



## Notice to Clients & Creditors

12 May 2015

Dear Clients & Creditors

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

The Liquidators provide the following update regarding the settlement of client claims with MF Global Singapore Pte Limited (In Creditors Voluntary Liquidation) (“MFGS”).

#### **A. Background**

As noted in my last notice to clients and creditors dated 20 November 2014, and the Report to Members and Creditors pursuant to Section 508 of the Corporations Act 2001 dated 24 April 2015, discussions were continuing with the Liquidators of MFGS for recovery of funds owed to clients and creditors of MFGA. On 16 April 2015 the MFGA Committee of Inspection (“COI”) approved unanimously for MFGA to enter into a formal settlement deed with MFGS.

#### **B. Exchange of Settlement Deed (“the Settlement”)**

The Liquidators are pleased to advise that a deed of settlement between MFGA and MFGS has been agreed and executed. With approval for the agreement having been given by MFGA’s COI, the remaining Conditions Precedent for the agreement to be effective are:

- Approval by the High Court of Singapore; and
- Approval by the MFGS Committee of Creditors.

#### **C. Terms of the Settlement**

The Liquidators expect the outcome of the settlement effectively represents a recovery of approximately 99.5% of MFGA client claims against MFGS.

The Liquidators believe settlement of each party’s respective claims represents the optimal outcome for the clients and creditors of MFGA. Had the parties not reached a settlement it was most likely that the matter would escalate to expensive and protracted litigation.

This type of action would not have been in the interest of clients and creditors of MFGA as:

- It would have been likely to take a number of years for a verdict to be reached;
- It could have involved significant legal costs;
- The outcome would be uncertain; and
- Would have materially delayed the winding up of the liquidation of MFGA.

**D. Ongoing communication**

The Liquidators will continue to upload notices and other relevant documents to our website so clients are encouraged to check this regularly for updates.

All client enquires should be made via email to [mfgaustralia@deloitte.com.au](mailto:mfgaustralia@deloitte.com.au).

Yours faithfully,



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