

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

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

**JOINT DECLARATION OF MERRILL G. DAVIDOFF AND ANDREW J. ENTWISTLE
IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF THE
SETTLEMENT BETWEEN THE FORMER COMMODITY FUTURES CUSTOMERS
OF MF GLOBAL INC., THE CME GROUP INC., AND
CHICAGO MERCANTILE EXCHANGE, INC.**

Merrill G. Davidoff, an attorney duly admitted to practice before the bar of this Court,
and Andrew J. Entwistle, an attorney duly admitted to practice before the bar of this Court,
hereby jointly declare, under penalty of perjury pursuant to 28 U.S.C. § 1746, as follows:

1. Merrill G. Davidoff is a managing shareholder (member) of Berger & Montague, P.C., and Andrew J. Entwistle is managing partner of the law firm of Entwistle & Cappucci LLP. Our law firms were appointed as Interim Co-Lead Counsel in the customer class actions

consolidated into the above-captioned matter, pursuant to the Court's Decision and Order, dated May 21, 2012, ECF No. 10.

2. As Interim Co-Lead Counsel, our law firms have led and we have been involved personally with the prosecution of the above-captioned Commodity Customer Class Actions. As such, we have also been personally involved in the proposed Settlement between the Customer Representatives in the consolidated class action (the "Customer Class Action") on behalf of former commodity customers who held money, property and/or securities ("Customer Property") at MF Global Inc. ("MFGI" or the "Company"), on the one hand, with CME Group Inc., and its subsidiaries and affiliates, including but not limited to Chicago Mercantile Exchange, Inc. ("CME Group"), on the other. We have personal knowledge of the matters set forth in this Joint Declaration, and if called upon would be competent to testify as to the matters set forth herein.

3. In its May 21, 2012 Decision and Order, this Court appointed plaintiffs 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 Asia Fund Ltd., PS Energy Group, Inc., Summit Trust Company, Henry Rogers Varner Jr., and Thomas S. Wacker (collectively "Plaintiffs") as interim customer representatives (the "Customer Representatives").

4. As Interim Co-Lead Counsel, we respectfully submit this "Joint Declaration" in support of: (a) Plaintiffs' Motion for Final Approval of the Settlement Between the Former Commodity Futures Customers of MF Global Inc., CME Group Inc., and Chicago Mercantile Exchange, Inc. (the "Approval Motion"), including approval of the proposed Plan of Allocation and the Notice program, and entry of the proposed Final Judgment and Order of Dismissal with Prejudice (the "Proposed Final Judgment").

5. The entry of the Proposed Final Judgment granting the Approval Motion will approve the proposed Settlement, one that provides additional, immediate benefits to the Settlement Class while resolving claims by the Customer Representatives against CME Group, who vigorously denies any wrongdoing, thereby avoiding lengthy, costly, and uncertain litigation. Importantly, the Customer Representatives and Settlement Class members will retain their claims (including, but not limited to, prejudgment interest claims) against the non-settling defendants (*e.g.*, the D&O Defendants) who are the primary wrongdoers in the collapse of MFGI and the resulting shortfall in Customer Property. As a result, the Trustee supports the Approval Motion.

I. Brief Description of the Settlement

6. The Settlement is memorialized in the Settlement Agreement attached as Exhibit 1 to the Declaration of Merrill G. Davidoff in Support of Plaintiffs' Motion for Preliminary Approval of Proposed Settlement with CME Group Inc., dated January 29, 2014 (the "Davidoff Decl.") (ECF No. 631).

7. The Settlement provides an additional \$14,500,000 that, upon final approval, will be distributed as provided in the applicable assignment agreements. Pursuant to the Settlement: (i) the parties, in conjunction with the Trustee, obtained the entry of a So-Ordered Stipulation in the Bankruptcy Court for the Southern District of New York¹ allowing the CME Group's claim ("CME Claim") against the MFGI general estate as a superpriority claim against the general estate in the amount of \$29,000,000; and (ii) the CME Group will direct the sum of \$14,500,000 of the \$29,000,000 allowed on the CME Claim pursuant to the So-Ordered Stipulation be deposited in accordance with the settlement. The Settlement will resolve all of the Customer

¹ See *In re MF Global Inc.*, No.11-2790 (MG) SIPA (Bankr. S.D.N.Y.), ECF No. 7536 (Feb. 2, 2014).

Representatives' and the Settlement Class members' claims against CME Group arising from the Chicago Mercantile Exchange Inc.'s role as the designated self-regulatory organization of MFGI.

8. This is the third settlement in the Customer Class Action. Previously, the Customer Representatives settled their claims against JP Morgan Chase, N.A. ("JPMC"). On July 3, 2013, the Court granted final approval of the JPMC settlement which provided hundreds of millions of dollars in benefits to Customers, including a negotiated allocation and advance of \$200 million in general estate assets to Customers (ECF Nos. 54, 55).

9. Also, on December 20, 2013, the Court granted preliminary approval to the agreement between the Customer Representatives and the Trustee that will satisfy 100% of the Customers' unpaid Net Equity claims from MFGI's general estate assets (the "Net Equity Settlement Assignment Agreement") (ECF No. 70).

10. The proposed Settlement here brings an immediate benefit to the Settlement Class that may be difficult (perhaps impossible) to realize at a later date with the risk of many years of complex litigation. It provides added certainty to the MFGI estate (*e.g.*, in the So-Ordered Stipulation setting the CME Claim as a superpriority claim in the amount of \$29,000,000) and it permits the Trustee to reduce the amount of MFGI estate assets that must be advanced in connection with the Net Equity Settlement Assignment Agreement.

11. Moreover, the Settlement does not involve the remaining named defendants in the Customer Class Action and will not alter the Customer Representatives' ongoing claims against the primary wrongdoers in the collapse of MFGI and the resulting shortfall in Customer Property – recoveries from whom the Customer Representatives and Trustee hope will eliminate the remaining shortfall and remedy other damages suffered by the customers and MFGI.

12. Interim Co-Lead Counsel and the Customer Representatives respectfully submit that the proposed Settlement more than satisfies the standard for final approval under Rule 23 of the Federal Rules of Civil Procedure. The Settlement is the result of comprehensive arms-length negotiations over almost a year. It is fair and reasonable considering the substantial benefit to the Settlement Class as evaluated against the significant risk that a smaller recovery – or, indeed, no recovery – might result following protracted litigation against CME Group that could last years. Likewise, the proposed Plan of Allocation should be approved because it is fair, reasonable and adequate. In this regard, the Settlement reflects the judgment of counsel for the Customer Representatives and Trustee based on independent and collaborative evaluations of the strengths and weaknesses of the claims against CME Group, informed by extensive investigation and discovery.

13. Interim Co-Lead Counsel and the Executive Committee appointed by this Court to represent the Customer Representatives – all of whom have extensive experience in prosecuting complex class actions – strongly believe the Settlement is in the best interests of the former customers of MFGI and the MFGI estate.

II. FACTUAL BACKGROUND

A. Background Facts Relevant to MF Global & CME Group

14. As a futures commission merchant (“FCM”), MFGI was required under the CEA and Commodity Futures Trading Commission (“CFTC”) regulations to maintain 4d and 30.7 Customer Property in segregated or foreign secured accounts, respectively (collectively, “Customer Accounts”). *See* 7 U.S.C. § 6d(a)(2); 17 CFR § 30.7; Consolidated Amended Class Action Complaint for Violations of the Commodity Exchange Act and Common Law (the “CAC”) ¶ 114. For example, the CEA requires that 4d Customer property be separately accounted for and not be commingled with the proprietary funds of the FCM or be used to

margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held. *See* 7 U.S.C. § 6d(a)(2). FCMs are also “bound by their fiduciary obligations to customers and the requirement that the secured amount required to be set aside be at all times liquid and sufficient to cover all obligations to such customers.” 76 Fed. Reg. 78776-01, 78777 (Dec. 19, 2011); *see also* CAC ¶ 118.

15. CFTC regulations authorize an FCM to deposit its own funds in Customer Segregated Accounts, and to withdraw its own funds for proprietary reasons (*see* 17 C.F.R. § 123; CAC ¶ 14), but it is unlawful for an FCM to use customer funds held in segregated accounts for its own purposes or to satisfy obligations other than those of customers. *See* 7 U.S.C. § 6d(b); CAC ¶ 115. Contrary to applicable law, MF Global utilized customer funds in the Customer Accounts as a source of firm liquidity in violation of the CEA and CFTC Regulation. *See, e.g.*, CAC ¶¶ 15, 69. Moreover, MFGI had virtually no internal institutional controls in place over transfers from these accounts. *See, e.g., id.* ¶¶ 15, 22, 71-72.

16. This case involves the shortfall of customer money and property, which applicable law required MFGI and its senior management to hold in segregated accounts for the protection of customers. In the CAC, the Customer Representatives allege that the Chicago Mercantile Exchange, Inc. failed in its duties as the designated self-regulatory organization responsible for auditing and monitoring MFGI’s compliance with all capital and customer protection requirements imposed under the CEA, the CFTC Regulations and rules promulgated by CME Exchanges.

17. During the work week ending on October 28, 2011, as MFGI faced bankruptcy, caused by massive liquidity shortages, certain Defendants directed over \$900 million in cash and property that legally belonged to MFGI’s commodity and securities customers to be transferred

from accounts that should have been segregated to other accounts used by MFGI and its affiliates for their own purposes, including to address liquidity shortfalls in their businesses. The liquidity crisis led to the demise of MFGI and the loss of Customer Funds. *See generally id.* at ¶¶ 274-99; 376-404.

18. The Chicago Mercantile Exchange, Inc. was MFGI's designated self-regulatory organization. The Customer Representatives allege that CME Group was responsible for, among other things, monitoring any concerns or deficiencies in MFGI's compliance with CFTC regulations, including its obligations to segregate and/or secure customer funds. The Customer Representatives also allege that CME Group failed in its duties to customers and MFGI during the weeks leading up to the collapse of MFGI, including during MFGI's final week when MFGI did not safeguard customer funds.

19. CME Group expressly denies any fault, liability, or wrongdoing whatsoever in connection with the allegations made in the Consolidated Amended Class Action Complaint. Further, CME Group has substantial defenses to the Customer Representative's claims to recover the customer property that MFGI improperly transferred to satisfy proprietary obligations.

B. Procedural Background

20. On October 30, 2011, as MFGI and its parent MF Global Holdings, Ltd. ("Holdings") were preparing for the potential sale of MFGI in an attempt to preserve value for customers and creditors of Holdings and its subsidiaries, MFGI reported to its regulators and the potential buyer that a material shortfall existed in the Customer Property the Company was required to segregate under the CEA and related CFTC regulations. As a direct result of the shortfall the buyer withdrew its offer and MFGI and Holdings were forced to seek bankruptcy protection.

21. On October 31, 2011, Holdings and certain of its affiliates (the “Chapter 11 Debtors”) commenced cases under Chapter 11 of the Bankruptcy Code (the “Chapter 11 Proceedings”). Thereafter, the Honorable Paul A. Engelmayer entered an order: (i) commencing the SIPA liquidation of MFGI based on a determination that the customers were in need of the protection afforded by SIPA; (ii) appointing the Trustee; and (iii) removing the SIPA Proceeding to the Bankruptcy Court as related to the Chapter 11 Proceedings pending before the Honorable Martin Glenn.

22. On November 22, 2011, former commodity customers of MFGI filed the first of twelve class actions against, among others, certain members of senior management of Holdings and MFGI (collectively with their affiliates and subsidiaries, “MF Global”) alleging, *inter alia*, violations of the segregation requirements of the CEA leading to the shortfall – then estimated at \$1.6 billion. By a series of orders by the Court² and the Judicial Panel on Multidistrict Litigation,³ all pending customer actions were consolidated for pretrial purposes into the above-captioned case.

23. On May 21, 2012, the Court issued a Decision and Order appointing the undersigned counsel, Berger & Montague, P.C. and Entwistle & Cappucci, LLP, as Interim Co-Lead Counsel in the Customer Class Action, and designating Grant & Eisenhofer P.A., the Fleischman Law Firm, Nisen & Elliot LLC, Susman Godfrey L.L.P., along with Interim Co-Lead Counsel, as an Executive Committee for the litigation (collectively, “Class Counsel”). *See* Decision and Order, May 21, 2012, ECF No. 10.

² *See* ECF Nos. 10, 139, 237, 271, 283, 284, 321 and 399.

³ *See In re MF Global Holdings, Ltd. Investment Litigation*, 12-md-2238-VM (S.D.N.Y.) (the “Consolidated Case”), ECF Nos. 1, 4 and 11.

24. On June 4, 2012, the Trustee filed a lengthy investigative report on the collapse of MF Global (the “Report”), which confirmed the shortfall in property belonging to 4d and 30.7 Customers was at that time approximately \$900 million and \$700 million, respectively. *See* SIPA Proceeding, ECF No.1865, at 2. The Report concluded that MFGUK was in possession of the majority of the missing \$700 million belonging to 30.7 Customers. *See id.* The Report identified certain potential claims the Trustee believed he could bring on behalf of customers and the MFGI estate and noted that he was consulting with Interim Co-Lead Counsel concerning those claims. *See id.* at 3, 165-66. In the Report the Trustee also stated that he was engaged in discussions with JPMorgan with respect to certain transfers the Trustee believed might be avoidable or otherwise recoverable, although subject to various defenses. *See id.* at 165-66.

25. On October 11, 2012 and October 19, 2012,⁴ respectively, Judge Glenn and this Court approved an amended Continuing Cooperation and Assignment Agreement (the “Assignment”) between the Customer Representatives and Trustee, dated August 15, 2012 (*see* SIPA Proceeding, ECF No. 3764, Ex. A), under which the Trustee assigned his claims against the former directors and officers of MF Global and against MFGI’s former auditor so that all claims related to the collapse of MFGI could be brought in one action, with the proviso that any recovery by the Customer Representatives will be distributed through the existing claims structure in the SIPA Proceeding which will promote efficiency, reduce administrative costs and expedite distributions upon final approval. The Trustee did not assign his potential claims against JPMorgan.

⁴ *See* SIPA Proceeding, Order Approving Amended Agreement to Cooperate With and Assign Certain Claims to Class Action Plaintiffs in Pending Actions and to Distribute Funds Recovered to Customers, ECF No. 3764; Consolidated Case, Order, ECF No. 19.

26. On or about October 18, 2012, the Customer Representatives, Trustee, JPMC and Sapere CTA Fund, L.P. entered into a Reservation of Rights and Tolling Agreement (the “Tolling Agreement”) designed to protect the parties’ rights during Class Counsel’s ongoing investigation into the Customer Representatives’ potential claims against JPMC and continuing negotiations of potential settlement of the Customer Representatives’ and Trustee’s potential claims against JPMC.

27. On November 5, 2012, the Customer Representatives filed their CAC on behalf themselves and the Trustee as to the claims assigned to them by the Trustee. *See* Consolidated Case, ECF No. 24. The CAC named as defendants certain former directors and/or officers of MFGI and Holdings (the “D&O Defendants”), as well as MFGI’s former auditor PricewaterhouseCoopers LLP (“PwC”) and CME Group (collectively, the “Customer Class Action Defendants”).

28. On December 22, 2012, the SIPA Trustee entered into a settlement agreement with the Joint Special Administrators of MF Global UK Limited (“MFGUK”) resolving certain issues and disputes between their respective estates (the “JSA Agreement”), and which would allow, following its effective date, the influx of several hundreds of millions of dollars to the MFGI estate, primarily for the benefit of MFGI’s former commodities customers who traded on foreign exchanges. On January 31, 2013, the Bankruptcy Court granted the SIPA Trustee’s motion for entry of an order approving the JSA Agreement. A key remaining condition to the effectiveness of the JSA Agreement is the entry into a mutual release agreement between JPMC and MFGUK.

29. On February 1, 2013, the parties to the Customer Class Action requested that the court stay the action to allow the parties to pursue mediation. (ECF No. 456). On February 6,

2013, the Honorable James C. Francis granted the request of the named parties in the Customer Class Action (which do not include JPMC) for a 60-day stay in contemplation of mediation.

(Id.)

30. On March 19, 2013, following months of negotiations, Interim Co-Lead Counsel, the Trustee and JPMC formally entered into a proposed settlement. That same day, the Customer Representatives filed a motion for preliminary approval of the Settlement, for certification of the Settlement Class and for authorization to direct Notice of the Settlement to the Class. (ECF No. 468) The Trustee separately joined the Customer Representatives' motion and expressed support for the Settlement. *(Id.* at ECF No. 471). On March 28, 2013, this Court preliminarily approved the JPMC settlement. (ECF No. 474)

31. On May 9, 2013, at the request of the Parties, the court extended the stay of the Customer Class Action until June 24, 2013 (except as to the ongoing settlement proceedings with respect to the proposed JPMC settlement). (ECF No. 481)

32. On July 3, 2013, the Court granted final approval of the JPMC settlement which provided hundreds of millions of dollars in benefits to Customers, including a negotiated allocation and advance of \$200 million in general estate assets to Customers. (ECF Nos. 54, 55)

33. On December 20, 2013, the Court granted preliminary approval to the agreement between the Customer Representatives and the Trustee that will satisfy 100% of the Customers' unpaid Net Equity claims from MFGI's general estate assets (the "Net Equity Settlement Assignment Agreement"). (ECF No. 70)

34. On January 29, 2014, following almost a year of negotiations, Interim Co-Lead Counsel and the CME Group formally entered into this proposed Settlement. (ECF No. 631-1)

35. On January 31, 2014, the Court preliminarily approved the Settlement. (ECF No. 632)

III. THE TERMS OF THE SETTLEMENT

36. The relevant terms of the Settlement Agreement, subject to approval of the Court and the entry of the proposed Final Judgment and Order of Dismissal with Prejudice, are as follows:⁵

- (a) The parties, in conjunction with the Trustee, will seek the entry of a So-Ordered Stipulation in the Bankruptcy Court for the Southern District of New York⁶ allowing the CME Group's claim ("CME Claim") against the MFGI general estate as a superpriority claim against the general estate in the amount of \$29,000,000; and
- (b) The CME Group will direct the sum of \$14,500,000 of the \$29,000,000 allowed on the CME Claim pursuant to the So-Ordered Stipulation be deposited in accordance with the Settlement.

37. The Settlement does not involve the remaining named defendants in the Customer Class Action and will not alter the Customer Representatives' ongoing claims against the primary wrongdoers in the collapse of MFGI and the resulting shortfall, recoveries from whom the Customer Representatives and Trustee hope to eliminate the remaining shortfall.

IV. REASONS FOR THE SETTLEMENT

38. The Settlement represents the culmination of extensive investigations by the Customer Representatives and the Trustee into CME Group's potential liability to MFGI and the customers. Moreover, the Settlement was achieved following extensive negotiations undertaken by highly experienced counsel, at arm's-length, following significant investigation and analysis.

In sum, the proposed Settlement achieves an outstanding result for the Settlement Class and

⁵ The precise terms of the parties' agreement are reflected in the Settlement Agreement attached as Exhibit 1 to the Davidoff Decl. (Dkt. 631-1)

⁶ The stipulation was entered by the Bankruptcy Court on February 2, 2014. *See In re MF Global Inc.*, No.11-2790 (MG) SIPA (Bankr. S.D.N.Y.), ECF No. 7536 (Feb. 2, 2014).

more than satisfies the standard for final approval under Rule 23(e) of the Federal Rules of Civil Procedure. The Settlement provides an additional allocation of \$14,500,000. By resolving the claims against CME Group now, the Settlement adds certainty to the MFGI estate (*e.g.*, in the So-Ordered Stipulation setting the CME Claim as a superpriority claim in the amount of \$29,000,000) and it permits the Trustee to reduce the amount of MFGI estate assets that must be advanced in connection with the Net Equity Settlement Assignment Agreement. The Settlement represents an immediate benefit to the Settlement Class that may be difficult (perhaps impossible) to realize at a later date with the risk of many years of complex litigation. It is thus fair and reasonable considering the substantial and immediate benefit to the Settlement Class as evaluated against the significant risk that a smaller recovery – or, indeed, no recovery – might result following protracted litigation against CME Group that could last years.

A. The Settlement Was Negotiated at Arm’s-Length by Experienced and Informed Counsel

39. Interim Co-Lead Counsel conducted an independent and exhaustive investigation of the relationship between MFGI and CME Group, including the Chicago Mercantile Exchange, Inc.’s activities as MFGI’s DSRO. Counsel reviewed and analyzed hundreds of thousands of documents, including a document production by the Trustee, totaling more than 1,800,000 pages, and other materials related to the Trustee’s investigation.

40. Counsel also had the benefit of detailed collaborative discussions with the Trustee’s professionals, who had conducted their own exhaustive investigation of potential claims against CME Group.

41. CME Group voluntarily cooperated with both the Trustee and counsel for the Customer Representatives during the course of these investigations.

42. The Customer Representatives believe the Settlement represents an excellent resolution to what would otherwise be a costly and protracted legal battle, the outcome of which is uncertain. While the various claims against CME Group may be colorable, the independent and collaborative investigations by the Trustee and Interim Co-Lead Counsel have caused counsel to conclude that CME Group may have substantial defenses to the Customer Representative's claims. For example, both aiding and abetting theories require proof of substantial knowledge and participation in the primary wrongdoing, of which clear evidence with respect to CME Group was not uncovered during investigations. Further CME Group denies any liability or wrongdoing and would vigorously defend against allegations that it was at fault in its monitoring and oversight of MFGI.

43. In contrast to the difficulty and cost of protracted litigation of the claims against CME Group, the Settlement will provide timely increased recovery to customers and certainty to the MFGI estate, and facilitate the Trustee's efforts to make substantial progress toward completion of the SIPA Liquidation of MFGI.

44. For these reasons, Interim Co-Lead Class Counsel determined to enter into the Settlement.

B. Certification of a Settlement Class is Appropriate

45. In its January 31, 2014 Order Preliminarily Approving Proposed Settlement and Providing For Notice (ECF No. 632) (the "Preliminary Approval Order"), the Court conditionally certified the same Settlement Class it certified in connection with the JPMC Settlement, by Order dated March 28, 2013 (the "JPMC Settlement Order") (ECF No. 474). For ease of reference, the Court certified the Customer Class Action as a class action on behalf of the following:

All persons or entities who held money, property, and/or securities at MFGI as of the bankruptcy of MFGI on October 31, 2011. For the avoidance of doubt, the Settlement Class is intended to include all commodities and securities customers of MFGI, including but not limited to each of the customer account classes identified in 17 C.F.R. § 190.01(a) (*i.e.*, futures, foreign futures, leverage, delivery, and cleared swaps accounts) and any customer for whose benefit MFGI was required by law to maintain segregated, secured, or other dedicated accounts or funds, including without limitation under 17 C.F.R. §§ 1.20, 30.7, and/or 240.15c3-3.

46. Excluded from the Settlement Class are: (i) any person or entity named as a defendant in the Consolidated Amended Class Action Complaint for Violations of the Commodity Exchange Act and Common Law, dated November 2, 2012 (including any immediate family members of such defendant and any parent, subsidiary or affiliate of any defendant) that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; (ii) any parent, subsidiary or affiliate of MFGI that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; and (iii) any person or entity that excludes him, her or itself from the Settlement Class by filing a request for exclusion that is accepted by the District Court.

47. Pursuant to the Settlement Agreement, the parties agreed, for settlement purposes only, to request certification under Federal Rules of Civil Procedure Rules 23(a) and (b)(3) of the Customer Representatives' claims against CME Group, and that a final Judgment would provide for the releases of CME Group and its parents, subsidiaries, affiliates, and employees.

48. Certification is appropriate because the proposed Settlement Class readily meets each of the four requirements of Rule 23(a).

49. Plaintiffs meet the first requirement of Rule 23(a) because the proposed Class is so numerous that joinder of all members is impracticable. Based on information provided by the Trustee, the Settlement Class consists of approximately 25,000 individuals and entities

throughout the United States and the world who have submitted claims. *See* Declaration of Mary Adams, Epiq Bankruptcy Solutions, LLC, at ¶ 8 (the “Epiq Decl.”; attached hereto as Exhibit 1). The sheer number of Settlement Class members coupled with their widely-dispersed locations in the United States and dozens of different countries around the world makes joinder impracticable and class treatment appropriate.

50. Plaintiffs meet the second requirement of Rule 23(a) because there are questions of law or fact common to the class. Members of the proposed Settlement Class have issues of law and fact in common, including: (a) whether CME Group violated the CEA or aided and abetted MFGI’s breach of the CEA; (b) whether Plaintiffs and the other members of the Class were injured by CME Group’s conduct and, if so, the appropriate class-wide measure of damages.

51. Plaintiffs meet the third requirement of Rule 23(a) because the claims or defenses of the Customer Representatives are typical of the claims or defenses of the Settlement Class because their losses all derive from the same course of CME Group’s conduct. The allegations and claims against CME Group in the CAC evidence common questions of law and fact identical to the claims of absent class members. Plaintiffs allege, among other things, that CME Group aided and abetted MFGI in violating the CEA. As a consequence of the conduct Plaintiffs allege as to CME Group, Plaintiffs allege that they were injured in the exact same way that all Settlement Class members were injured: by the loss of their segregated or secured customer funds. The facts necessary to advance Plaintiffs’ claims are the same as those necessary for absent Settlement Class members to establish theirs; thus, typicality is established.

52. Plaintiffs meet the fourth requirement of Rule 23(a) because (1) Plaintiffs’ interests are not antagonistic to the Settlement Class’s interests; and (2) Plaintiffs’ attorneys are qualified, experienced, and generally able to conduct the litigation. Here, the interests of Plaintiffs and the Settlement Class members are aligned because they share the same claims and

have the same interest in maximizing the recovery from CME Group. Additionally, Plaintiffs and Interim Co-Lead Counsel have thus far protected the interests of the proposed Settlement Class vigorously and without conflict (including their efforts with the JPMC settlement and the Net Equity Settlement Assignment Agreement), and they will continue to do so throughout the litigation. Plaintiffs are each entities and individuals who, as customers of MFGI, deposited money, property or securities with MFGI and who had not received a return of 100% of their money, property or securities as of October 31, 2011. Each has the same interest as members of the Settlement Class in establishing that CME Group's conduct caused or contributed to their damages; therefore, their incentives align perfectly.

53. Plaintiffs' Interim Co-Lead Counsel (Berger & Montague, P.C. and Entwistle & Cappucci, LLP) have extensive experience and expertise in complex litigation and class action proceedings throughout the United States, and are qualified and able to continue to conduct this litigation. Indeed, on May 21, 2012, this Court appointed the Interim Co-Lead Counsel on behalf of the Class Representatives and proposed Class Consolidated Case, Decision and Order ECF No. 10. In doing so, the Court has already conducted an "evaluat[ion] under the same rubric as potential counsel for certified classes." *Id.* at 5. Applying the same analysis that applies on this motion, this Court appointed the undersigned counsel as Interim Co-Lead Counsel on behalf of the Settlement Class, finding that they "are some of the most sophisticated and successful plaintiffs' firms in the nation." *Id.* at 7. Thus, the requirements of Rule 23(a)(4) are satisfied.

54. Rule 23(b)(3) requires that the common questions of law or fact predominate over any questions affecting only individual class members and that a class action is superior to other available methods of adjudication. Both of these requirements are met.

55. This case involves the type of common nucleus of operative facts and issues with which the predominance inquiry is concerned. The proof of any liability on the part of CME Group in this case would be common to the Settlement Class as a whole, and because such class-wide proof will be the overriding focus of any trial of this case, Rule 23(b)(3)'s predominance requirement is thus satisfied, and the proposed Settlement Class should be certified.

56. Rule 23(b)(3) also sets forth the following non-exhaustive factors to be considered in making a determination of whether class certification is the superior method of litigation: "(A) the class members' interests in individually controlling the prosecution ... of separate actions; (B) the extent and nature of any litigation concerning the controversy already begun by ... class members; (C) the desirability ... of concentrating the litigation of the claims in the particular forum; and (D) the likely difficulties in managing a class action." Fed. R. Civ. P. 23(b)(3). Considering these factors, proceeding by means of a class action is clearly "superior to other available methods for fairly and efficiently adjudicating" the claims against CME Group.

57. The scope, complexity, and uncertainty of Plaintiffs' claims against CME Group, together with the high cost of individualized litigation, make it unlikely that the vast majority of the Settlement Class members would be able to pursue their own claims and obtain relief without class certification. This is particularly true because thousands of the Settlement Class members reside outside of the United States and are unfamiliar with the U.S. court system or have claims that are too small to adjudicate individually. Moreover, myriad separate actions would also risk disparate results among the class members, encourage a race to judgment given the limited funds available from other parties to fund recovery here, exponentially increase the costs of litigation for all, and would be a particularly inefficient use of judicial resources. Apart from a single action in this Court, there is no indication that a significant number of Settlement Class members

have an interest and the ability to individually control the prosecution of separate actions against CME Group.

58. The third superiority factor considers “the desirability or undesirability of concentrating the litigation of the claims in the particular forum.” Fed. R. Civ. P. 23(b)(3)(C). For a number of reasons, this litigation should continue to proceed in this District. First, most of the class actions related to MF Global were filed in this District and the JPML transferred all such litigation here. Continuing to litigate this dispute in one forum is the most efficient method of resolving these claims. The MFGI and Holdings bankruptcy proceedings are also pending in this District. Second, the Court has presided over this action for over a year and a half and is already deeply involved in the legal issues and the factual circumstances, the Court has coordinated with the Bankruptcy Court regarding the assignment of certain of the Trustee’s claims to the Customer Representatives have informed the Court that they are exploring mediation with the defendants in the CAC. These factors strongly favor a finding under Rule 23(b)(3)(C).

59. The final factor asks the Court to consider “the difficulties likely to be encountered in the management of a class action.” Fed. R. Civ. P. 23(b)(3)(D). The coordinated prosecution and settlement negotiations in both this case and the related SIPA Proceeding demonstrate that there do not appear to be difficulties likely to be encountered in the management of this case as a class action. Accordingly, the requirements of Rule 23(b)(3) are satisfied.

V. The Settlement Is Fair, Reasonable And Adequate

60. As discussed more fully in Plaintiffs’ accompanying Memorandum, the totality of the factors for approval of a class action settlement in this Circuit, as set forth in *City of Detroit*

v. Grinnell Corp., 495 F.2d 448, 463 (2d Cir. 1974), weigh strongly in favor of a finding that the Settlement is fair, reasonable and adequate and should be approved as final.

61. First, the complexity, expense and likely duration of the litigation support approval of the Settlement. Absent this Settlement, CME Group would likely litigate against Plaintiffs for years to come, assuming those claims were to survive a dispositive motion. The complex litigation and trial that could follow would incur significant expense and delay, including contested motion practice involving a motion to dismiss, class certification and/or summary judgment. Moreover, even if Plaintiffs ultimately prevailed at trial, after many years, post-trial motions, as well as any appeals, would further delay a final resolution for more years. As discussed above, if approved, the Settlement would provide for an immediate benefit to the Settlement Class, including benefits that bring added certainty to the MFGI estate and that facilitate the Trustee's ability to reduce the amount of MFGI estate assets that must be advanced in connection with the Net Equity Settlement Assignment Agreement. Thus, final approval of the Settlement guarantees a substantial, certain and immediate benefit to the Settlement Class, avoiding years of delay, expense and uncertainty. Without the Settlement, Plaintiffs would face the prospect of expensive and protracted litigation against CME Group, with absolutely no guarantee of success at the end of the day. The complexity, expense and inevitable delay required to litigate to conclusion a case against CME Group strongly favors approval of the Settlement.

62. Second, the reaction of the Settlement Class supports approval of the Settlement. A favorable reception by the Settlement Class constitutes strong evidence of the fairness of a proposed settlement and supports judicial approval.

63. As set forth in the Epiq Declaration, the Claims Administrator for the Customer Class Action and SIPA Bankruptcy, Epiq mailed over 25,000 copies of the “Notice to all Former Commodity Futures Customers of MF Global Inc. of the Settlement Between the Former Commodity Futures Customers of MF Global Inc. and the CME Group Inc.” (the “CME Notice”). *See Epiq Decl.*, at ¶ 8.

64. While the deadline for filing objections – March 7, 2014 – has not yet expired, as of the filing of this memorandum, Plaintiffs’ Interim Co-Lead Counsel have not received any objections to any aspect of the Settlement. The Claims Administrator has not received any objections to any aspect of the Settlement and it has only received 3 opt-out requests (as of February 20, 2014). (*See Epiq Decl.*, at ¶ 11).

65. Third, the stage of the proceedings and the extent of the investigation and analysis support approval of the Settlement. Plaintiffs and their counsel had ample information to evaluate the strengths and weaknesses of the claims and defenses asserted and the propriety of Settlement. As discussed above, by the time the Settlement was reached, Interim Co-Lead Counsel had thoroughly analyzed the claims against CME Group and the substantial legal and factual defenses raised by CME Group. Interim Co-Lead Counsel conducted an independent and exhaustive investigation of the relationship between MFGI and CME Group, including the Chicago Mercantile Exchange, Inc.’s activities arising from its role as MFGI’s DSRO. Counsel reviewed and analyzed a document production by the Trustee (of more than 1.8 million pages), and counsel had the benefit of collaborative discussions with the Trustee’s professionals, who had conducted their own exhaustive investigation of claims against CME Group. As a result, Plaintiffs’ Interim Co-Lead Counsel have a full understanding of the strengths and weaknesses of the claims against CME Group and the difficulties they would encounter in obtaining a favorable

verdict and based on that knowledge, they have settled with CME Group on terms very favorable to the Class.

66. Fourth, the risks of establishing liability against CME Group strongly support approval of the Settlement. Approval of the Settlement will provide immediate benefits to the Settlement Class, which includes an additional allocation of \$14,500,000 to accompany the 100% satisfaction of the Customer's Net Equity Claims via the Net Equity Settlement Assignment Agreement, and the additional certainty to the MFGI estate due to resolving the CME Claim as a superpriority claim with an established value of \$29,000,000. Even if CME Group were ultimately found liable – a matter CME Group vigorously disputes both factually and legally – additional distributions to the Settlement Class and the certainty provided by resolving the CME Claim would be delayed for (at least) a number of years. While Plaintiffs' Interim Co-Lead Counsel believe that Plaintiffs can bring a strong case against CME Group and ultimately prevail, they recognize that a favorable verdict is never assured. CME Group has potentially valid defenses to Plaintiffs' claims that, if successful, could absolve it of any liability.

67. Fifth, the risks of proving damages against CME Group supports approval of the Settlement. Should Plaintiffs overcome any dispositive motions and ultimately prove CME Group's liability, they would still face the risks of proving damages. Proof of damages in complex class actions is always difficult and subject to expert testimony. Here, CME Group vigorously asserts that even if the Settlement Class could prove liability, any alleged shortfall was not attributable to its conduct and that the shortfall should properly be made up through recoveries from other parties.

68. Sixth, the risks of maintaining a class action through trial supports approval of the Settlement. While this Court granted class certification for settlement purposes (including in

connection with the JPMC settlement), absent the Settlement, there would be no assurance of maintaining class status through trial, since courts may always exercise their discretion to re-evaluate the appropriateness of class certification at any time. Although class certification in this case is a relatively straightforward matter as to the director and officer defendants, it may have been less than ordinary as to the Settlement Class's claims against CME Group given the different nature of their respective relationships. A risk exists that Plaintiffs may not maintain the certification of a class as to claims brought against CME Group. Thus, this factor favors settlement.

69. Seventh, the reasonableness of the Settlement, in light of the best possible recovery and the attendant risks of litigation support approval of the settlement. As discussed above, the Settlement will result in an additional immediate distribution of \$14,500,000 that will be distributed as provided in the applicable assignment agreements, along with the additional certainty provided by resolving the CME Claim now.

70. Plaintiffs' Interim Co-Lead Counsel believe that the Settlement is eminently reasonable in light of the significant litigation risks attendant to a case against CME Group. The Settlement represents a substantial recovery from CME Group for the Settlement Class, and, as such, may well be the best possible recovery in light of the circumstances of the lawsuit against CME Group. By any measure, the Settlement is an outstanding recovery and in the best interests of the Settlement Class. Accordingly, this factor weighs heavily in favor of approving the Settlement.

71. Finally, the ability of CME Group to potentially withstand a greater judgment does not detract from the Settlement. While Plaintiffs do not perceive this factor to weigh heavily in support of the Settlement, there is always a risk that a very substantial judgment, in

this case potentially in the hundreds of millions of dollars, could be difficult to collect years down the road. The Settlement, on the other hand, provides a substantial, certain and immediate payment. This factor, therefore, weighs in favor of the Settlement.

72. Accordingly, Plaintiffs' Interim Co-Lead Counsel submit that this Court should find that the factors, taken together, confirm that the Settlement is not only fair, reasonable and adequate but is an excellent resolution of the claims against CME Group and it should be approved.

VI. The Notice Program Complied with the Provisions of the Preliminary Approval Order, and the Notice Satisfies the Requirements of Rule 23 and Due Process

73. As set forth in the accompanying Epiq Decl., the Claims Administrator for the Customer Class Action and SIPA Bankruptcy, individual mailed notice was sent by first class mail to over 25,000 Settlement Class members who have submitted claims (as part of the prior notice procedures for the JPMC settlement and the SIPA proceedings). *See* Epiq Decl., at ¶ 8. Additionally, Plaintiffs' Interim Co-Lead Counsel posted to their respective firm websites materials concerning the Settlement and counsel's request for an award of fees and the reimbursement of litigation expenses. Pursuant to the Preliminary Approval Order, the Court directed that the Customer Representatives were not required to publish notice. As such the notice program has satisfied all of the requirements set out in the Court's Preliminary Approval Order, and the notice program also has satisfied the requirements of Rule 23(h) and due process.

74. The CME Notice was sent by first class mail to all identifiable Settlement Class Members who filed claims as part of the JPMC settlement and who filed timely claims in the SIPA Proceeding. (*See* Epiq Decl., at ¶¶ 2-8). During the claim submission process, Epiq, on a daily basis, opened and date-stamped the claims. (*Id.* at ¶ 4). Each claim was assigned a sequentially-ordered claim number, scanned, and the claim information manually entered into a

database maintained by Epiq. (*Id.*) Each claim was also subject to a secondary review process for accuracy. (*Id.*) Epiq also removed duplicative information from the mailing list for the CME Notice using a program to compare name and address information. (*Id.* at ¶ 7). On February 5, 2014, Epiq caused the CME Notice to be mailed via first class mail to the more than 25,000 parties maintained in its claimant database. (*Id.* at ¶ 8).

75. Consistent with Rules 23(c)(2), 23(e) and 23(h), the CME Notice included the following information: (1) a description of the Customer Class Action; (2) a definition of the Settlement Class; (3) notification that the Court will exclude a class member upon request by a certain date; (4) notification that the judgment will include all members of the class who do not request exclusion; (5) notification that any class member who does not request exclusion may enter an appearance through counsel; (6) a description of the claims and defenses as well as the issues on which the parties disagree; (7) the general terms of the Settlement; (8) a clear explanation of the binding nature of the Settlement; (9) the Plan of Allocation; (10) notification that complete information is available from the court files; (11) notification that any class member may appear and be heard at the Fairness Hearing; and (12) notice of the application for fees and expenses.

76. The deadline for filing objections expires on March 7, 2014. To date, Plaintiffs' Interim Co-Lead Counsel have not received any objections to any aspect of the Settlement, and only three (3) opt-outs have been received. Promptly after the March 7, 2014 deadline for objections, Interim Co-Lead Counsel will provide the Court with a report on the status of any additional objections, if any, received and their position with respect to any such objections.

VII. The Proposed Plan of Allocation is Fair, Reasonable and Adequate

77. The Plan of Allocation ("Plan") for the Settlement was developed by the Trustee and experienced counsel for the Settlement Class. Under the Plan, the \$14,500,000 payment

form the CME Claim will be distributed as provided in the applicable assignment agreements. Settlement Class members who do not exclude themselves from the Settlement will automatically participate in this distribution.

78. As noted in ¶ 75 above, the Plan was described to Settlement Class members in the CME Notice. To date, no Settlement Class member has objected to the Plan.

79. The Plan is designed to fairly allocate funds consistent with the Trustee's wishes, and it facilitates the Trustee's ability to distribute funds promptly to Settlement Class members. Interim Co-Lead Counsel believe that the allocation set forth in the Plan is fair, reasonable and adequate, and counsel respectfully request that the Court approve the Plan.

VIII. Conclusion

80. For all of the foregoing reasons and as set forth in Plaintiffs' Memorandum of Law in Support of Motion for Final Approval of the Settlement Between the Former Commodity Futures Customers of MF Global Inc., CME Group Inc., and Chicago Mercantile Exchange, Inc., Plaintiffs respectfully request that the Court approve the proposed Settlement, the proposed Plan of Allocation and find that the Notice program provided the best practicable notice to the Settlement Class and fully satisfied Rule 23 as interpreted in this district.

81. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: February 21, 2014
Philadelphia, Pennsylvania

/s/ Merrill G. Davidoff
Merrill G. Davidoff

Dated: February 21, 2014
New York, New York

/s/ Andrew J. Entwistle _____

Andrew J. Entwistle

EXHIBIT 1

**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, *et al.*,

Plaintiffs,

- against -

Case No. 11-CIV-7866 (VM)

JON S. CORZINE, *et al.*,

Defendants.

ECF CASE

THIS DOCUMENT RELATES TO:

The Commodity Customer Class Action

DECLARATION OF MARY ADAMS, EPIQ BANKRUPTCY SOLUTIONS, LLC

MARY ADAMS, hereby declares, under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:

1. I am employed as a Director of Client Services by Epiq Bankruptcy Solutions, LLC, located at 757 Third Avenue, New York, New York 10017. I am over the age of eighteen years and am not a party to the above-captioned action.
2. On April 8, 2013 Epiq served (i) the Notice of Proposed Partial Settlement of Class Action to Settlement Class Members who did not Submit a Customer Proof of Claim in the SIPA Proceeding dated March 28, 2013, and (ii) the Notice of Proposed Partial Settlement of Class Action to Settlement Class Members who Previously Submitted a Customer Proof of Claim in the SIPA Proceeding. Please see attached Declaration of Mary Adams dated May 29, 2013, annexed hereto as Exhibit A, for the details concerning service of these notices.
3. Settlement Class Members who had not previously filed claims were directed to mail proof of claims to:

If by first class mail:

MF Global Inc. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5011
New York, NY 10150-5011

If by overnight mail:

MF Global Inc. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue, Third Floor
New York, NY 10017

4. As settlement claim forms were received via postal and electronic mail, Epiq would, on a daily basis, open and date-stamp the claims as of the date received. As of the June 10, 2013 filing deadline, Epiq received 496 claims. Epiq then assigned each claim a sequentially-ordered claim number, scanned each claim, and manually entered the information contained in each claim form into a database maintained by Epiq (the "Claims Database"). Each claim went through a secondary review process for accuracy of the data captured.
5. On February 4, 2014, Epiq prepared a file comprised of: (i) all claimants who have filed claims in the JPM Settlement matter ("Filed JPM Settlement Claimants"); and (ii) a file of all claimants who have filed timely claims in the SIPA Proceedings that have been reviewed by the Trustee's professionals and the claims were deemed allowed or there is an outstanding open objection to allowing the claim ("Filed Notice Claimants").
6. Epiq supplied the address of record from their database in the SIPA Proceedings for both the Filed JPM Settlement Claimants and the Filed Notice Claimants. For all transferred claims, the names and addresses of current holders of the claims were verified and included in the Filed Notice Claimants list along with the names and addresses of the original transferor claimants. The database is derived from customer files supplied by MF Global Inc., and Deloitte & Touche LLP, financial advisors for the "Trustee" for the liquidation of MF Global Inc., as well as proofs of claims filed by both the Filed JPM Settlement Claimants and the Filed Notice Claimants. This claimant database is used to maintain current contact information including claim data and claim transfers.
7. Epiq removed duplicates from the file by programmatically comparing names and addresses.
8. On February 5, 2014, I caused to be served the "Notice to all Former Commodity Futures Customers of MF Global Inc. of Settlement Between the Former Commodity Futures Customers of MF Global Inc. and the CME Group, Inc.," dated January 31, 2014, a sample of which is annexed hereto as Exhibit B (the "CME Notice"), by causing true and correct copies to be delivered via first class mail to 25,210 parties maintained in the claimant database, whose names and addresses are confidential and therefore not reflected.
9. All envelopes utilized in the service of the foregoing contained the following legend:
"LEGAL DOCUMENTS ENCLOSED. PLEASE DIRECT TO THE ATTENTION OF ADDRESSEE, PRESIDENT OR LEGAL DEPARTMENT.
10. Epiq has not received any undeliverable mail to date. Mail returned to Epiq with a forwarding address is date stamped and processed in Epiq's database as such. A label is created with the new address and the original package is placed in a new envelope and post

marked accordingly. Address update cards and undeliverable mail pieces are updated in Epiq's database, packaged, and stored on-site.

11. Epiq has received 3 requests for exclusion and no objections in connection with the CME Notice to date.
12. Epiq established and maintains a toll-free number for claimants and interested parties to ask questions concerning the MF Global Inc. proceeding. This toll-free number is listed in the CME Notice and Epiq has received 35 calls in response to the CME Notice.

Executed on February 20, 2014 in Windsor, Connecticut.

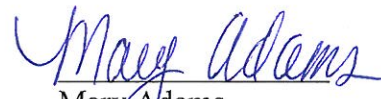

Mary Adams

EXHIBIT A

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

IN RE MF GLOBAL HOLDINGS LTD.
INVESTMENT LITIGATION

Case No. 12-MD-2338 (VM)

JOSEPH DEANGELIS, et al.,

Case No. 11-CIV-7866 (VM)

Plaintiffs,

- against -

JON S. CORZINE, et al.,

Defendants.

THIS DOCUMENT RELATES TO:

The Commodity Customer Class Actions

DECLARATION OF MARY ADAMS, EPIQ BANKRUPTCY SOLUTIONS, LLC

MARY ADAMS, herby declares, under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:

1. I am employed as a Director of Client Services by Epiq Bankruptcy Solutions, LLC (“Epiq”), located at 757 Third Avenue, New York, New York 10017. I am over the age of eighteen years and I am not a party to the above-captioned action.
2. On March 29, 2013, Epiq received two files from Hughes Hubbard and Reed, counsel for the “Trustee” for the liquidation of MF Global Inc. pursuant to the Securities Investor Protection Act of 1970 (“SIPA”): (i) a list of all claimants who have filed timely claims in the SIPA Proceedings that have been reviewed by the Trustee’s professionals and were deemed allowed or have an open objection (“Filed Notice Claimants”); and (ii) a list of unclaimed accounts and claims filed after the deadline established by the Trustee in the SIPA proceeding and were denied (“Unfiled Notice Claimants”).
3. Epiq supplied the address of record from their database in the SIPA Proceedings for the Filed Notice and Unfiled Notice Claimants. For all claims that were transferred the current holders of the claims were verified and included in the Filed Notice Claimants list as well as the original claimants. The database is derived from customer files supplied by MF Global Inc.,

and their financial advisor, Deloitte, as well proofs of claims filed by the claimants. The database is used to maintain current contact information including email addresses, claim data and claim transfers.

4. Epiq supplied the email address of record from their database for the Filed Notice Claimants.
5. Epiq removed duplicates from the lists of Filed Notice and Unfiled Notice Claimants by programmatically comparing name and addresses as well as email address.
6. On April 8, 2013, I caused to be served:
 - a) the “Notice of Proposed Partial Settlement of Class Action to Settlement Class Members who did not Submit a Customer Proof of Claim in the SIPA Proceeding,” dated March 28, 2013, a sample of which is annexed hereto as Exhibit A, (the “Unfiled Claim Members Settlement Notice”),
 - b) the “Notice of Proposed Partial Settlement of Class Action to Settlement Class Members who Previously Submitted a Customer Proof of Claim in the SIPA Proceeding,” dated March 28, 2013, a sample of which is annexed hereto as Exhibit B, (the “Filed Claim Members Settlement Notice”), and
 - c) a “Proof of Claim Form,” a sample of which is annexed hereto as Exhibit C, (the “POC”)

by causing true and correct copies of the:

- i. Unfiled Claim Members Settlement Notice and POC, to be delivered via first class mail to 9,856 parties, whose names and addresses are confidential and therefore not reflected,
 - ii. Filed Claim Members Settlement Notice, to be delivered via first class mail to 23,575 parties, whose names and addresses are confidential and therefore not reflected, and
 - iii. Filed Claim Members Settlement Notice, to be delivered via electronic mail (“email”) to 18,107 parties, whose names and email addresses are confidential and therefore not reflected. These recipients were also sent the Filed Claim Members Settlement Notice via first class mail (per (ii) above) – in other words, Epiq used email, where available, as a second method for providing the Filed Claim Members Settlement Notice to class members.
7. All envelopes utilized in the service of the foregoing contained the following legend:
“LEGAL DOCUMENTS ENCLOSED. PLEASE DIRECT TO THE ATTENTION OF ADDRESSEE, PRESIDENT OR LEGAL DEPARTMENT.
 8. Epiq has received 1,137 pieces of undeliverable mail for the Unfiled Claim Members Settlement Notice and POC. For the Filed Claim Members Settlement Notice 416 pieces of undeliverable mail have been received and 822 returned emails. Of the 416 pieces of undeliverable mail 349 of the members also received notice via email.

9. For the 822 returned emails for the Filed Claim Members Settlement Notice no further action was taken as the parties were also sent the notice via first class mail. Mail returned to Epiq with a forwarding address is date stamped and processed in Epiq's database as such. A label is created with the new address and the original package is placed in a new envelope and post marked accordingly. Address update cards and undeliverable mail pieces are updated in Epiq's database, packaged and stored on-site.
10. Epiq has received 181 POC forms to date in connection with the Unfiled Claim Members Settlement Notice.
11. Epiq has not received any objection or opt-outs in connection with the Unfiled Claim Members Settlement Notice and Filed Claim Members Settlement Notice.
12. Epiq established and maintains a toll-free number for claimants and interested parties to ask questions concerning the MF Global Inc. proceeding.

Executed on May 29, 2013 in Windsor, Connecticut.



Mary Adams

EXHIBIT B

**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, *et al.*,

Plaintiffs,

- against -

Case No. 11-Civ-7866 (VM)

JON S. CORZINE, *et al.*,

Defendants.

ECF CASE

THIS DOCUMENT RELATES TO:

The Commodity Customer Class Action

**NOTICE TO ALL FORMER COMMODITY FUTURES CUSTOMERS OF MF GLOBAL
INC. OF SETTLEMENT BETWEEN THE FORMER COMMODITY FUTURES
CUSTOMERS OF MF GLOBAL INC. AND THE CME GROUP, INC.**

I. OVERVIEW

The representatives (the “Customer Representatives”) who have sued CME Group Inc. and Chicago Mercantile Exchange Inc. (“CME Group”), certain former directors and officers of MF Global Inc. (“MFGI” or the “Company”), and the Company’s former auditor (the “Defendants”) in a class action on behalf of former commodity futures customers of MFGI (the “Customers”) to whom deposits were not returned at the time of MFGI’s October 31, 2011 collapse, have entered into a settlement with the CME Group (the “Settlement Agreement”).

Pursuant to the Settlement Agreement the CME Group will direct that \$14,500,000 (the “Distribution Fund”) of the \$29.0 million allowed on the CME Claim against the MFGI estate be distributed in accordance with the settlement.

Under the Settlement Agreement, the Settlement Class certified by this Court in connection with the JPMC Settlement by Order dated March 28, 2013 (the “JPMC Settlement Order”) (ECF No. 474), who do not exclude themselves from this settlement (the “Class” or “Class Members”), ***and*** who do not exclude themselves from the separate Net Equity Settlement described below, will receive a *pro rata* portion of the Net Distribution Fund (the Distribution Fund less any attorneys’ fees and expenses awarded by the Court, and notice and administration costs), in conjunction with the payment of their Net Equity Claims, as described below.

The Trustee has sent you this Notice because the claims administrator has determined that you filed a claim in the SIPA Liquidation or through the supplementary claims process in the settlement with JPMorgan Chase Bank N.A. approved in July 2013 and are therefore a potential member of the Class.¹

II. RELEVANT TERMS OF THE CME GROUP SETTLEMENT

The CME Group Settlement provides:

- (1) that the parties, in conjunction with the Trustee will seek the entry of a So-Ordered Stipulation in the Bankruptcy Court for the Southern District of New York allowing the CME Group’s claim (“CME Claim”) against the MFGI general estate as a superpriority claim against the general estate in the amount of \$29,000,000; and
- (2) the CME Group will direct that \$14,500,000 of the \$29,000,000 allowed on the CME Claim pursuant to the So-Ordered Stipulation be distributed in accordance with the settlement. Class Members will retain any litigation claims against the non-settling defendants including, but not limited to, prejudgment interest claims.

¹ If you have not filed an allowed claim in the SIPA Liquidation of MFGI please contact the claims administrator at 1-888-236-0808 (1-503-597-5173 for international callers).

Reasons for the CME Settlement Agreement: This Settlement will bring increased certainty to the MFGI Estate and permit the Trustee to reduce the amount of MFGI estate assets that must be advanced to pay 100% of the Customers' Net Equity claims and, thereby, facilitate completion of the SIPA liquidation proceedings of MFGI. The Settlement Agreement resolves potential claims by the Customer Representatives against CME Group that would otherwise result in years of costly litigation with an uncertain outcome. It is by no means clear that the Customer Representatives would prevail, in whole or in part, in litigation against CME Group.

If the Case Had Not Settled: Continuing with the case could have resulted in loss at trial or on appeal for the Customer Representative Class. Co-Lead Counsel for the Class has determined that protracted litigation over the potential claims against CME Group, with its attendant costs and risks, would not be in the best interest of the Class. Given CME Group's defenses, the results of any such litigation are not certain, nor is it certain that the Class would obtain substantially greater amounts if they prevail at trial. Further, even if successful in whole or in part, litigation would delay distributions for two to three years at minimum.

The Customer Representatives, on the one hand, and CME Group, on the other, vigorously disagree on both liability and the amount of money that could have been recovered if the Customer Representatives prevailed against CME Group at trial. The parties disagree about: (1) the amount of alleged damages, if any, that could be recovered at trial; (2) the causes of the losses to Class Members; (3) the proper measure of alleged damages; (4) CME Group's liability; and (5) CME Group's legal and equitable defenses to Class Members' potential claims.

Moreover, CME Group denies all allegations of potential wrongdoing and further denies that it did anything wrong. CME Group also denies that the Customer Representative Plaintiffs or the Class suffered damages as a result of its conduct.

Attorneys' Fees and Expenses: Court-appointed Co-Lead Counsel will ask the Court to award attorneys' fees of up to a maximum of 20% of the \$14,500,000 Distribution Fund.

III. OVERVIEW OF THE NET EQUITY SETTLEMENT ASSIGNMENT AGREEMENT

Distribution of the Net Distribution Fund created by the CME Group Settlement will be made in conjunction with the Net Equity Settlement Assignment Agreement (defined below) which is the subject of separate notice that was sent to you.

The Customer Representatives have entered into an agreement with James W. Giddens (the "Trustee"), Trustee in the liquidation proceeding for MFGI in bankruptcy court (the "SIPA Proceeding"), dated October 2, 2013 (the "Net Equity Settlement Assignment Agreement") under which the participating Customers will assign their litigation claims against the Defendants to the Trustee in exchange for the return to Customers of 100% of their Net Equity claims. Under the Net Equity Settlement Assignment Agreement, Customers who do not exclude themselves from that settlement will receive payment of 100% of their outstanding Net Equity claims.

The Net Equity Settlement Assignment Agreement assigns to the Trustee the claims of the Class Members against the Defendants in exchange for the payment of 100% of their unpaid Net Equity claims, using assets from MFGI's general estate. Under the Net Equity Settlement Assignment Agreement, the Trustee will make immediate distributions to satisfy Class Members' unpaid Net Equity claims upon (i) the approval of the Net Equity Settlement Assignment Agreement by the District Court (a hearing on which is scheduled for February 14, 2014), and (ii) once the bankruptcy court's related order approving the Net Equity Assignment Settlement Agreement becomes final.

The Net Distribution Fund from the settlement with the CME Group will be distributed to Class Members as part of the Net Equity Settlement, if approved, and will reduce the amount of assets from MFGI's general estate that must be advanced to pay Customers' Net Equity claims.

To receive a payment from the Trustee out of the CME Group Settlement you DO NOT need to take any additional steps. You will automatically receive your *pro rata* share of the Net Distribution Fund from the settlement with the CME Group as part of the payment you receive from the Net Equity Settlement UNLESS you exclude yourself by following the procedures set forth in this Notice or from the Net Equity Settlement. A federal court authorized this Notice. This is not a solicitation from a lawyer.

IV. YOUR LEGAL RIGHTS AND OPTIONS UNDER THE CME GROUP SETTLEMENT

DO NOTHING:

You will automatically receive a 100% distribution on your Net Equity claim unless you choose to exclude yourself from the CME Settlement and/or the Net Equity Settlement.

EXCLUDE YOURSELF:

You will get no payment. This is the only option that allows you to commence a separate lawsuit against CME Group to seek a recovery.

Your deadline to request exclusion from the CME Group Settlement is March 7, 2014.

OBJECT:

You may write to the Court if you do not like specific terms of the CME Group Settlement.

Your deadline to object to the CME Group Settlement is March 7, 2014.

ATTEND THE HEARING:

You may ask to speak in Court about the fairness of the CME Group Settlement.

The Court will hold a hearing on the fairness of the CME Group Settlement on March 14, 2014 at 1:00 p.m.

IV. INFORMATION IS AVAILABLE ON THE TRUSTEE'S WEBSITE

Copies of the CME Group Settlement Agreement, filings in support of its approval, and answers to frequently asked questions are available at <http://dm.epiq11.com/MFG/Project>. Copies are also available on the websites of counsel for the Customer Representatives at www.entwistle-law.com and www.bergermontague.com.

To request additional information or if you have any questions, you can call (888) 236-0808 (or 1-503-597-5173 for international callers), or visit the Trustee's website at www.mfglobaltrustee.com. You can also write or call the Customer Representatives' counsel at:

<p>ENTWISTLE & CAPPUCCI LLP Andrew J. Entwistle 280 Park Avenue, 26 Floor West New York, New York 10017 (212) 894-7200</p>	<p>BERGER & MONTAGUE, P.C. Merrill G. Davidoff 1622 Locust Street Philadelphia, Pennsylvania 19103 (215) 875-3000</p>
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BASIC INFORMATION

1. Why did I get this notice package?

This Notice was sent to you because you have (i) filed an allowed claim in the SIPA Liquidation of MFGI, or (ii) filed a claim through the supplementary claims process in the settlement with JPMorgan Chase Bank N.A. You do not need to submit a Proof of Claim. Unless you exclude yourself, you will automatically participate in the cash distribution proposed in this Settlement in conjunction with the payment of the your Net Equity claims, as described above.

The Court directed that you should be sent this Notice because you have a right to know about a proposed Settlement with CME Group which is a partial Settlement of this pending class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections or appeals (if there are any) are resolved, the \$14,500,000.00 Distribution Fund will be processed for distribution by the Trustee through the SIPA Proceeding as part of the payment of Net Equity claims pursuant to the Net Equity Settlement.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York (“District Court”), and this class action is known as *In re MF Global Holdings Ltd. Investment Litigation*, Case No. 12-MD-2338 (VM) (“Customer Class Action Litigation”). The Plaintiffs leading the Customer Class Action Litigation are the “Customer Representative

Plaintiffs.”² The Customer Representative Plaintiffs are former commodities and securities account holders at MFGI who have brought class actions against former officers, directors, and other employees of MFGI and other third parties.

The remaining Defendants³ in the pending Customer Class Action Litigation in the District Court are not part of this partial settlement and the litigation continues against them.

2. What is this lawsuit about?

This case involves the shortfall of customer money and property, which applicable law required MFGI and its senior management to hold in segregated accounts for the protection of customers. During the work week ending on October 28, 2011, as MFGI faced bankruptcy, caused by massive liquidity shortages, certain Defendants directed over \$900 million in cash and property that legally belonged to MFGI’s commodity and securities customers to be transferred from accounts that should have been segregated to other accounts used by MFGI and its affiliates for their own purposes, including to address liquidity shortfalls in their businesses. The liquidity crisis led to the demise of MFGI and the loss of Customer Funds.

Chicago Mercantile Exchange Inc. was MFGI’s designated self-regulatory organization. The Customer Representatives allege that CME Group was responsible for, among other things, monitoring any concerns or deficiencies in MFGI’s compliance with CFTC regulations, including its obligations to segregate and/or secure customer funds. The Customer Representatives also allege that CME Group failed in its duties to customers and MFGI during the weeks leading up to

² The Customer Representatives are 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 Asia Fund Ltd., PS Energy Group, Inc., Summit Trust Company, Henry Rogers Varner, Jr., and Thomas S. Wacker. Plaintiffs have been named as lead plaintiffs for the class of similarly situated former commodities and securities account holders at MFGI.

³ The remaining Defendants in the Customer Class Action Litigation are Jon S. Corzine, Henri J. Steenkamp, Bradley I. Abelow, Laurie R. Ferber, Edith O’Brien, Christine A. Serwinski, David Dunne, Vinay Mahajan, and PriceWaterhouseCoopers LLP.

the collapse of MFGI, including during MFGI's final week when MFGI did not safeguard customer funds.

CME Group expressly denies any fault, liability, or wrongdoing whatsoever in connection with the allegations made in the Consolidated Amended Class Action Complaint.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case, the Customer Representative Plaintiffs, as defined above in Paragraph 1) sue on behalf of people who have similar claims. All of these people and/or entities are called a class or class members. One judge – in this case, United States District Court Judge Victor Marrero – resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of the Customer Representative Plaintiffs, CME Group or Defendants. Instead, the lawyers for the Customer Representative Plaintiffs and CME Group have negotiated a partial settlement of the Customer Class Action Litigation that they believe is in the best interests of their respective clients. This Settlement, which resolves all claims against CME Group, allows the parties to avoid the risks and cost of lengthy and uncertain litigation and the uncertainty of a trial and appeals, permits the Class Members to be compensated through the Distribution Fund without further delay, as part of the payment of their Net Equity Claims. The Customer Representative Plaintiffs and their attorneys believe that this Settlement with CME Group is in the best interests of all Class Members.

WHO GETS MONEY FROM THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

5. How do I know if I am part of the settlement?

The Class consists of the Settlement Class certified by this Court in connection with the JPMC Settlement Order. Members of the Settlement Class certified in the JPMC Settlement were former commodity or securities customers of MFGI who held money, property and/or securities at MFGI, which the Company and its senior management were required by law to segregate and/or secure in dedicated accounts for the benefit of such customers, and which remains missing and/or unavailable to be returned following the Company's collapse on October 31, 2011.

6. Are there exceptions to being included in the Class?

Yes. Excluded from the Settlement Class are: (i) any person or entity named as a defendant in the Consolidated Amended Class Action Complaint (including any immediate family members of such defendant and any parent, subsidiary or affiliate of any defendant) that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; (ii) any parent, subsidiary or affiliate of MFGI that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; and (iii) any persons or entities that exclude themselves from the Settlement Class by filing a request for exclusion that is accepted by the District Court.

7. I'm still not sure if I am included.

If you still are not sure whether you are included, you can ask for free help. You can call (888) 236-0808 or visit the website of the Trustee, www.mfglobaltrustee.com, for more information.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

CME Group has agreed to direct that \$14,500,000 (the “Distribution Fund”) of the \$29.0 million allowed on the CME Claim be distributed in accordance with the settlement. The Distribution Fund, less any costs, attorneys’ fees, fees and expenses incurred in notifying the Class and administering the Settlement (the “Net Distribution Fund”), will be allocated to the customer estates in the SIPA Proceeding as appropriate and distributed to all eligible Class Members as part of the payment of their Net Equity Claims. Costs and expenses include the costs of notifying Class Members, including the costs of printing and mailing this Notice and the costs of claims administration.

9. How much will my payment be?

The Net Distribution Fund will be allocated to the customer estates in the SIPA Proceeding as appropriate and distributed to the Class by the Trustee as part of the payment of Net Equity claims.

PLAN OF ALLOCATION

The Trustee will administer and distribute proceeds from this Settlement with CME Group. Distributions to the Class will be made as appropriate to the members of the Settlement Class certified by this Court in connection with the JPMC Settlement Order.

HOW YOU GET A PAYMENT

10. How will I get a payment?

Unless you exclude yourself from the Net Equity Claim Settlement or you exclude yourself (opt-out) from this Settlement (as explained below) you will automatically participate in the distribution as party of the payment of your Net Equity claim. You do not have to submit a Proof

of Claim.

11. When would I get my payment?

The Court will hold a hearing on March 14, 2014, at 1:00 p.m. to decide whether to approve the settlement with CME Group. If the Court approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps more than a year.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself (“opt out”) from the Settlement in the manner provided by this Notice, you are staying in the Class. That means that, upon the Effective Date (defined below), you (and your predecessors, successors, agents, representatives, attorneys and affiliates, and the heirs, executors, administrators, successors and assigns of each of them) will be held to have released and forever discharged CME Group and the other Released Defendant Persons (as defined below) from all Released Customer Claims (as defined below) and will be barred from suing, continuing to sue or being part of any other lawsuit against the Released Defendant Persons relating to the Released Customer Claims.

It also means that if you are a member of the Class, all of the Court’s orders will apply to you and legally bind you, including terms providing for the release of and bar against further suits by Class Members relating to the Released Customer Claims against the Released Defendant Persons.

“Released Customer Claims” means any and all Claims, including Unknown Claims, that have been, could have been, or in the future can or might be asserted by, through, or on behalf of the Customer Representative Plaintiffs, each and every member of the Settlement Class, and each of their respective predecessors, successors, affiliates, assigns, subrogees, purchasers or other transferees, attorneys, heirs, representatives, administrators, executors, devisees, legatees, and

estates, against any one or more of the Released Defendant Persons, arising out of, relating to, or in connection with, in any way or manner, MFGI, its affiliates, or related parties, including but not limited to any claims asserted in the Customer Class Action Litigation and any claims related to alleged fraud, breach of any duty, negligence, or the aiding and abetting of such conduct (including but not limited to MF Global's alleged misuse of customer money, securities, and/or property). The Claims being pursued in the Customer Class Action against any other defendants named in the Consolidated Amended Class Action Complaint or who may be added in the future in the District Court (other than the Released Defendant Persons) are excluded from the definition of "Released Customer Claims" and are not being released by the Class as part of this Settlement.

"Released Defendant Persons" means CME Group Inc., and each of its past or present affiliates (including but not limited to Chicago Mercantile Exchange Trust) and subsidiaries (including but not limited to Chicago Mercantile Exchange Inc.), and each and all of their current and former, officers, directors, employees, managers, indirect or direct shareholders, partners, principals, attorneys, agents, insurers, representatives, accountants, predecessors, successors and assigns, in such role or capacity.

"Unknown Claims" means any Released Claims which the Customer Representative Plaintiffs, any other Class Members, or CME Group 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) with respect to this Settlement. The Parties agree that, upon the Effective Date, the Customer Representative Plaintiffs, and CME Group shall have expressly waived, and each of the other Class Members shall be deemed to have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, 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.

The Customer Representative Plaintiffs and CME Group, acknowledge, and the other Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

The “Effective Date” will occur upon the Court approving the Settlement with CME Group, the Court Order provided for under the terms of the Settlement becoming final and not subject to any appeal, and when all other conditions of the Settlement have been met.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue CME Group on your own about the same issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the class.

13. How do I get out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *In re MF Global Holdings Ltd. Investment Litigation*, Case No. 12-MD-2338 (VM). You must include your name, address, telephone number and your signature. To assist in the Claims Administration process, it is requested that you also submit (a) proof of the money, property or securities in a commodity or securities account with MFGI which remains missing or unavailable to be returned following MFGI’s collapse on October 31, 2011. You must mail your exclusion request so that it is received no later than March 7, 2014 to:

If by first class mail/ USPS Express Mail:
MF Global Inc. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC

Attn: Requests for Exclusion
P.O. Box 5011
New York, NY 10150-5011

If by overnight courier/hand delivery:
MF Global Inc. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
Attn: Requests for Exclusion
757 Third Avenue, 3rd Floor
New York, NY 10017

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any payment pursuant to the Settlement, and you cannot object to the Settlement with CME Group.

14. If I do not exclude myself, can I sue CME Group for the same thing later?

No. Unless you exclude yourself, you give up any right to sue CME Group for the claims that this Settlement resolves. Remember, the exclusion deadline is March 7, 2014.

15. If I exclude myself, can I get money from this settlement?

No. Once you exclude yourself, you will receive no cash payment from the CME Group Settlement.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Berger & Montague, P.C. and Entwistle & Cappucci LLP, to represent you and other Customer Representative Plaintiffs and Class Members. These lawyers are called Co-Lead Counsel. These lawyers will apply to the Court for payment of their fees. You will not otherwise be charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

At the fairness hearing, Co-Lead Counsel will request the Court to award attorneys' fees of

up to a maximum of 20% of the \$14,500,000 Distribution Fund and reimbursement of expenses, which were incurred in connection with the Customer Class Action Litigation. Any award of attorneys' fees and expenses will be paid from the Distribution Fund. Class Members are not personally liable for any such fees or expenses. To date, Lead Counsel have received \$7,500,000 for their services in conducting this Litigation and reaching the JPMC Settlement which, among other things, included the payment of \$100,000,000 in cash to the JPMC Settlement Class, and for reimbursement of their expenses. The fee requested will compensate Lead Counsel for their work in achieving the Settlement with CME Group and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

**OBJECTING TO THE SETTLEMENT WITH CME GROUP
AND OTHER MATTERS BEFORE THE COURT**

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the settlement or other related matters?

If you are a Class Member (and you have not excluded yourself), you can object to the Settlement with CME Group and/or the request for attorneys' fees, if you do not like any part of them and you can give your reasons. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement with CME Group in *In re MF Global Holdings Ltd. Investment Litigation*, Case No. 12-MD-2338 (VM). Be sure to include your name, address, telephone number, your signature, proof of the amount of money, property and/or securities which you held in your commodity or securities account at MFGI, which was missing and/or unavailable to be returned after MFGI's collapse on October 31, 2011. Any such objection must be mailed or delivered so that it is **received** by each of the following no later than March 7, 2014:

Court:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan
U.S. Courthouse
500 Pearl Street
New York, NY 10007

Lead Counsel for Plaintiffs:

BERGER & MONTAGUE, P.C.
Merrill G. Davidoff
1622 Locust Street
Philadelphia, Pennsylvania 19103
(215) 875-3000

ENTWISTLE & CAPPUCCI LLP
Andrew J. Entwistle
280 Park Avenue, 26 Floor West
New York, New York 10017
(212) 894-7200

Counsel for CME Group:

Jenner & Block LLP
Charles B. Sklarsky
Gregory M. Boyle
353 N. Clark Street
Chicago, IL 60654-3456
(312) 923-2651

19. What is the difference between objecting and excluding myself from the settlement?

Objecting is telling the Court that you do not like something about the proposed Settlement with CME Group. You can object *only* if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class in this Settlement with CME Group. If you exclude yourself, you have no basis to object because the Settlement with CME Group no longer applies to you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement with CME Group and other related matters. You may attend, but you do not have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing at 1:00 p.m. on March 14, 2014, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, New York 10007. At this hearing, the Court will consider whether the settlement with CME Group is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later.

21. Do I have to come to the hearing?

No. Co-Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter saying that it is your intention to appear in *In re MF Global Holdings Ltd. Investment Litigation*, Case No. 12-MD-2338 (VM). Be sure to include your name, address, telephone number, your signature, proof of the money, property and/or securities which you held in your commodity or securities account at MFGI, which was missing and/or unavailable to be returned after MFGI's collapse on October 31, 2011. Your notice of intention to appear must be received no later than March 7, 2014 by the Clerk of the Court, Lead Counsel, and CME Group's counsel, at the

addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

You will automatically be included in the Settlement Class and receive distributions of the Net Settlement Fund as part of the payment of your Net Equity Claim.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This Notice summarizes the proposed Settlement with CME Group. More details are in the Settlement Agreement dated January 29, 2014, which has been filed with the Court. You can get a copy of the Settlement Agreement from the Clerk's office at the United States District Court, Southern District of New York, Daniel Patrick Moynihan, U.S. Courthouse, 500 Pearl Street, New York, New York 10007, during regular business hours, or on the Trustee's website at <http://dm.epiq11.com/MFG/Project>.

25. How do I get more information?

You can call (888) 236-0808 or write to a representative of Lead Counsel, or visit the Trustee's website at <http://dm.epiq11.com/MFG/Project>. *Please do not call the Court or the Clerk of the Court for additional information about the settlement.*

DATED: January 31, 2014

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