

## Notice to clients

24 April 2012

### **MF Global Australia Limited (In Liquidation) (MFGA, the Company)**

Dear client

#### **1. Court proceedings and client representatives**

Further to the client notice dated 3 April 2012, the proceedings commenced by the Liquidators in the Supreme Court of New South Wales (No. 2011/411117) (Proceedings) were heard in Court for further directions on 23 April 2012.

The key points to note following this Court date are as follows:

- George Weston Foods Limited (GWF) was appointed to represent the Futures clients of MFGA that held open positions on the date Administrators were appointed, with such representation limited to advancing arguments to the effect that client entitlements are to be determined by gross liquidation value, calculated by applying the relevant market closing price on 31 October 2011 to any positions open on that date, or applying some other method other than that adopted by the Liquidators
- GrainCorp Operations Limited (GrainCorp), the representative for Futures clients, was given leave to contradict GWF and argue that gross liquidation value should be calculated by applying the method adopted by the Liquidators, notwithstanding that the Futures clients represented by GrainCorp include clients that would prefer the method being advanced by GWF
- RMF Management Services Pty Ltd (RMF) was given leave to contradict Kimbalex Investments Pty Ltd (which has been appointed to represent the "cash only" clients), and argue that clients' claims which are not referable to open positions held by the client on the date Administrators were appointed to MFGA should not be given a priority in the distribution of the funds in the CSAs, notwithstanding that RMF represents all CFD clients, including "cash only" CFD clients
- A full list of the representative parties appointed to date appears below:

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<b>Class</b>	<b>Representative</b>
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
Non-client creditors	Practical Human Resource Solutions Pty Ltd
Cash Only clients	Kimblex Investments Pty Ltd
Futures account clients on valuation issue	George Weston Foods Limited

The Court also heard a Notice of Motion filed by Deutsche Bank AG, which is both a Futures client of MFGA and a hedging counterparty in respect of CFDs that were offered by MFGA. Deutsche Bank AG sought an order that the Proceedings would not bind it, or any other party, in respect of any entitlement to set-off under section 553C of the Corporations Act 2001 (Cth), under contract or otherwise. The Court did not make that order, but ordered that Deutsche Bank AG be a defendant to the Proceedings.

Should you have any questions regarding the Proceedings, please e-mail [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".

## **2. Court proceedings - MFGUK and ASX**

As outlined in our update to clients dated 3 April 2012 the matter was adjourned by the Court to 27 April 2012. Discussions are continuing with the Special Administrators of MFGUK and it is likely that the Proceedings maybe adjourned by consent to allow settlement discussions to continue.

## **3. Sale / transfer of client debt**

The Liquidators have instructed their lawyers to prepare a document that would be acceptable to the Liquidators, should clients wish to sell their debt. The Liquidators will publish a policy and protocol regarding these transactions clients may wish to undertake. We strongly suggest clients take legal advice regarding debt sale transactions.

You should be aware there is likely to be a fee to cover the administrative cost to process the debt transaction in the records of MFGA. This will be assessed on a case by case basis and at the discretion of the Liquidators, but is likely to be in the region of \$2,000 to \$2,500 plus GST.

Yours faithfully,

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

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**(In Liquidation)**  
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