

## Notice to clients

20 March 2012

### MF Global Australia Limited (In Liquidation) (MFGA)

Dear Client,

#### Court proceedings – Client representatives

As noted in recent updates to clients, the Liquidators have commenced proceedings in the Supreme Court of New South Wales (Proceedings No. 2011/411117) seeking, among other things, the determination of issues relating to the distribution of the funds held in Client Segregated Accounts (CSAs) and recoveries made by the Liquidators since the date of their appointment as well as future recoveries.

The Proceedings were listed before the Supreme Court at Queens Square, Sydney on 19 March 2012. A copy of the Court orders will be posted to our website as soon as a final Court copy is received. I outline below the key outcomes from the directions hearing:

- The matter has been provisionally set down for a final hearing of four days, commencing on 26 June 2012. This timing is intended to allow the client representatives sufficient time to review the relevant evidence and to prepare appropriate submissions. This hearing date is to be confirmed by the Court.
- The representative parties were appointed for each client class as follows: -

Class	Representative
CFD account clients	RMF Management Services Pty Ltd
Futures account clients	GrainCorp Operations Limited
Margin FX account clients	The GFL Group Pty Limited
Online FX account clients	Underdog Clothing Pty Ltd

A representative for non-client creditors was not appointed. The Liquidators intend to nominate a representative for the non-client creditors shortly and expect to have a nominee joined by the Court on 2 April 2012.

- The Court ordered the legal expenses reasonably incurred by the appointed client representatives will be paid from the client segregated bank accounts (CSAs) and recoveries made to date on a pro-rata basis. The legal expenses of the Liquidators and the non-client representative are to be paid from the Company funds. In regard to costs it should be noted that the final ruling on costs will be made as part of the final hearing.
- The provisional liquidator of MF Global Singapore Pte Limited (Provisional Liquidators Appointed) (**MFG Singapore**) opposed the orders made for the payment of the costs of the above representative parties out of certain CSAs to which MFG Singapore is claiming an entitlement. Unless the position of MFG Singapore changes, this could result in the commencement of separate proceedings in relation to MFG Singapore in respect of those accounts.

MF Global Australia Limited  
(In Liquidation)  
Level 21  
225 George Street  
Sydney NSW 2000  
PO Box N699  
Grosvenor Place NSW 1220  
Australia  
Tel + 61 2 8273 8822  
Fax + 61 2 9247 3765  
www.mfglobal.com.au

- The matter is next listed before the Court for a directions hearing on 2 April 2012. The main purpose of this hearing is in respect to the appointment of the non-client representatives and any other defendants to the proceedings.

#### **Client representative positions**

The Liquidators are going to meet with all client representatives and their legal team as soon as possible to run through the evidence and discuss the issues to be determined.

Once the client representatives have been able to establish their position on the issues we will work with the representatives to attempt to communicate further information to all clients. Any client who then believes that their position is not being covered can then provide details of their claim to the Liquidators who will assess their position and, if necessary, determine if a further client representative party needs to be nominated.

Should you have any questions in the meantime, please send your question by e-mail to [mfgaustralia@deloitte.com.au](mailto:mfgaustralia@deloitte.com.au). It would be helpful if the subject line of your e-mail is "MFGA Court Process".

#### **Court proceedings – MFGUK and ASX**

The Liquidators have continued discussions and provided information to the UK Special Administrators of MF Global UK Limited (MFGUK) in respect to the disputed funds currently being held by the ASX Clear (Futures) in the amount of c\$34m.

As advised in our 13 February 2012 notice to clients MFGA filed an application in the Federal Court for leave to commence proceedings against MFGUK in relation to its claim that MFGUK will hold the ASX Clear (Futures) funds, in its capacity as MFGA's clearer, on trust for MFGA. This application was adjourned until 23 March 2012 to allow the discussions to continue between MFGA and MFGUK.

We expect to hold face to face discussions on 30 March 2012. Therefore, by agreement with the UK Special Administrators, we will request the Court to allow the application to be adjourned until a date on or after 13 April 2012.

Yours faithfully,

**Chris Campbell**  
**Joint Liquidator of MF Global Australia Limited (In Liquidation)**