

## **Statement from the Office of the Trustee for the Liquidation of MF Global Inc.**

### **Trustee Distributing Virtually All Property Under His Control; “Shortfall” May Be Larger Than MF Global Management Had Reported Prior to Bankruptcy**

November 21, 2011 – New York, New York – James W. Giddens, Trustee for the liquidation of MF Global Inc., today reported that his current plan to distribute 60% of what should have been segregated in US depositories for all former customers with US futures positions will total nearly all of the assets currently under his control. The Trustee to date has brought approximately \$3.7 billion under his control, all of which comes from the former US depositories of the broker-dealer. Having already distributed \$1.5 billion in collateral, and currently distributing \$520 million in cash, leaves approximately \$1.6 billion on hand. The previously announced next step, restoring 60% of what is in segregated customer accounts for US futures positions, would require approximately \$1.3 to \$1.6 billion to implement; that is, virtually all of the assets currently under the Trustee’s control. This next step is subject to Bankruptcy Court approval, and will be done in close cooperation with the CFTC, SIPC, and the CME. The Trustee expects this transfer to occur in early December, once the current transfer is complete and books and records are reconciled to allow it to happen.

Efforts to collect other funds from US depositories continue around the clock, and it is expected that the US funds available to the Trustee will increase in the coming weeks. At present, however, the Trustee does not have access to other funds beyond the \$1.6 billion on hand, and he is very close to exhausting the funds under his control. Further complicating matters, assets located in foreign depositories for customers that traded in foreign futures are now under the control of foreign bankruptcy trustees, and while the Trustee will pursue them vigorously, it has been his experience that recovery of these foreign assets may take more time. The Trustee’s counsel has also stated in open court that the Trustee has only relatively nominal proprietary – that is non-customer – assets in his immediate control.

The amount of assets the Trustee controls is a separate issue from the apparent shortfall in what former MF Global Management should have segregated. At present, the Trustee believes that even if he recovers everything that is at US depositories, the apparent shortfall in what MF Global management should have segregated at US depositories may be as much as \$1.2 billion or more. The Trustee wants to stress that these are preliminary numbers that may well change, and the Trustee will update in due course. The Trustee’s investigative team, consisting of counsel experienced in broker-dealer liquidations and expert consultants and forensic accountants from both Deloitte and Ernst & Young, continues around the clock in close coordination with the Department of Justice, the CFTC, the SEC, SIPC, the CME, and others.

**The information in this statement does not apply to any other MF Global entity, including separate insolvency proceedings involving the parent company, MF Global Holdings Ltd.**

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