UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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

CHAPTER 11 TRUSTEE'S REPORT REGARDING THE FORENSIC ANALYSIS OF THE CASH COLLATERAL HELD IN THE BANK ACCOUNT OF MF GLOBAL FINANCE USA, INC.

Louis J. Freeh (the "Trustee"), the duly-appointed chapter 11 trustee of MF Global Holdings Ltd. ("HoldCo") and MF Global Finance USA Inc. ("FINCO", together with HoldCo, the "Initial Debtors"), and the duly-appointed chapter 11 trustee of MF Global Capital LLC, MF Global FX Clear LLC and MF Global Market Services LLC (the "Additional Debtors" and together with the Initial Debtors, the "Debtors") respectfully submits this report (the "Report") regarding the JPMorgan Chase ("JPM") bank account, number XXXXX3683 (the "JPM Account"), maintained by Debtor FINCO, as requested by the Court during the December 9, 2011 hearing (the "Hearing").

In support of this Report, the Trustee respectfully represents as follows:

PRELIMINARY STATEMENT

At the request of the Court, the Trustee directed his advisors to conduct a forensic analysis of the existing funds in the JPM Account as of October 31, 2011 (the "Petition Date"). During the December 9, 2011 omnibus hearing, the Court expressed concerns regarding whether any of the cash held in the JPM Account contained the cash of customers of MF Global Inc. ("MFGI"). On December 14, 2011, the Court issued the *Memorandum Opinion Approving use*

of Cash Collateral on a Final Basis, and the *Final Order Under 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e) and 364 and Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014 (I) Authorizing the Debtors to Use Cash Collateral, And (II) Granting Adequate Protection*, which contained the official mandate that the Trustee complete the forensic analysis.

Led principally by FTI, the Trustee's financial advisory firm, the Trustee's advisors carefully reviewed bank and transaction records pertaining to cash inflows into the JPM Account in preparation of this Report and the PowerPoint presentation annexed hereto as Exhibit A. The purpose of the exercise was to determine whether these cash inflows represented any of the "missing" cash of the customers of MFGI. The focus of the investigation was the transactions in and out of the JPM Account during October, 2011, based on the belief that the irregularities with respect to customer property did not occur prior to October—an assumption that was recently supported by the February 6, 2012 report (the "February 6 Report"), issued by James Giddens, Esq., the trustee appointed under the Securities Investor Protection Act to administer the assets of MFGI (the "SIPA Trustee").[1]

After an exhaustive investigation—which included the review of volumes of bank statements and an extensive population of cash transaction activity during October, 2011—the Trustee does not believe that any of the cash in the JPM Account as of the Petition Date represents misdirected customer property. Although this narrative provides a general summary of the key findings of the investigation, the attached PowerPoint presentation, prepared by FTI, provides a more thorough analysis and explanation of the Trustee's conclusions (*See Exhibit A*).

[1] Moreover, because the balance in the JPM Account fell to $148,424 as of the close of business on October 13, 2011, investigation of the inflows into the JPM Account prior to October, 2011 would be of very limited value.

OVERVIEW OF FINDINGS

Payments from Customer Funds

The sources of cash inflows into the JPM Account were limited. Although in excess of $1.75 billion flowed into the JPM Account during October, 2011, only $33.5 million originated from a bank account maintained by MFGI that contained customer funds. (*See Exhibit A, Slide 24*). These inflows were carefully reviewed by FTI. All transactions between this MFGI customer account, account XXXX1055 (the "Customer Funding Account"), and the JPM Account were on account of customer margin loans. More specifically, FINCO had entered into loan agreements with certain MFGI customers, whereby FINCO agreed to provide loans to certain specific customers for the purpose of allowing these customers to cover margin obligations. Those loans were made from the JPM Account into the Customer Funding Account for the customers' benefit. Margin loan repayments were made from the same Customer Funding Account by MFGI on behalf of specific customers, thereby reducing the customers' respective outstanding obligation to FINCO. These transactions were part of the ordinary operating procedures of both MFGI and FINCO.

As noted above, FINCO received approximately $33.5 million in cash inflows from the Customer Funding Account in October, 2011. During this same period, FINCO made customer loans into the Customer Funding Account of more than $44 million. In other words, the Customer Funding Account received from the JPM Account more than $10 million on a net basis during the month of October, 2011. Other than payments from the Customer Funding Account as described above, there were no other instances of any payment from a MFGI customer segregated account into the JPM Account.

Other MFGI Transactions

Additionally, the analysis also reflected that MFGI held only three other accounts that were sources of any payments into the JPM Account during October, 2011. The investigation did not reveal any improper use of MFGI customer funds, and current employees of the SIPA estate interviewed did not indicate anything to the contrary. The first account is account XXXX1048 referred to as the "MF Global Inc. House Account." The second account is account XGX referred to as the "BoNY Securities Account." The third account is account MN, referred to as the "JPM Securities Account." Substantially all of the payments into the JPM Account from these MFGI accounts represent repayments of borrowings made under the Debtors' revolving credit facility with JPM and the other lenders party thereto (the "RCF"), or repayments of short-term working capital loans made by FINCO to MFGI (*See Exhibit A, Slide 12*).

During the month of October, 2011, MFGI received from the JPM Account nearly $500 million on a net basis. (*See Exhibit A, Slide 9*). That figure, however, is somewhat misleading because the largest transfer from MFGI into the JPM Account—of $440 million on October 3rd—represented a repayment to FINCO of a $440 million borrowing on September 29, 2011. The two transactions, for all intents and purposes, net each other out. But, because one half of the transaction occurred just days before October 1st, using the October 1, 2011 cutoff reduces the extent to which MFGI benefited from FINCO in October somewhat artificially. To clarify, had FINCO sent the RCF proceeds to MFGI during October instead, then the net cash benefit realized by MFGI from its transactions with the JPM Account would be in excess of $929 million during October (*See Exhibit A, Slide 21*).

October 26th – 28th Activity

According to the CME Group Inc., and as supported by the SIPA Trustee in the February 6 Report, prior to October 26, 2011, there was no indication that transfers from segregated customer funds were improperly allocated. Focusing on this short period of time where the shortfall in segregated MFGI customer funds first began also supports the conclusion that the JPM Account does not contain misdirected customer cash. During the period of October 26th to October 28th (the last day of trading), only $7.5 million was sent by MFGI into the JPM Account. (*See Exhibit A, Slide 16*). Of this amount, nearly $5.4 million is attributable to the repayment of margin loan borrowings from the Customer Funding Account. (FINCO directed $13.1 million into the MFGI Customer Funding Account on October 26th to fund customer margin loans.) (*See Exhibit A, Slide 24*). The remaining $2.1 million in payments from MFGI was a payment of interest on subordinated debt made from the MF Global Inc. House Account.

Furthermore, during the period of October 26th through October 28th, there was a total of $322 million in inflows into the JPM Account (including the $7.5 million noted above.) (*See Exhibit A, Slide 16*). During this same period, there were more than $773 million in outflows from the FINCO account, of which $697 million was sent to MFGI (*See Exhibit A, Slide 28*).

Other Points of Interest

Of the more than $1.75 billion in inflows into the JPM Account during October, 2011, more than $950 million is attributable to receipts from HoldCo. This sum represents borrowings made under the RCF during the month of October, 2011. Clearly, those inflows cannot be tied to customer cash. In addition, a review of the cash inflows from other sources (mostly, unregulated FINCO affiliates) does not involve any segregated MFGI customer funds (*See Exhibit A, Slide 10*).

The RCF was not the sole source of liquidity/cash for FINCO. In August, 2011, HoldCo issued $650 million in public notes (*See Exhibit A, Slide 18*). A substantial portion of the proceeds from those offerings was deposited with FINCO for working capital needs, including the short-term funding of MFGI operations.

CONCLUSION

A substantially final draft of the PowerPoint presentation annexed hereto as Exhibit A was shared with the SIPA Trustee prior to the filing of this Report. The Trustee's advisors also discussed the PowerPoint presentation with representatives of the SIPA Trustee. The SIPA Trustee has advised the Trustee that he agrees with the conclusion reached in the Report that the cash in the JPM Account as of the Petition Date does not appear to include misappropriated MFGI customer funds. Further, neither the Trustee, nor the SIPA Trustee is aware of any evidence indicating that the JPM Account contains misdirected or misappropriated MFGI customer funds. The SIPA Trustee, however, fully reserves his rights with respect to any other opinions and characterizations contained in the PowerPoint presentation.

The Trustee understands that the attached Exhibit A is quite detailed and contains many points of data. Exhibit A, however, is the result of a time-consuming, labor-intensive and thorough analysis by the Trustee and his professionals required to address the concerns of not only this Court, but also the concerns of the customers of MFGI.

Based upon (a) a careful analysis of the activity in the JPM Account during the month of October, 2011, (b) the review of numerous documents provided from the files of the Chapter 11 Debtors and affiliates, (c) the analysis of bank statements and other records provided by the representatives of the SIPA Trustee, and (d) interviews conducted by FTI of employees of

MFGI, the Trustee does not believe that the JPM Account contains any cash that should have been held in customer segregated accounts.

Respectfully submitted,

Dated: February 16, 2012
New York, New York

/s/ Louis J. Freeh
Louis J. Freeh
Chapter 11 Trustee

Exhibit A

MF Global

MF Global Finance USA Inc. Cash Account Review

February 16, 2012

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Disclaimer

Limitations of Report

- The information contained herein has been prepared based upon financial and other data provided to FTI Consulting, Inc. ("FTI") from the management and staff of MF Global Holdings Ltd., et al. (collectively, "MF Global" or the "Debtors") and MF Global Inc. (in SIPA liquidation), their contract staff and advisors, or from other public sources FTI deemed to be reliable. FTI further relied on the assurance of management and staff of the Debtors and its advisors that they were unaware of any facts that would make the information provided to FTI by them incomplete or misleading.
- FTI has not subjected the information contained herein to an audit in accordance with generally accepted auditing or attestation standards or the Statement on Standards for Prospective Financial Information issued by the AICPA. Further, the work involved did not include a detailed review of any transactions, and cannot be expected to identify errors, irregularities or illegal acts, including fraud or defalcations that may exist. Accordingly, FTI cannot express an opinion or any other form of assurance on, and assumes no responsibility for, the accuracy or correctness of the historical information or the completeness and achievability of the projected financial data, information and assessments upon which the enclosed report (the "Report") is presented.

Limitations of Access and Distribution

- This Report to the Bankruptcy Court is provided for the sole purpose of addressing the limited issues as described in the executive summary. Use of or distribution of this Report for any other purpose is prohibited without FTI's written consent. By accepting a copy of this Report, you agree to keep all information contained herein confidential, agree not to distribute this Report or any portion thereof to any other party, and agree not to refer to or utilize the Report for any other purpose beyond its very limited intended use.
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  - The reader agrees to release FTI and its personnel from any claim by the reader that arises as a result of the reader having inappropriate and/or unlawful access to the Report.
  - FTI has no responsibility to update our report for events or circumstances occurring after the date of this Report.

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I. Executive Summary

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Executive Summary

Background

- On December 14, 2011, the Honorable Judge Glenn ordered the Chapter 11 Trustee (Louis J. Freeh) to undertake a limited investigation and thereafter report on the narrow issue of whether the funds as of October 31, 2011 (the "Petition Date") on deposit at JP Morgan Chase Bank N.A. ("JPM") in the cash account[1] (the "FinCo Cash Account") owned by the Debtor entity, MF Global Finance USA Inc. (entity 215, "FinCo"), included "customer property". The Debtors are currently using the FinCo Cash Account pursuant to the order dated December 14, 2011 authorizing them to use this cash collateral.
- For the purposes of the analysis discussed in this Report, customer property is defined broadly as funds that were received from third party customers and were subject to certain customer segregation rules.

Conclusion

- Based on FTI's investigation, the FinCo Cash Account balance as of October 31, 2011 **does not** appear to include "customer property". The FinCo Cash Account did not have transactions with any customer segregated account except for daily borrowings and repayments of customer margin loans (as discussed in detail later in this Report).

Scope of Work

- FTI's investigation consisted of a review of all cash transactions in the FinCo Cash Account for the month of October 2011, tracing of these transactions to the corresponding entities' bank statements, interviews with MF Global Inc. (entity 202, "MFGI") personnel knowledgeable of the transactions, verifying the transactions to the books and records of FinCo (and the other affiliated entities as appropriate), and the drafting of this Report summarizing our work performed, results obtained, and conclusions reached.
- Due to the limited scope of this investigation, FTI did not review the customer segregation calculations, which would have been performed by MFGI. As such, addressing the question of whether customer property was properly segregated under the various customer protection rules of the US Securities and Exchange Commission ("SEC"), the US Commodity Futures Trading Commission ("CFTC"), or other application regulatory bodies is beyond the scope of this investigation and would have been duplicative of the efforts currently underway by the SIPA Trustee and various regulators and governmental agencies.
- Given the Court expectation that the SIPA Trustee and the Chapter 11 Trustee work cooperatively in this investigation, we provided the SIPA Trustee with a draft of this Report and afforded them the opportunity to review and comment in advance of filing the Report with the Court.

[1] Account number XXXXX3683 titled "Man Group Finance Inc General AC".

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Executive Summary (cont.)

FinCo October 2011 Cash Transactions Overview

- The FinCo Cash Account had a beginning balance of $32.9 million as of October 1, 2011 and an ending balance of $25.3 million as of October 28, 2011. During the month, there were 100 inflows totaling $1,762.1 million and 108 outflows totaling $1,769.6 million. All transactions except for one immaterial inflow reflected internal activity between FinCo and eight affiliates of the MF Global group of companies. FTI focused on analyzing the $1,762.1 million of inflow activity, which does not appear to include any improper usage of "customer property", as follows:
  - $958.0 million from MF Global Holdings Ltd. ("HoldCo") related primarily to borrowings from the MF Global revolving credit facility ("RCF") that were transferred to FinCo.
  - $712.7 million from MFGI, which is comprised of:
    - $440.0 million repayment of the RCF. The borrowing was made on September 29 and repaid on October 3.
    - $236.0 million of ordinary course working capital activity representing the repayment of intercompany loans made to MFGI relating to daily broker-dealer operations.
    - $33.5 million of customer loan repayments related to the financing FinCo provided to certain MFGI customers to fund their margin requirements. This is the only instance where FTI noted customer segregated cash account activity with respect to the FinCo Cash Account. However, based on our understanding and review, this was ordinary course activity consistent with historical practice and does not represent an improper usage of "customer property".
    - $2.1 million of interest payments on subordinated debt used to originally capitalize MFGI.
    - $1.1 million of transfers for the benefit of MF Global Capital LLC's (entity 201, "Capital") trading account at MFGI.
  - $59.7 million from MF Global Special Investor LLC, which reflects the proceeds sent to FinCo from monetization of a proprietary trading investment portfolio during October.
  - $26.2 million from MF Global unregulated entities related to repayments of working capital borrowings.
  - $5.4 million from MF Global Holdings USA Inc. related to activity for the funding of payroll costs, operating expenses, and borrowings and repayments of intercompany loans.

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Executive Summary (cont.)

Relevant Timeframe

- The monthly balance low point for the FinCo Cash Account was on October 13, which ended with a balance of $148.4 thousand. The ending balance on October 17 was $312.6 thousand, prior to the $930.6 million of RCF draw-downs that were made by HoldCo and sent to FinCo during the period of October 18 through October 28.
- Based on the work of the SIPA Trustee (as filed with the Court as part of the February 6, 2012 status update), it appears that the potential customer property misallocation exposure is limited to transfers from October 26 to October 28.

FinCo Cash Transaction Activity During the Relevant Timeframe

- Total inflows to FinCo from October 26 to October 28 was $322.0 million, of which only $7.5 million was received from MFGI. The inflows from MFGI are comprised of:
  - $5.4 million of customer loan repayments related to the financing FinCo provided to certain MFGI customers to fund their margin requirements. As previously noted, this was ordinary course activity consistent with historical practice and does not represent an improper usage of “customer property”.
  - $2.1 million of interest payments on subordinated debt used to originally capitalize MFGI.

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Bank Accounts Overview – All Accounts that Transacted with FinCo

- The chart below summarizes all of the FinCo Cash Account transactions during October 2011.
  - The following pages describe the purpose of this activity by legal entity.

$ Actual

			October 2011 Activity					
			FinCo Inflows		FinCo Outflows		Net Cash Inflows / (Outflows)	
Account	Bank	Bank Account #	Count	Amount	Count	Amount	Total Count	Net Amount
Account Holder: MFGI (#202)								
MF GLOBAL INC HOUSE	JPM	x1048	12	$ 465,227,744	11	$ (60,123,000)	23	$ 405,104,744
MF GLOBAL INC CUST	JPM	x1055	19	33,492,034	10	(44,055,568)	29	(10,563,534)
MF GLOBAL SECURITIES INC P3	JPM	x0070	-	-	4	(143,000,000)	4	(143,000,000)
MF GLOBAL INC	BoNY	x1208	-	-	1	(100,000,000)	1	(100,000,000)
MF GLOBAL INC	BoNY	x0910	-	-	10	(722,000,000)	10	(722,000,000)
JPM Securities Account	JPM	MN	1	25,000,000	-	-	1	25,000,000
BoNY Securities Account	BoNY	XGX	7	189,000,830	3	(142,685,692)	10	46,315,138
		Total for MFGI	39	712,720,609	39	(1,211,864,260)	78	(499,143,651)
Account Holder: HoldCo (#220)								
MF GLOBAL LTD	JPM	x7978	12	958,000,000	7	(428,397,685)	19	529,602,315
Account Holder: MF Global Special Investor LLC (#218)								
MF GLOBAL SPECIAL INVESTOR LLC	JPM	x8074	11	59,742,100	8	(18,414,000)	19	41,328,100
Account Holder: MF Global Capital LLC (#201)								
MAN CAPITAL LLC	JPM	x7889	7	8,800,000	12	(10,720,000)	19	(1,920,000)
MAN CAPITAL LLC	JPM	x4372	-	-	1	(150,000)	1	(150,000)
MF GLOBAL CAPITAL LLC	BoA	x9088	17	9,705,390	22	(14,686,852)	39	(4,981,462)
	Total for MF Global Capital LLC		24	18,505,390	35	(25,556,852)	59	(7,051,462)
Account Holder: MF Global Holdings USA Inc. (#210)								
MF GLOBAL HOLDINGS USA INC PAYROLL ACCT	JPM	x9236	2	2,300,000	2	(3,147,910)	4	(847,910)
MF GLOBAL HOLDINGS USA INC GENERAL ACCT	JPM	x3691	3	3,133,300	4	(3,300,000)	7	(166,700)
	Total for MF Global Holdings USA Inc.		5	5,433,300	6	(6,447,910)	11	(1,014,610)
Account Holder: MF Global Market Services LLC (#214)								
MANTRAD LLC	JPM	x2216	7	5,300,000	5	(7,700,000)	12	(2,400,000)
Account Holder: MF Global FX Clear LLC (#204)								
MF GLOBAL FX CLEAR LLC	JPM	x2126	1	2,400,000	7	(46,250,000)	8	(43,850,000)
Account Holder: MF Global Singapore Pte Ltd. (#701)								
MF GLOBAL SINGAPORE PTE LTD	UBS	xxxx	-	-	1	(25,000,000)	1	(25,000,000)
Third Party Account Holder								
n/a	n/a	xxxx	1	8,444	-	-	1	8,444
		Total	**100**	**$ 1,762,109,843**	**108**	**$ (1,769,630,707)**	**208**	**$ (7,520,864)**

Cash Rollforward

Beginning Balance October 1	$ 32,850,343
FinCo Inflows	1,762,109,843
FinCo Outflows	(1,769,630,707)
Ending Balance October 28	$ 25,329,480

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FinCo Cash Account Activity Summary

- FTI analyzed the FinCo Cash Account bank statement for the month of October 2011. The summary below reflects all cash inflow and outflow activity for the month by legal entity.
- The pages that follow describe in more detail the purpose of the various transactions ascertained based on FTI's review of bank statements, MF Global accounting records, correspondence with the SIPA Trustee, and meetings with MFGI and HoldCo employees.

$ in millions

FinCo Activity Summary	
Beginning Balance October 1, 2011	$ 32.9
Inflows	1,762.1
Outflows	(1,769.6)
Ending Balance October 31, 2011	**$ 25.3**

	Inflow Activity		Outflow Activity		Net Activity	
Counterparty	**Count**	**Amount**	**Count**	**Amount**	**Amount**	
HoldCo (220)	12	$ 958.0	7	$ (428.4)	$ 529.6	A
MFGI (202)	39	712.7	39	(1,211.9)	(499.1)	B
MF Global Special Investor LLC (218)	11	59.7	8	(18.4)	41.3	C
MF Global FX Clear LLC (204)	1	2.4	7	(46.3)	(43.9)	D
MF Global Singapore Pte Ltd. (701)	-	-	1	(25.0)	(25.0)	E
MF Global Capital LLC (201)	24	18.5	35	(25.6)	(7.1)	
MF Global Holdings USA Inc. (210)	5	5.4	6	(6.4)	(1.0)	
MF Global Market Services LLC (214)	7	5.3	5	(7.7)	(2.4)	
Other	1	0.0	-	-	0.0	
Total	**100**	**$ 1,762.1**	**108**	**$ (1,769.6)**	**$ (7.5)**	

Summary Level Observations

A. Net October borrowing under the RCF (flow from HoldCo to FinCo).
B. Substantially all of the net RCF borrowing passed along to MFGI.
C. Proceeds from investment positions unwound during October 2011, sent to FinCo from the proprietary trading entity.
D. Funding for cash collateral postings to counterparties as a result of MF Global credit rating downgrade.
E. Funding to meet liquidity cushion demands from the Singapore exchanges given MF Global's credit deterioration.

Note: Totals may not sum due to rounding.

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FinCo October 2011 Transactions Overview

- FinCo served as the central depository (or "internal bank") for the MF Global group of companies.
  - During October 2011, there were 208 cash movement transactions (all except one involved other MF Global affiliates).
- The summary below illustrates the FinCo cash activity with its MF Global affiliates during October 2011.

$ in millions

FinCo Cash Account:

Beg. Balance 10/1/11:	**$32.9**
Inflows:	**1,762.1**
Outflows:	**(1,769.6)**
End Balance 10/28/11:	**25.3**

Objective: Explain the nature of the inflow activity. Determine link (if any) to customer property.

MF Global Holdings Ltd. (HoldCo)	MFGI (SIPA Broker-Dealer)	MF Global Special Investor LLC (Proprietary Trading)	MFG Unregulated Entities	MF Global Holdings USA Inc. (Shared Services)	MF Global Singapore Pte Ltd.
Inflows: $958.0	Inflows: $712.7	Inflows: $59.7	Inflows: $26.2	Inflows: $5.4	Inflows: $0.0
Outflows: (428.4)	Outflows: (1,211.9)	Outflows: (18.4)	Outflows: (79.5)	Outflows: (6.4)	Outflows: (25.0)
Net: $529.6	Net: $(499.1)	Net: $41.3	Net: $(53.3)	Net: $(1.0)	Net: $(25.0)

Nature of Inflow Activity:

Revolving Credit Facility Borrowings	Repayment of RCF Draw $440.0 Working Capital Repayments 236.0 Customer Loan Repayments 33.5 Interest Payment 2.1 Transfers f/b/o Capital 1.1 Total $712.7	Monetization of Investment Portfolio during October	Activity related to working capital borrowings and repayments with the following entities: MF Global Capital LLC, MF Market Services LLC and MF FX Clear LLC.	Activity related to the funding of payroll costs, operating expenses and borrowings/ repayments of intercompany loans.	$25M loan made by FinCo on October 27 to meet liquidity cushion demands from the Singapore exchanges after MF Global's credit downgrade.

Note: All transactions in this Report, unless noted otherwise, are from the perspective of the FinCo Cash Account (i.e. inflows and outflows reflect credits and debits, respectively, to the FinCo Cash Account). Totals may not sum due to rounding.

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FinCo October 2011 Inflow Activity – HoldCo

$ in millions

HoldCo

Inflows:	$958.0[1]
Outflows:	(428.4)
Net:	$529.6

FinCo Cash Account:

Beg. Balance 10/1/11:	**$32.9**
Inflows:	**1,762.1**
Outflows:	**(1,769.6)**
End Balance 10/28/11:	**25.3**

Objective: Explain the nature of the inflow activity. Determine link (if any) to customer property.

Activity October 18 - 28[2]

JPM Revolving Credit Facility (RCF) → $931M[3] → HoldCo

HoldCo:
- $952M Transfers to FinCo[1]
- ($24M) Repayment
- $928M Net Transfers to FinCo[3]

FinCo:
- $952M Transfers to MFGI
- ($77M) Transfers from MFGI
- $875M Net Transfers to MFGI

Conclusion: Inflow Activity from HoldCo does not appear to include any "customer property".

Notes:

1. $958 million represents full month of October transactions. There was $6 million of cash inflows from HoldCo from October 1 through October 17 which related to general corporate activity, and $952 million related to drawings under the RCF from October 18 to October 28.
2. The summary above is limited to activity from October 18 through October 28 because the only borrowings under the RCF in October occurred during this timeframe. See page 20 for further detail.
3. The $931 million relates to actual RCF draw-downs, of which $928 million was transferred to FinCo on a net basis.

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FinCo October 2011 Inflow Activity – MFGI

- Since MFGI was a regulated broker-dealer, which had customer relationships and segregated customer accounts, the majority of our efforts was spent understanding the transactional relationships between MFGI and FinCo.

$ in millions

MFGI (SIPA Broker-Dealer)

Inflows:	$712.7
Outflows:	(1,211.9)
Net:	$(499.1)

FinCo Cash Account:

Beg. Balance 10/1/11:	**$32.9**
Inflows:	**1,762.1**
Outflows:	**(1,769.6)**
End Balance 10/28/11:	**25.3**

Objective: Explain the nature of the inflow activity. Determine link (if any) to customer property.

Nature of Inflow Activity:

1) Repayment of RCF Draw	$440.0
2) Working Capital Repayments	236.0
3) Customer Loan Repayments	33.5
4) Interest Payment	2.1
5) Transfers f/b/o Capital	1.1
Total	$712.7

- Cash inflow activity from MFGI generally consisted of five different types of activity:
  - The following page reflects a graphical illustration of the MFGI/FinCo cash activity and relationships.

1) Revolving Credit Facility Repayments – Over 61% of the October inflow activity with MFGI relates to this repayment ($440.0 million represents an intercompany borrowing on September 29 that was repaid on October 3).
2) Repayment of Daily Funding of Broker/Dealer Operations – On a daily basis, the MFGI entity required liquidity to allow it to execute its daily activity. The cash inflows to FinCo in this category relate to the daily repayment of the funding provided by FinCo to MFGI. This appears to be ordinary course of business activity (i.e., Working Capital Activity).
3) Customer Loan Repayments – FinCo has historically provided financing to certain MFGI customers to fund their margin requirements. The $33.5 million of cash inflow activity relates to repayments of these loans by customers. This is the only instance where we noted customer segregated cash account activity with respect to the FinCo Cash Account. However, based on our understanding and review, this was ordinary course activity consistent with historical practice and does not represent an improper usage of "customer property". See page 24 for further detail.
4) Payments of interest on subordinated debt used to originally capitalize MFGI.
5) Transfers from MFGI that were for the benefit of (f/b/o) MF Global Capital LLC's customer trading account at MFGI.

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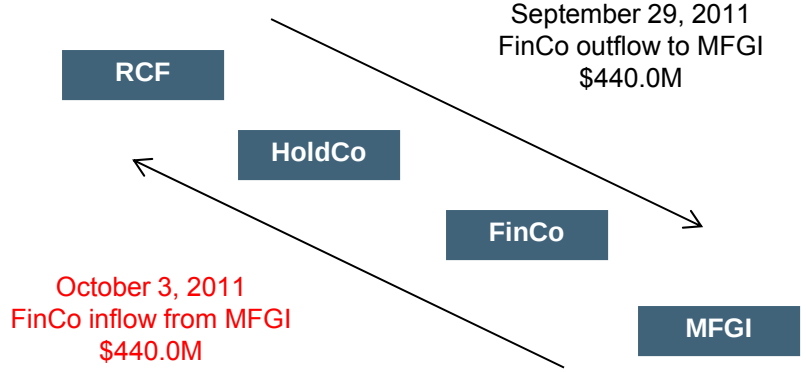
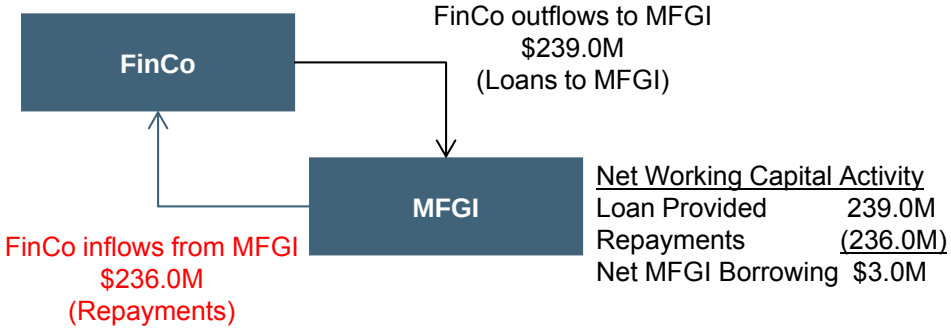
FinCo October 2011 Inflow Activity – MFGI (cont.)

1) Repayment of RCF Draw



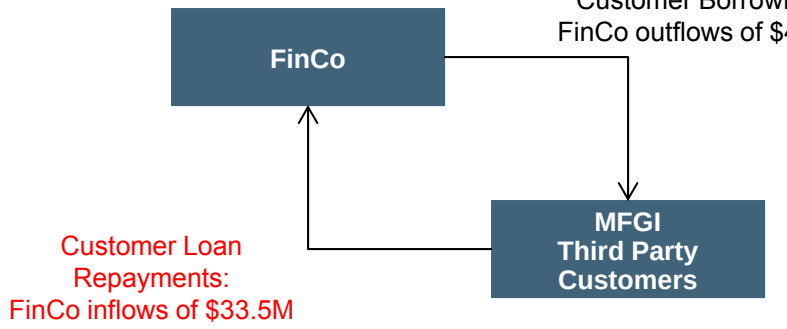
2) Working Capital Activity

Represents MFGI's borrowing and repayment of daily working capital loans with FinCo.



Net Working Capital Activity	
Loan Provided	239.0M
Repayments	(236.0M)
Net MFGI Borrowing	$3.0M

3) Customer Financing



Customer Financing Balance	
September 30, 2011	$25.9M
Net October Borrowings	10.9M
October 31, 2011	$36.8M

Net Funding Activity to/from MFGI

On a net basis for the month of October, FinCo provided MFGI with ~$929.2 million in net funding.

$ in millions

	Inflows	Outflows	Net
RCF Draw-downs[1]	$ -	$ (928.3)	$ (928.3)
Working Capital Activity	236.0	(239.0)	(3.0)
Subordinated Debt Interest	2.1	-	2.1
Customer Financing[2]	-	-	-
Transfers f/b/o Capital[2]	-	-	-
Total	**$ 238.1**	**$ (1,167.3)**	**$ (929.2)**

Conclusion: Inflow Activity from MFGI **does not** appear to include any usage of "customer property" except for authorized repayments of customer margin loans.

[1] Excludes inflow of $440.0 million, which is a borrowing from September 29 that was repaid on October 3.

[2] Excludes Customer Financing activity and Transfers f/b/o Capital, as these transactions do not relate to activity for the direct benefit of MFGI.

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FinCo October 2011 Inflow Activity – Other

- The remaining inflow activity pertains to the entities below.
  - We reviewed the substance of these transactions and the bank accounts of these entities; however, we view these entities as low risk of containing customer property, as described below.

$ in millions

FinCo Cash Account:

Beg. Balance 10/1/11:	**$32.9**
Inflows:	**1,762.1**
Outflows:	**(1,769.6)**
End Balance 10/28/11:	**25.3**

Objective: Explain the nature of the inflow activity. Determine link (if any) to customer property.

MF Global Special Investor LLC (Proprietary Trading)	MFG Unregulated Entities	MF Global Holdings USA Inc. (Shared Services)
Inflows: $59.7	Inflows: $26.2	Inflows: $5.4
Outflows: (18.4)	Outflows: (79.5)	Outflows: (6.4)
Net: $41.3	Net: $(53.3)	Net: $(1.0)
Monetization of Investment Portfolio during October.	Activity related to working capital borrowings and repayments activity with the following entities: MF Global Capital LLC, MF Market Services LLC and MF FX Clear LLC.	Activity related to the funding of payroll costs, operating expenses and borrowings/ repayments of intercompany loans.

- MF Global Special Investor LLC – MF Global's proprietary trading operation was conducted through this entity. Proceeds from investment positions unwound during October were sent to FinCo from the proprietary trading entity.
- MFG Unregulated Entities – Since these entities were unregulated, they did not deal in "customer property" as that term applies to regulated entities under SIPC or the CFTC regulations. Being unregulated entities, they were not required to segregate balances.
- MF Global Holdings USA Inc. – The shared services entity that dealt with payroll, invoice processing, and other administrative costs. Based on the nature of this entity and the activity we reviewed, we did not note any activity that involved "customer property".

Conclusion: Inflow activity from these other entities does not appear to include "customer property".

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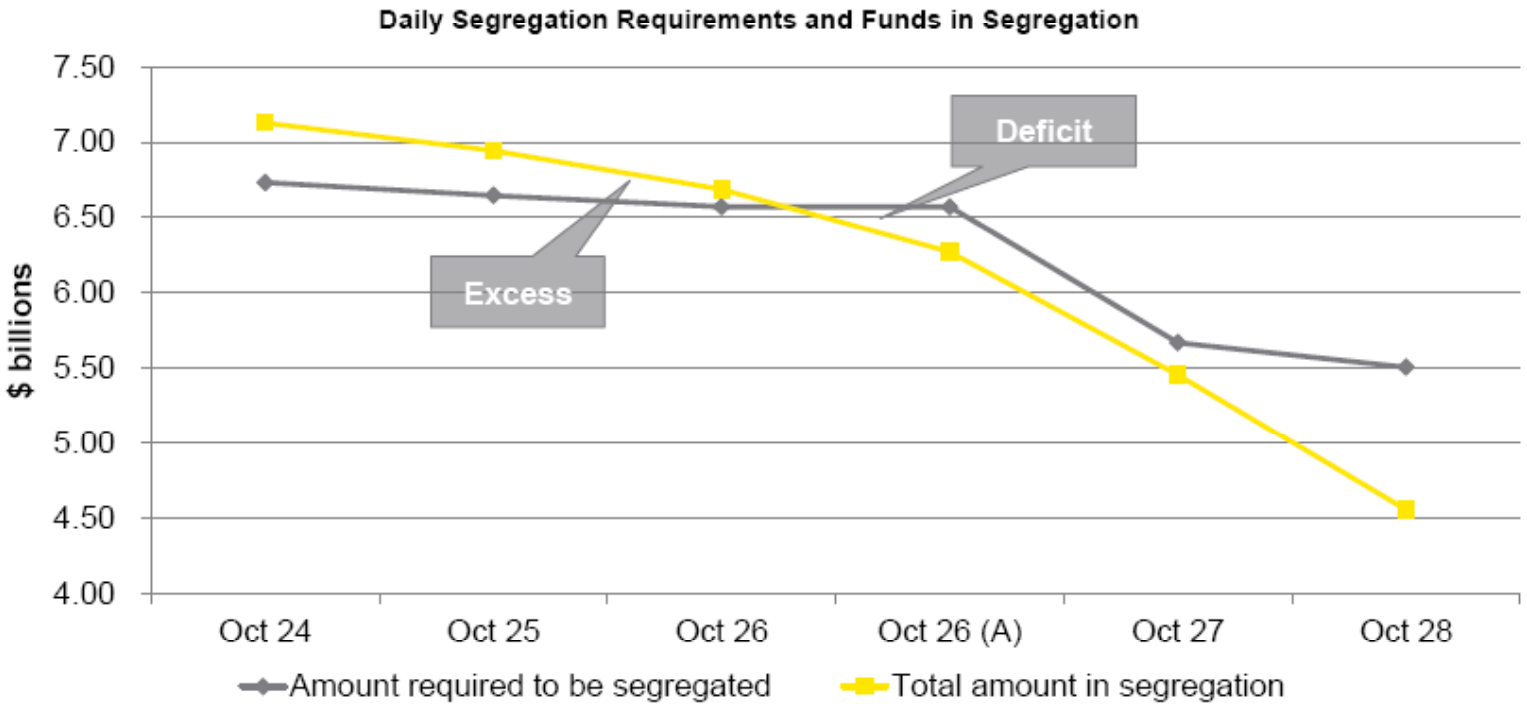
Relevant Timeframe – October 26 to October 28

- FTI's work included a review of all FinCo Cash Account transactions during October 2011. However, based on the work of the SIPA Trustee, it appears that the potential customer property misallocation exposure is limited to transfers from October 26 to October 28.



(A) A shortfall in segregated customer funds occurred during 10/26. The calculation originally prepared by MFGI contained an error. Cash deposits in segregated funds bank accounts were erroneously overstated.

Source: SIPA Trustee Status Update dated February 6, 2012.

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Relevant Timeframe Analysis

- The chart below shows the daily balance and activity in the FinCo Cash Account for the month of October 2011. Total inflows to FinCo from October 26 to October 28 was $322.0 million, of which only $7.5 million was received from MFGI.

Segregation Deficit
MFGI Cash Inflow Activity
October 26 to October 28

$ in millions

MFGI Inflow Summary

Customer Loan Repayment	$ 5.4
Interest Payment	2.1
	$ 7.5

$ Actual

FinCo Cash Collateral Account Daily Balance

	Beginning Balance	Inflows	Outflows	Ending Balance	
10/3/2011	$32,850,343	$ 512,840,872	$ (458,805,627)	$86,885,588	
10/4/2011	86,885,588	37,673,845	(5,471,456)	119,087,977	
10/5/2011	119,087,977	1,781,446	(96,667,049)	24,202,374	
10/6/2011	24,202,374	1,018,000	(24,569,585)	650,789	
10/7/2011	650,789	3,300,000	(3,753,870)	196,918	
10/11/2011	196,918	79,314,692	(6,712,453)	72,799,157	
10/12/2011	72,799,157	5,672,035	(77,676,455)	794,737	
10/13/2011	794,737	7,454,115	(8,100,429)	148,424	Monthly Low Point
10/14/2011	148,424	14,793,892	(9,639,341)	5,302,975	
10/17/2011	5,302,975	4,038,000	(9,028,379)	312,596	
10/18/2011	312,596	154,742,100	(28,783,385)	126,271,311	
10/19/2011	126,271,311	25,536,815	(94,318,803)	57,489,323	
10/20/2011	57,489,323	28,845,581	(2,182,815)	84,152,089	
10/21/2011	84,152,089	22,500,369	(9,179,439)	97,473,019	
10/24/2011	97,473,019	233,603,644	(59,424,689)	271,651,974	
10/25/2011	271,651,974	307,013,551	(101,445,216)	477,220,309	
10/26/2011	477,220,309	3,046,327	(472,934,151)	7,332,486	
10/27/2011	7,332,486	234,427,067	(221,007,292)	20,752,261	
10/28/2011	20,752,261	84,507,491	(79,930,273)	25,329,480	
	$32,850,343	$ 1,762,109,843	$ (1,769,630,707)	$25,329,480	

Lowest Intermediate Balance
MFGI Cash Inflow Activity
October 14 to October 28

$ in millions

MFGI Inflow Summary

Working Capital Repayments	$ 63.0 [1]
Customer Loan Repayments	17.2
Interest Payment / Activity f/b/o Capital	3.1
	$ 83.3

[1] Net working capital activity was a $79.7 million outflow. See page 27.

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II. FinCo Detailed Transaction Review

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FinCo Entity Purpose and Overview

- FinCo served as a central depository for MF Global's funds and a conduit for providing funding and liquidity to MF Global's operating affiliates. The cash management role that FinCo played for the consolidated MF Global group is analogous to serving as the firm's "internal bank" and this function would be considered typical of the way large corporations manage their corporate cash and liquidity functions.
- FTI reviewed 100% of the cash activity of FinCo during October 2011 and noted that substantially all of the FinCo cash activity involved receipts or disbursements to MF Global affiliates. Of the 208 transactions in October, only one directly involved a third party, representing a cash receipt of approximately $8 thousand.
- Although FinCo did not generate any material revenue through its own operations, funds from affiliate accounts across MF Global were manually swept into the FinCo bank account for purposes of cash concentration and investment.
  - In August 2011, HoldCo issued $325 million of 3.375% Convertible Notes and $325 million of 6.25% Senior Unsecured Notes. A substantial portion of these bond offerings were transferred from HoldCo to FinCo and used for general corporate purposes.
- When the MF Global group of companies needed to make disbursements, FinCo transferred funds to bank or investment accounts held by either HoldCo or other MF Global affiliates, depending on the nature of the disbursement.
  - FinCo engaged in intercompany account transactions with HoldCo for the purpose of borrowing or making repayments under the RCF. The RCF was an unsecured borrowing facility with a group of lenders led by JPM with maximum borrowing capacity of $1.2 billion; the outstanding amount on the RCF was $1.17 billion as of October 31, 2011.
  - FinCo also transferred funds to certain regulated and unregulated affiliates for use in their businesses and to provide liquidity to their customers.
    - FinCo regularly provided liquidity to and/or received excess liquidity from the MFGI regulated broker-dealer entity on a daily basis (i.e., broker-dealer working capital borrowings and repayments).
    - FinCo provided loans directly to MFGI customers and effectuated cash activity with MFGI accounts in connection with these third party loan draw-downs and repayments (i.e., MFGI customer loans).
  - Funds required for salary, wages, taxes and other employee related expenses—with the exception of funds required for such payroll distributions to a small group of MF Global officers—were transferred to MF Global Holdings USA Inc. (entity 210, "Holdings USA").
  - In addition, funds required for MF Global's other operational needs, including taxes, vendor payments, and other accounts payable were also transferred from FinCo to Holdings USA.

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Overview of Analysis

- FTI performed a detailed review of each of the transactions in the FinCo Cash Account for the month of October 2011, which included 100 separate inflow transactions totaling $1.762 billion of cash collections (deposits/credits) and 108 separate outflow transactions totaling $1.770 billion of cash disbursements (withdrawals/debits). The opening account balance on October 1, 2011 was approximately $32.8 million and the closing balance on October 28, 2011 was approximately $25.3 million.
  - For each of the transactions above, FTI matched the activity to the corresponding affiliate bank statement as well other documentation supporting the source of the transaction, including daily settlement schedules and intercompany balance statements per MF Global's systems, as discussed later in this Report.
  - FTI focused on understanding the nature and business purpose of the cash inflows and outflows with MFGI. The relevant MFGI bank accounts and types of transactions with those accounts are described on the following pages.
  - FTI conducted interviews with several MFGI personnel who are now under the employment of the SIPA Trustee and have historical knowledge of the cash management system of the MF Global group of companies and the cash movements of FinCo.

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HoldCo Activity with FinCo

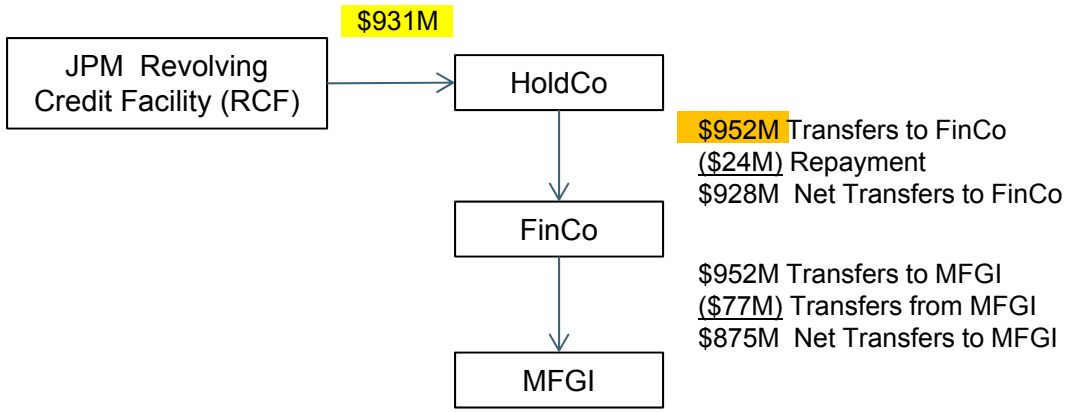
- During September 2011, HoldCo borrowed a net amount of $400 million under the RCF in order to support the margin requirements of the European sovereign portfolio. The $400 million borrowed under the RCF was repaid on October 3, 2011.
  - Related to this, MFGI borrowed $440 million from FinCo as an intercompany loan.
- The October 2011 activity between HoldCo and FinCo related primarily to draws on the RCF. HoldCo borrowed a total of $931 million on the RCF during the period from October 18 and October 28. The FinCo Cash Account had $952 million in receipts from HoldCo over the same period.
  - The $20 million difference appears to be an error, whereby a $20 million borrowing on October 18 under the $300 million MFGI secured revolving credit facility was funded to HoldCo (transferred to FinCo and on to MFGI). This was repaid on October 19.

$ in millions

FinCo Activity with HoldCo

	October 3 RCF Repay	October 4-17 Activity	October 18-28 Activity	October 2011 Full Month
Inflows	$ -	$ 6.0	$ 952.0	$ 958.0
Outflows	(400.0)	(4.3)	(24.1)	(428.4)
Net Activity	$ (400.0)	$ 1.7	$ 927.9	$ 529.6

Activity October 18 - 28



RCF Summary (Borrowings by HoldCo)

Legacy Amount Outstanding on Revolver	$ 192.0
May 2011 Draw for Liquidity purposes	50.0
Late September 2011 Draws, Net	400.0
Outstanding as of September 30, 2011	642.0
October 3, 2011 Repayment	(400.0)
October 18, 2011 Draw	71.8
October 18, 2011 Draw	53.2
October 24, 2011 Draw	132.1
October 24, 2011 Draw	97.9
October 25, 2011 Draw	172.3
October 25, 2011 Draw	127.7
October 26, 2011 Draw	223.6
October 27, 2011 Draw	31.9
October 27, 2011 Draw	20.2
October 28, 2011	-
Activity October 18 - 28	930.6
Total Outstanding Revolver Balance	$ 1,172.6

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MFGI Activity with FinCo by Transaction Type

- The chart below summarizes the activity between MFGI and FinCo by transaction type for the month of October 2011. Refer to the following pages for additional detail on the inflows and outflows.

$ in millions	FinCo Activity with MFGI			
	Inflows	**Outflows**	**Net**	
MFGI as Recipient				
RCF Draw-downs	$ 440.0	$ (928.3)	$ (488.3)	
Working Capital Activity	236.0	(239.0)	(3.0)	
Subordinated Debt Interest	2.1	-	2.1	
Subtotal	678.1	(1,167.3)	(489.2)	A
MFGI as Intermediary				
Customer Financing	33.5	(44.1)	(10.6)	
Transfers f/b/o Capital	1.1	(0.5)	0.6	
Subtotal	34.6	(44.6)	(10.0)	
Total	**$ 712.7**	**$ (1,211.9)**	**$ (499.1)**	

	Total Net Benefit Realized by MFGI during October	
A	MFGI as Recipient of Net Cash Flow Activity	$ 489.2
	Repayment on Oct. 3 links directly to Sept. 29 Borrowing	440.0
	Total Benefit Realized by MFGI	**$ 929.2**

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FinCo Inflows from MFGI

- During October 2011, FinCo received $712.7 million of cash inflows from MFGI for a variety of reasons.
- $440.0 million of FinCo inflows related to the repayment of an intercompany borrowing (funded in large part from the RCF).
  - On September 29, 2011, MFGI borrowed $440.0 million from FinCo. This loan amount was primarily derived from the net September RCF draw of $400.0 million and the remainder related to excess FinCo liquidity.
  - The intercompany borrowing was repaid on October 3, 2011 (flow of funds: MFGI $440.0 million → FinCo. FinCo $400.0 million → HoldCo. HoldCo $400.0 million → RCF lenders).
  - It should be noted that from October 18 to October 28, 2011, $931 million was subsequently re-borrowed from the RCF. During this timeframe, $875.2 million of this amount was sent to MFGI on a net basis.
- $236.0 million of inflows from the MFGI accounts represent repayments of daily working capital borrowing made by MFGI. We inquired during interviews with MFGI personnel whether any of this activity related to customer property; the responses received did not indicate any improper usage of customer property linked to the FinCo Cash Account.
- $33.5 million of inflows from the MFGI customer segregated account represents loan activity between FinCo and MFGI's customers. This is described in more detail later in this Report. As noted in the Executive Summary, this represents daily borrowings and repayments of customer margin loans and was ordinary course activity consistent with historical practice.

$ in millions

FinCo Inflows from MFGI Accounts

	JPM House x1048	BoNY Securities Account	JPM Securities Account	JPM Cust x1055[1]	Total
Repayment of September 29 FinCo Loan to MFGI	$ 440.0	$ -	$ -	$ -	$ 440.0
Customer Financing Repayments	-	-	-	33.5	33.5
Subordinated Debt Interest	2.1	-	-	-	2.1
Affiliate Financing Repayment on behalf of Capital	1.1	-	-	-	1.1
Subtotal - Cash Activity with MFGI	443.2	-	-	33.5	476.7
Working Capital Activity	22.0	189.0	25.0	-	236.0
Total October 2011 Inflows from MFGI	**$ 465.2**	**$ 189.0**	**$ 25.0**	**$ 33.5**	**$ 712.7**

Timing of FinCo Inflows from MFGI Accounts

	Loan Repay Oct. 3	October 1 - 17	October 18 - 28	Total
Outflow Summary	$ 440.0	$ 195.7	$ 77.0	$ 712.7

[1] Represents loan activity between FinCo and MFGI's customers. This is described in more detail later in this Report. As noted in the Executive Summary, this represents daily borrowings and repayments of customer margin loans and was ordinary course activity consistent with historical practice.

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FinCo Outflows to MFGI

- During October 2011, FinCo sent $1.2 billion of cash to MFGI. The majority of the transfers occurred during the period from October 18 through October 28. Over that period, FinCo received $952 million from HoldCo (primarily from RCF draw-downs) and passed those funds along to MFGI.
- The majority of the outflows from FinCo to MFGI were for daily working capital purposes. Each business day, the broker-dealer side of the MFGI business would determine its JPM clearing account morning position via the "BDAS" system at the open of business each morning. The Net Free Equity ("NFE") metric (positive or negative) would determine whether MFGI needed cash to begin the day's clearing activity (the "Daily Working Capital Loan").
- In general, the daily settlement activity represents trading activity from prior days; therefore, the NFE morning calculation would be a fairly reliable indication of the daily liquidity needed to effectuate settlement activity. From time to time, additional liquidity might be needed depending on the nature of the activity.
- When morning or intraday funding was needed by MFGI, the request was made by the broker-dealer operations to the treasury group, which was responsible for the entirety of domestic cash management. The treasury group would then determine the source of the excess liquidity and provide funding for the Daily Working Capital Loan. Sometimes, the funding was provided by the MFGI house account (an intracompany borrowing) and sometimes the funding was provided via the FinCo Cash Account (an intercompany borrowing).
- At the end of each business day when clearing activity was completed, the Daily Working Capital Loan was repaid.

$ in millions

	FinCo Outflows to MFGI Accounts						
	JPM House x1048	JPM x0070	BoNY x0910	BoNY x1208	BoNY Securities Account	JPM Cust x1055	Total
Revolver Draw-Downs (October 18-28)	$ (1.6)	$ (120.0)	$ (564.0)	$ (100.0)	$ (142.7)	$ (23.9)	$ (952.2)
Subtotal October 18 - 28	(1.6)	(120.0)	(564.0)	(100.0)	(142.7)	(23.9)	(952.2)
Customer Financing	-	-	-	-	-	(20.1)	(20.1)
Daily Working Capital Funding	(58.0)	(23.0)	(158.0)	-	-	-	(239.0)
Affiliate Financing to Capital through MFGI	(0.5)	-	-	-	-	-	(0.5)
Subtotal October 1 - 17	(58.5)	(23.0)	(158.0)	-	-	(20.1)	(259.6)
Total October 2011 Outflows to MFGI	**$ (60.1)**	**$ (143.0)**	**$ (722.0)**	**$ (100.0)**	**$ (142.7)**	**$ (44.1)**	**$ (1,211.9)**

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FinCo Loans made to MFGI Customers

- FinCo has historically provided financing to certain MFGI customers on the futures commission merchant ("FCM") side of the business.
  - Certain third party customers that had an account at MFGI also had a financing line with FinCo, which allowed them to borrow from FinCo subject to certain limits.
  - Each day, customer loan balances change, and MF Global historically effectuated a cash transaction between the FinCo Cash Account and the MFGI customer segregated account to reflect this daily net activity.
  - The MFGI margins department in New York determined whether the customers required financing from FinCo, or alternatively, had the ability to repay outstanding loans. Aggregate financing activity was summarized on a daily basis and Chicago Treasury would effectuate one wire transfer related to the total daily net activity.
    - Net borrowings – FinCo wire transfer to MFGI for the accounts of the customers.
    - Net repayments – MFGI wire transfer to the FinCo Cash Account in repayment of the customer loans.
  - Since this loan activity involves transactions between FinCo and MFGI customers, the cash movements to or from the MFGI customer segregated account appear to be appropriate.
  - FTI reviewed 100% of the monthly activity for October 2011 and matched all cash transactions to the daily change in the total loan balances per the daily settlement sheets provided by MFGI personnel. See the accompanying activity summary for details.
  - One additional inflow was noted in the amount of $277 thousand, which represents the monthly interest charge payable by customers to FinCo.
  - During the month of October, FinCo provided a net amount of customer financing of $10.6 million. As of October 31, 2011, ten customers had outstanding balances totaling $36.8 million.

$ in millions

FinCo Customer Financing Activity Summary

September 30, 2011 Balance	$	25.9
October 2011 Net Cash Outflow from FinCo to MFGI		10.8
Customer Financing Balance October 31, 2011	**$**	**36.8**

Daily Cash Activity between FinCo and MFGI Cust Account x1055

Date	Inflows	Outflows	Net
October 3, 2011	$ -	$ (3.9)	$ (3.9)
October 4, 2011	3.2	(2.0)	1.2
October 5, 2011	-	(4.2)	(4.2)
October 6, 2011	-	(4.0)	(4.0)
October 7, 2011	-	(0.0)	(0.0)
October 11, 2011	6.4	-	6.4
October 12, 2011	-	(5.7)	(5.7)
October 13, 2011	6.3	-	6.3
October 14, 2011	5.5	-	5.5
October 17, 2011	-	(0.3)	(0.3)
October 18, 2011	-	(4.5)	(4.5)
October 19, 2011	4.1	-	4.1
October 20, 2011	1.4	-	1.4
October 21, 2011	-	(6.3)	(6.3)
October 24, 2011	0.1	-	0.1
October 25, 2011	0.7	-	0.7
October 26, 2011	-	(13.1)	(13.1)
October 27, 2011	3.5	-	3.5
October 28, 2011	1.9	-	1.9
	$ 33.2	$ (44.1)	$ (10.8)
October 3, 2011	0.3	Inflow related to monthly interest income	
Total	$ 33.5		

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III. Lowest Intermediate Balance

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FinCo October 2011 Daily Cash Balance

- The chart below shows the daily balance and activity in the FinCo Cash Account for the month of October 2011.
  - This section focuses on the activity subsequent to the balance low point of $148 thousand, which occurred on October 13.

$ Actual

FinCo Cash Collateral Account Daily Balance					
	Beginning Balance	Inflows	Outflows	Ending Balance	
10/3/2011	$32,850,343	$ 512,840,872	$ (458,805,627)	$86,885,588	
10/4/2011	86,885,588	37,673,845	(5,471,456)	119,087,977	
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10/13/2011	794,737	7,454,115	(8,100,429)	148,424	Monthly Low Point
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10/17/2011	5,302,975	4,038,000	(9,028,379)	312,596	
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10/28/2011	20,752,261	84,507,491	(79,930,273)	25,329,480	
	$32,850,343	$ 1,762,109,843	$ (1,769,630,707)	$25,329,480	

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Bank Accounts Overview (October 14 – 28)

- The chart below summarizes the FinCo Cash Account transactions for the period October 14 through October 28, subsequent to the low balance point of $148 thousand at the close of October 13.
  - Total cash inflows from MFGI during this timeframe were only $83.3 million.
    - $63.0 million of working capital loan repayments.
    - $17.2 million involved FinCo customer loans, as previously discussed.
    - $3.1 million consisted of interest on subordinated debt and transfers for the benefit of Capital.

$ Actual

			October 2011 Activity					
			FinCo Inflows		FinCo Outflows		Net Cash Inflows / (Outflows)	
Account	Bank	Bank Account #	Count	Amount	Count	Amount	Total Count	Net Amount
Account Holder: MFGI (#202)								
MF GLOBAL INC HOUSE	JPM	x1048	8	$ 3,108,744	6	$ (9,623,000)	14	$ (6,514,256)
MF GLOBAL INC CUST	JPM	x1055	12	17,239,884	4	(24,216,245)	16	(6,976,361)
MF GLOBAL SECURITIES INC P3	JPM	x0070	-	-	3	(126,000,000)	3	(126,000,000)
MF GLOBAL INC	BoNY	x1208	-	-	1	(100,000,000)	1	(100,000,000)
MF GLOBAL INC	BoNY	x0910	-	-	6	(564,000,000)	6	(564,000,000)
BoNY Securities Account	BoNY	XGX	3	63,000,830	3	(142,685,692)	6	(79,684,862)
		Total for MFGI	23	83,349,459	23	(966,524,937)	46	(883,175,478)
Account Holder: HoldCo (#220)								
MF GLOBAL LTD	JPM	x7978	10	953,000,000	5	(24,557,685)	15	928,442,315
Account Holder: MF Global Special Investor LLC (#218)								
MF GLOBAL SPECIAL INVESTOR LLC	JPM	x8074	7	58,192,100	4	(7,956,000)	11	50,236,100
Account Holder: MF Global Capital LLC (#201)								
MAN CAPITAL LLC	JPM	x7889	4	5,400,000	5	(3,900,000)	9	1,500,000
MAN CAPITAL LLC	JPM	x4372	-	-	-	-	-	-
MF GLOBAL CAPITAL LLC	BoA	x9088	11	4,579,979	13	(8,563,560)	24	(3,983,581)
		Total for MF Global Capital LLC	15	9,979,979	18	(12,463,560)	33	(2,483,581)
Account Holder: MF Global Holdings USA Inc. (#210)								
MF GLOBAL HOLDINGS USA INC PAYROLL ACCT	JPM	x9236	1	1,000,000	1	(1,821,600)	2	(821,600)
MF GLOBAL HOLDINGS USA INC GENERAL ACCT	JPM	x3691	2	2,133,300	3	(2,600,000)	5	(466,700)
		Total for MF Global Holdings USA Inc.	3	3,133,300	4	(4,421,600)	7	(1,288,300)
Account Holder: MF Global Market Services LLC (#214)								
MANTRAD LLC	JPM	x2216	4	3,000,000	3	(1,700,000)	7	1,300,000
Account Holder: MF Global FX Clear LLC (#204)								
MF GLOBAL FX CLEAR LLC	JPM	x2126	1	2,400,000	6	(45,250,000)	7	(42,850,000)
Account Holder: MF Global Singapore Pte Ltd. (#701)								
MF GLOBAL SINGAPORE PTE LTD	UBS	xxxx	-	-	1	(25,000,000)	1	(25,000,000)
		Total	**63**	**$ 1,113,054,838**	**64**	**$ (1,087,873,782)**	**127**	**$ 25,181,056**

Cash Rollforward	
Beginning Balance Oct. 14	$ 148,424
FinCo Inflows	1,113,054,838
FinCo Outflows	(1,087,873,782)
Ending Balance Oct. 28	$ 25,329,480

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Bank Accounts Overview (October 26 – 28)

- The chart below summarizes the FinCo Cash Account transactions for the period October 26 through October 28, which represents the limited time period where MFGI reportedly had a "shortfall" in customer segregated funds.
  - Total cash inflows from MFGI during this timeframe were only $7.5 million.
    - $5.4 million involved FinCo customer loans, as previously discussed.
    - $2.1 million relates to interest payments on subordinated debt.

$ Actual

			October 2011 Activity					
			FinCo Inflows		FinCo Outflows		Net Cash Inflows / (Outflows)	
Account	Bank	Bank Account #	Count	Amount	Count	Amount	Total Count	Net Amount
Account Holder: MFGI (#202)								
MF GLOBAL INC HOUSE	JPM	x1048	3	$ 2,134,744	2	$ (1,461,000)	5	$ 673,744
MF GLOBAL INC CUST	JPM	x1055	4	5,399,516	1	(13,101,151)	5	(7,701,635)
MF GLOBAL SECURITIES INC P3	JPM	x0070	-	-	1	(100,000,000)	1	(100,000,000)
MF GLOBAL INC	BoNY	x1208	-	-	1	(100,000,000)	1	(100,000,000)
MF GLOBAL INC	BoNY	x0910	-	-	2	(340,000,000)	2	(340,000,000)
BoNY Securities Account	BoNY	XGX	-	-	3	(142,685,692)	3	(142,685,692)
		Total for MFGI	7	7,534,260	10	(697,247,843)	17	(689,713,583)
Account Holder: HoldCo (#220)								
MF GLOBAL LTD	JPM	x7978	5	277,000,000	1	(1,756,882)	6	275,243,118
Account Holder: MF Global Special Investor LLC (#218)								
MF GLOBAL SPECIAL INVESTOR LLC	JPM	x8074	2	33,072,000	1	(1,933,000)	3	31,139,000
Account Holder: MF Global Capital LLC (#201)								
MAN CAPITAL LLC	JPM	x7889	2	700,000	2	(2,200,000)	4	(1,500,000)
MAN CAPITAL LLC	JPM	x4372	-	-	-	-	-	-
MF GLOBAL CAPITAL LLC	BoA	x9088	5	641,325	1	(562,391)	6	78,935
		Total for MF Global Capital LLC	7	1,341,325	3	(2,762,391)	10	(1,421,065)
Account Holder: MF Global Holdings USA Inc. (#210)								
MF GLOBAL HOLDINGS USA INC PAYROLL ACCT	JPM	x9236	-	-	1	(1,821,600)	1	(1,821,600)
MF GLOBAL HOLDINGS USA INC GENERAL ACCT	JPM	x3691	1	133,300	1	(800,000)	2	(666,700)
		Total for MF Global Holdings USA Inc.	1	133,300	2	(2,621,600)	3	(2,488,300)
Account Holder: MF Global Market Services LLC (#214)								
MANTRAD LLC	JPM	x2216	1	500,000	1	(300,000)	2	200,000
Account Holder: MF Global FX Clear LLC (#204)								
MF GLOBAL FX CLEAR LLC	JPM	x2126	1	2,400,000	5	(42,250,000)	6	(39,850,000)
Account Holder: MF Global Singapore Pte Ltd. (#701)								
MF GLOBAL SINGAPORE PTE LTD	UBS	xxxx	-	-	1	(25,000,000)	1	(25,000,000)
		Total	**24**	**$ 321,980,886**	**24**	**$ (773,871,715)**	**48**	**$ (451,890,829)**

Cash Rollforward		
Beginning Balance October 26	$	477,220,309
FinCo Inflows		321,980,886
FinCo Outflows		(773,871,715)
Ending Balance October 28	$	25,329,480

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