financial advisor to the debtor in numerous chapter 11 cases, and in that capacity have substantial prior experience advising debtors, banks and other parties in interest in the negotiation of cash collateral use and debtor-in-possession financings, and in preparing budgets in connection with the same.

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[1] Terms not defined herein shall have the meanings ascribed to them in the Cash Collalteral Motion.

4. FTI and I first began assisting the Debtors with these Chapter 11 cases on or about November 2, 2011, and subsequently have been assisting the Trustee as financial advisors in these cases. Since November 2, 2011, I have been responsible for day to day project management for FTI in these Chapter 11 cases. In that role, I have been responsible for, among other things, working initially with the Debtors and their advisors, and subsequently with the Trustee and his advisors, in negotiating with JPMorgan Chase Bank, N.A. ("JPMorgan") the terms and conditions of the use of cash collateral.

5. As of the Petition Date, MF Global Finance USA Inc. ("MF Finance") maintained an office at 717 Fifth Avenue, New York, New York. The principal business activity of MF Finance was the provision of financing services to the MF Global affiliate entities and, to a much more limited degree, the provision of financing to third parties. Additionally, as of the Petition Date, MF Finance held funds in the amount of $25,329,479.73 in its account number 000000400933683 (the "Account") at the New York branch of JPMorgan, which also is the Liquidity Facility Agent and a lender under the Liquidity Facility. The Account is titled in the name of Man Group Finance Inc. (the "Man Group")[2], which is now known as MF Global Finance USA Inc., the debtor in Case No. 11-15058. Attached hereto as **Exhibit B**, and marked as Exhibit T-2, is a true and correct copy of the statement of account for the Account for the period November 1, 2011 through November 30, 2011 (the "Statement of Account").[3] The

[2] On July 20, 2007, the Man Group changed its name to MF Global Finance USA Inc. Attached hereto as **Exhibit A**, and marked as Exhibit T-1, is a true and correct certified copy of the Restated Certificate of Incorporation filed with the State of New York Department of State evidencing that name change.

[3] The first five digits of the Debtors' Signature Bank account number have been redacted in the copy of the Statement of Account attached hereto. The Statement of Account is for a bank account of MF Finance held with its banker JPMorgan, which produces and provides statements of the Account each month. The Statement of Account is a true and correct copy of the November 2011 monthly bank account statement received by FTI on behalf of MF Finance from JPMorgan on December 12, 2011. The Statement of Account is MF Finance's monthly Account statement. Since receiving the Statement of Account from JP Morgan, the Statement of Account has been regularly kept and maintained by MF Finance in the ordinary course of its business. The Statement of Account was made by

Statement of Account reflects that MF Finance is the customer on the Account. The funds in the Account are cash collateral that the Trustee seeks to use pursuant to the Cash Collateral Motion.

6. I, along with staff working under my supervision, was personally involved in the preparation of the proposed budget (the "Proposed Budget") attached hereto as **Exhibit C**, and marked as Exhibit T-3, which is the same budget attached to the Chapter 11 Trustee's proposed final order (the "Proposed Order") on the Cash Collateral Motion. The Proposed Budget provides for the operating expenses reasonably anticipated during the periods covered therein in the normal course of the Chapter 11 Trustee's administration of these estates.

7. JPMorgan has asserted claims against the Debtors in excess of the Account balance on account of, among other things, the Liquidity Facility, and has asserted that it holds rights of setoff with respect to the Account and that the funds in the Account are its cash collateral.

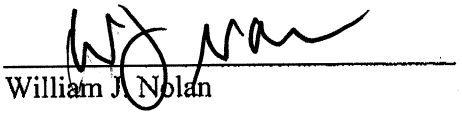
8. The use of cash collateral is critical for the Chapter 11 Trustee to administer these Chapter 11 cases, to preserve and maximize the Debtors' estates, and otherwise to discharge his duties under the Bankruptcy Code. Use of cash collateral is needed to pay employee salaries, employee benefits, rent and other operating expenses in the ordinary course of business, as well as the fees and expenses of professionals employed by the Chapter 11 Trustee and the Official Committee of Unsecured Creditors (the "Committee"). At this time, no adequate other source of funds is available to the Chapter 11 Trustee to timely pay these expenses. Without immediate access to the use of cash collateral, the Chapter 11 Trustee will not be able to continue to carry out his duties as trustee.

JPMorgan at or near the November 1, 2011 to November 30, 2011 time period reflected in the Statement of Account.

9. The Chapter 11 Trustee, through his advisors, has engaged in robust negotiations with JPMorgan regarding the terms and conditions for the consensual use of cash collateral in these Chapter 11 cases. The terms and conditions for the use of cash collateral were negotiated in good faith and at arm's length among the Chapter 11 Trustee, the Committee and JPMorgan, and each of their respective advisors. The process was vigorous, fair and comprehensive. The agreed upon terms, as reflected in the Proposed Order, are reasonable under the circumstances and represent the best terms available to the Chapter 11 Trustee in order to maintain sufficient liquidity needed to preserve the value of the Debtors' estates during the course of these Chapter 11 cases and maximize recoveries for creditors.

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

Dated: December 13, 2011



William J. Nolan

EXHIBIT A

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on December 13, 2011.

Daniel E. Shapiro
First Deputy Secretary of State

Rev. 06/07

EXHIBIT
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T-1

CT-07

070720000729

RESTATED

CERTIFICATE OF INCORPORATION

OF

MAN GROUP FINANCE INC.

(Under Section 807 of the
Business Corporation Law of the State of New York (the "BCL"))

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1. The name of the corporation is "Man Group Finance Inc." (the "Corporation").

2. The Corporation's certificate of incorporation was originally filed in the office of the Secretary of State of the State of New York on January 9, 1996 under the name of E.D. & F. Man Funding Corp.

3. This restated certificate of incorporation was adopted by the Board of Directors and the sole stockholder of the Corporation.

4. The text of the certificate of incorporation is hereby restated and amended to effect changes authorized by the BCL as specified in each restated section below. Section 1 changes the name of the Corporation; Section 2 changes the purpose of the Corporation; Section 5 changes the agent for service of process and the address to where process shall be mailed; Section 6 sets forth the duration of the Corporation; Section 7 restates the liability for directors of the Corporation; Section 8 sets forth indemnification for all persons permitted under Article 7 of the BCL. The text of the certificate of incorporation is hereby restated and amended or changed to read as follows:

FIRST: The name of the corporation is MF Global Finance USA Inc. (the "Corporation").

SECOND: The nature and purposes of the Corporation to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law of the State of New York (the "BCL"), provided that the Corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The office of the Corporation shall be located in the County of New York, State of New York.

FOURTH: The aggregate number of shares which the Corporation shall have authority to issue is 1,000 at $.01 par value.

FIFTH: The Secretary of State of the State of New York is designated as the agent of the Corporation upon whom process against the Corporation may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the Corporation served upon it is c/o CT Corporation System, 111 Eighth Avenue, New York, New York 10011.

SIXTH: The duration of the Corporation is to have perpetual existence.

SEVENTH: No person who is or was a director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for any breach of duty as a director unless, and only to the extent that, a judgment or other final adjudication adverse to such director establishes (i) that the director's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of the law or (ii) that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or (iii) that his acts violated Section 719 of the BCL or any amendment thereto or successor provision thereto. No amendment to repeal or adoption of any provision of the Certificate of Incorporation inconsistent with this article shall apply to or have any effect on the liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment, repeal, or adoption of an inconsistent provision.

EIGHTH: The Corporation shall, to the fullest extent legally permissible under the provisions of the BCL, as the same may be amended from time to time, indemnify and hold harmless any and all persons whom it shall have power to indemnify under said provisions from and against all liabilities (including expenses) imposed upon or reasonably incurred by him or her in connection with any action, suit or other proceeding in which he or she may be involved or with which he or she may be threatened, or other matters referred to in or covered by said provisions both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer of the Corporation. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified persons may be entitled under any by-law, agreement or resolution adopted by the stockholders entitled to vote thereon after notice.

IN WITNESS WHEREOF, I have hereunto signed my name and affirm, under the penalties of perjury, that this Restated Certificate of Incorporation is my act and deed and that the facts stated herein are true to this 19th day of July, 2007.

Thomas A. Hayes, Jr.
Vice President

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: MF GLOBAL FINANCE USA INC.

DOCUMENT TYPE: RESERVATION (DOM. BUSINESS)

FILED:06/06/2007 DURATION:08/06/2007 CASH#:070606000818 FILM #:070606000753

FILER:

MIKE DONOVAN
PREMIER CORPORATE SERVICES
200 WEST ADAMS STREET, SUITE 2007
CHICAGO, IL 60606

ADDRESS FOR PROCESS:

REGISTERED AGENT:

** SUBMIT RECEIPT WHEN FILING CERTIFICATE **
APPLICANT NAME : MIKE DONOVAN

SERVICE COMPANY: DELANEY CORPORATE SERVICES LTD. - 30 SERVICE CODE: 30

FEES	45.00	PAYMENTS	45.00
FILING	20.00	CASH	0.00
TAX	0.00	CHECK	0.00
CERT	0.00	CHARGE	0.00
COPIES	0.00	DRAWDOWN	45.00
HANDLING	25.00	OPAL	0.00
		REFUND	0.00

DOS-1025 (04/2007)

State of New York
Banking Department

I, Marjorie E. Gross, Deputy Superintendent of Banks of the State of New York, hereby approve, pursuant to the New York Business Corporation Law Section 301(a)(5)(B), as amended, the use of the word or a derivative of the word "finance" in the name of MF Global Finance USA, Inc.

In witness my hand and official seal of the Banking Department at the City of New York, this 5th day of July in the Year two thousand seven.

Marjorie E. Gross

Deputy Superintendent of Banks

C-61

070720000729

Restated Certificate of Incorporation
Of
Man Group Financial Inc.

Under Section 807 of the Business Corporation Law

FILED
2007 JUL 20 PM 2:02

Filed by: Katten Muchin Rosenman LLP
(Name)

575 Madison Ave.
(Mailing address)

New York, NY 10022
(City, State and ZIP code)

NY102 - 03/11/02 CT System Online

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUL 20 2007
TAX $
BY:
New York

RECEIVED
2007 JUL 20 P 12:42

781

EXHIBIT B

JPMorganChase

JPMORGAN CHASE BANK N A
NORTHEAST MARKET
P O BOX 659754
SAN ANTONIO TX 78265 9754

00000338 CEN 802 33 33511 NNN T 1 000000000 C1 0000

MAN GROUP F NANCE INC GENERAL AC
ATTN RENAY BARNES
C/O MAN INTERNATIONAL INC
440 S LASALLE ST 21ST FL
CHICAGO IL 60605

November 01, 2011 -
November 30, 2011

Page 1 of 2

Account Number
000000400913693

Customer Service

If you have any questions about your statement, please contact your Customer Service Professional

Commercial Checking

Summary

	Number	Amount
Opening Ledger Balance		$25,329,479.73
Opening Collected Balance		$25,329,479.73
Deposits and Credits	0	$.00
Withdrawals and Debits	2	$8,000,000.00
Checks Paid	0	$.00
Ending Ledger Balance		**$17,329,479.73**
Ending Collected Balance		**$17,329,479.73**

Activity

Ledger Date	Value Date	Description	Debit	Amount
11/01		OPENING LEDGER BALANCE	*** Balance ***	$25,329,479.73
11/01		OPENING COLLECTED BALANCE	*** Balance ***	$25,329,479.73
11/10		FEDWIRE DEBIT VIA: SIGNATURE BANK [redacted]3576 A/C MF GLOBAL FINANCE USA INC. DEBN POSSESSION IMAD: 1110B1QGC03C004798 TRN: 0518400314FE YOUR REF: 0518400314FE	$7,899,899.77	
11/10		CLOSING LEDGER BALANCE	*** Balance ***	$17,429,589.96
11/10		CLOSING COLLECTED BALANCE	*** Balance ***	$17,429,589.96
11/15		FEDWIRE DEBIT VIA: SIGNATURE BANK [redacted]3576 A/C MF GLOBAL FINANCE USA INC. DEBN POSSESSION IMAD: 1115B1QGC02C006311 TRN: 0310400319FE YOUR REF: 0310400319FE	$100,110.23	
11/15		CLOSING LEDGER BALANCE	*** Balance ***	$17,329,479.73
11/15		CLOSING COLLECTED BALANCE	*** Balance ***	$17,329,479.73

Please examine this statement of account at once. By continuing to use the account, you agree that: (1) the account is subject to the Bank's deposit account agreement, and (2) the Bank has no responsibility for any error in or improper charge to the account (including any unauthorized or altered check) unless you notify us in writing of this error or charge within sixty days of the mailing or availability of the first statement on which the error or charge appears.

EXHIBIT
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T-2

JPMorganChase

November 01, 2011 -
November 30, 2011

Account Number
0000004009:13683

MAN GROUP FINANCE INC GENERAL AC

Commercial Checking
(continued)

Your service charges, fees and earnings credit have been calculated through account analysis.

EXHIBIT C

11-15059-mg Doc 260 Filed 12/13/11 Entered 12/13/11 11:49:33 Main Document
Pg 18 of 18

MF Global Holdings Ltd- Consolidated[1]
Use of Cash Collateral Forecast
December 10, 2011 - January 6, 2012
Unaudited

(In Millions)

	Estimate	Forecast	Forecast	Forecast	Forecast
Week Ended:	*12/9/2011*	*12/16/2011*	*12/23/2011*	*12/30/2011*	*1/6/2012*
Total SSA Reimbursements	$ 1.16	$ 1.47	$ 0.53	$ 0.52	$ 1.13
Other Inflows	2.50	-	-	-	-
Total Cash Flows	**$ 3.66**	**$ 1.47**	**$ 0.53**	**$ 0.52**	**$ 1.13**
Total SSA Disbursements	$ (0.09)	$ (0.09)	$ -	$ (0.09)	$ -
Total Employee Costs[2]	(0.59)	(1.71)	(0.65)	(0.82)	(0.47)
Total Real Estate Costs	(0.12)	(0.07)	-	-	(0.05)
Technology and Other Costs	-	(1.06)	(0.15)	(0.10)	(0.99)
Total Cash Outflows	**$ (0.81)**	**$ (2.93)**	**$ (0.80)**	**$ (1.01)**	**$ (1.51)**
Net Operating Cash Flows:	**$ 2.85**	**$ (1.46)**	**$ (0.27)**	**$ (0.49)**	**$ (0.38)**
Total Restructuring and Professional Fees	-	(0.50)	-	-	(0.06)
Net Cash Flows:	**$ 2.85**	**$ (1.96)**	**$ (0.27)**	**$ (0.49)**	**$ (0.44)**
Available Cash Roll Forward:					
Beginning Available Cash Balance	$ 6.98	$ 9.83	$ 21.20	$ 20.93	$ 20.44
Additional Advances of Cash Collateral[2]	-	13.33	-	-	-
Repayment of Cash Collateral Principle	-	-	-	-	-
Net Cash Flows	2.85	(1.96)	(0.27)	(0.49)	(0.44)
Ending Available Cash Balance[3]	**$ 9.83**	**$ 21.20**	**$ 20.93**	**$ 20.44**	**$ 20.00**
Less: Prefunding by SIPC Trustee	(0.48)	(0.40)	(0.40)	(0.40)	(0.40)
Cash Available for Use:	**$ 9.35**	**$ 20.80**	**$ 20.53**	**$ 20.04**	**$ 19.60**
Summary of Available Cash:					
Ending Unencumbered Cash Balance:[4]	$ 3.73	$ -	$ -	$ -	$ -
Ending Available Funds From Cash Collateral:	5.62	20.80	20.53	20.04	19.60
Ending Available Cash Balance	**$ 9.35**	**$ 20.80**	**$ 20.53**	**$ 20.04**	**$ 19.60**
Ending Cash Collateral Balance[5]	**$ 8.00**	**$ 21.33**	**$ 21.33**	**$ 21.33**	**$ 21.33**

[1] Includes MF Global Holdings Ltd, MF Global Finance USA Inc., MF Global Holdings USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services LLC.
[2] Represents additional advances of Cash Collateral of $17.33 million less the repayment of Cash Collateral of $4.00 million in accordance with the Cash Collateral Order.
[3] Includes funds at Signature Bank for MF Global Finance USA Inc., MF Global Holdings Ltd, MF Global Holdings USA Inc., and the available funds in the JP Morgan MF Global Holdings USA Inc. payroll account.
[4] $2.38 million of the Debtors' unencumbered cash balance for the week ending December 9, 2011 was used to replenish the available funds from Cash Collateral to $8.00 million on December 12, 2011.
[5] Represents the amount of cash advanced under the Cash Collateral Order net of any repayments.