

MF GLOBAL HOLDINGS LTD., ET AL.
Post-Effective Date Quarterly Operating Report
For the period ending September 30, 2021

MF GLOBAL HOLDINGS LTD., ET AL.
Post-Effective Date Quarterly Operating Report
For the period ending September 30, 2021

BACKGROUND

This post-Effective Date quarterly operating report (“QOR”) of MF Global Holdings Ltd. (“Holdings Ltd.”) and its affiliated debtors, MF Global Finance USA Inc. (“Finance USA”), MF Global Capital LLC (“Capital”), MF Global FX Clear LLC (“FX Clear”), MF Global Market Services LLC (“Market Services”), and MF Global Holdings USA Inc. (“Holdings USA”) (collectively, the “Debtors”¹) covers a specific time period and has been prepared solely for the purpose of complying with the reporting requirements of the *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.* (Docket No. 1382) (the “Second Amended Plan”). The financial information contained in this QOR is preliminary and unaudited, and as such may be subject to revision. The information in this QOR should not be viewed as indicative of future results. The Second Amended Plan is a joint plan for six separate Debtors. The Debtors are not consolidated for financial reporting and should be viewed as standalone entities. The total columns in each of the tables of the QOR are for illustrative purposes only.

The Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) as follows: (i) Holdings Ltd. and Finance USA filed on October 31, 2011; (ii) Capital, FX Clear, and Market Services filed on December 19, 2011; and (iii) Holdings USA filed on March 2, 2012. Each respective Debtor’s bankruptcy filing dates are referred to in this QOR as the “Petition Date” and any period prior to such Debtor’s bankruptcy filing date is referred to as “pre-petition” for the respective Debtor. The Debtors’ chapter 11 cases are assigned to the Honorable Judge Martin Glenn and are being jointly administered under the caption “In re MF Global Holdings Ltd., et al.” Case No. 11-15059 (MG). Shortly after each respective Petition Date, Louis J. Freeh, Esq. (the “Chapter 11 Trustee”) was appointed as chapter 11 trustee of the Debtors. On the Effective Date, the Chapter 11 Trustee ceased his stewardship of the Debtors and Holdings Ltd. became the Plan Administrator under the Second Amended Plan, with a newly appointed board of directors.

The last date and time for any person or entity, including MF Global affiliates, to file a proof of claim against the Debtors (the “Bar Date”) has passed as of the issuance of this QOR. The Plan Administrator has objected to such claims as appropriate. Accordingly, some additional adjustments to the financial information provided herein may be reflected in future QORs as a result of the claims reconciliation process.

On July 24, 2015, the Plan Administrator and James W. Giddens (the “SIPA Trustee”), as Trustee for the liquidation of MF Global Inc. (“MFGI”), entered into a Sale and Assumption Agreement pursuant to which the SIPA Trustee assigned to the Plan Administrator (or its designee), among other things, all of the SIPA Trustee’s rights and interest in (a) the claims asserted in the case captioned “In re MF Global Holdings Ltd. Investment Litigation,” 11 Civ. 7866 (the “MDL”), (b) MFGI’s E&O Policies, D&O Policies, and other insurance policy proceeds, (c) recoveries in the MF Global UK Limited (“MFGUK”) insolvency proceeding, (d) certain contracts, and (e) cash and miscellaneous accounts receivables (the “Sale and Assumption Agreement”). In exchange, the Plan Administrator agreed that (a) the Debtors and certain of their non-Debtor affiliates waived their right to further distributions from the MFGI estate, which allowed the SIPA Trustee to make final distributions to all other unsecured creditors in an amount that satisfied such claims at 95%, and (b) the Plan Administrator’s designee assumed, among other things, certain of the SIPA Trustee’s discovery obligations, the SIPA Trustee’s obligations under the assigned contracts, and certain tax obligations. Pursuant to the agreement, the Plan Administrator’s designee is entitled to receive amounts in the future pending the outcome of certain events relating to disputed claims and expense reserves.

On September 8, 2015, pursuant to the Sale and Assumption Agreement, the Plan Administrator designated MF Global Assigned Assets LLC (“MFGAA” or “Assigned Assets”) its assignee and Holdings Ltd., Finance USA, Holdings USA, Capital, FX Clear, MF Global FX LLC (“FX LLC”), and MF Global Special Investor LLC (“Special Investor”) (collectively the “Members”) made an initial capital contribution to Assigned Assets in the form of an assignment of all of that Member’s rights and interests in its allowed MFGI claims in exchange for a ratable membership interest in Assigned Assets. Future proceeds will be distributed to the Members in proportion to their respective membership interests in Assigned Assets.

On February 11, 2016, the Bankruptcy Court entered a final decree for the closing of the Chapter 11 Cases of Capital, FX Clear and Market Services (the “Closing Debtors”) (Docket No. 2201). As a result, the Closing Debtors no longer have any reporting or administrative obligations under the Second Amended Plan including, without limitation, the obligation to file post-Effective Date quarterly reports. The Chapter 11 Cases of Holdings Ltd., Finance USA, and Holdings USA remain open.

¹ Throughout this QOR, the term “Debtors” refers collectively to MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.

CURRENT QUARTER ACTIVITY SUMMARY

In February 2008, Evan Dooley, a MFGI registered broker, trading for his own account out of a MFGI branch office in Memphis, Tennessee, put on a significant wheat futures position that was beyond his trading authority and was liquidated at a loss of \$141 million. MFGI suffered the loss because, as a clearing member of the exchange, it was required to pay the \$141 million shortfall and the broker had no means of paying MFGI for the losses (the “Dooley trading incident”). MFGI filed a claim for payment of its \$141 million loss from the Dooley trading incident plus statutory interest under its Fidelity Bond Insurance (the “Bond”), which provides coverage for wrongful or fraudulent acts of employees, seeking indemnification for the loss on the Dooley trading incident. After months of investigation, MFGI’s insurers denied payment of this claim based on certain definitions and exclusions to coverage in the Bond. They also initiated an action against MFGI in the Supreme Court of the State of New York, New York County, *New Hampshire Insurance Co. et al. v. MF Global Finance USA, Inc.*, No. 601621/09 (MF), seeking a declaration that there is no coverage for this loss under the Bond. MFGI filed a counterclaim to enforce its right to payment. Pursuant to an Assignment Agreement between the SIPA Trustee and Finance USA, in May 2014, the SIPA Trustee assigned his rights in this litigation to Finance USA. As of September 30, 2021, Finance USA has entered into confidential settlements with insurers representing \$97.2 million of the approximately \$141 million principal amount of Finance USA’s asserted claim, with each settlement in excess of the settling insurer’s principal obligation. The parties completed discovery in April 2017, the insurers and Finance USA filed motions for summary judgment in June 2017, opposition papers were filed in July 2017, reply papers were filed in August 2017, and arguments were heard by Justice Friedman on January 16, 2018. In October 2020, it was announced that Justice Friedman would be retiring at the end of the year. On the eve of her retirement, Justice Friedman ruled on the motions by decision and order dated December 21, 2020. The court granted Finance USA’s motion for summary judgment in part and denied the Insurers’ motion in its entirety. Significantly, the court ruled as a matter of law that Dooley’s conduct was covered under both of the coverage provisions because his conduct constituted a “wrongful act” and a “malicious act.” The court also threw out four of the Insurers’ defenses to coverage based upon three exclusion provisions in the bond and failure to mitigate. However, the court found that genuine issues of fact require a trial with respect to whether Dooley was covered under the bond as an “employee” of the insured or “any other person.” The court held also that, if Dooley is determined to be an employee, genuine issues of material fact require a trial on whether the bond’s termination of coverage provision was triggered. The rulings significantly narrow the scope of the case remaining for trial and on January 21 and 22, 2021, the three remaining insurers filed Notices of Appeal from the order. On January 31, 2021, Finance USA filed a notice of cross-appeal from the order. The appeal has been fully briefed and is scheduled to be heard by the Appellate Division on November 12, 2021. On March 29, 2021, the case was reassigned to Justice Melissa Crane, who was recently appointed to the Commercial Division. Conferences with Justice Crane were held on May 10, June 14 and October 26, 2021 and a jury trial is tentatively scheduled to begin on March 21, 2022.

In December 2017, the Tax Authority of the Federal Republic of Germany (“GTA”) submitted a claim against MFGUK for €52.4 million (“GTA Liability Claim”) in respect of withholding tax previously refunded to MFGUK in connection with certain share trades carried out in Germany to which MFGUK was a party. In January 2018, Deutsche Bank AG submitted two claims against MFGUK, one of which essentially mirrors the GTA Liability Claim by claiming an indemnity right against MFGUK if the GTA pursues Deutsche Bank for the sums claimed against MFGUK (“DB Mirror Claim”) and a separate claim for €126.7 million (“DB Market Claim”). The GTA Liability Claim was rejected by the joint special administrators (the “JSAs”) of MFGUK and the GTA appealed against the rejection and thereafter, on August 17, 2018, the JSAs received an application from the GTA that its appeal in the UK courts against the rejection of the GTA Liability Claim be stayed pending resolution in the German courts of certain claims between the GTA and MFGUK relevant to the GTA Liability Claim. Both Deutsche Bank claims were also rejected by the JSAs and an appeal was filed by Deutsche Bank. Deutsche Bank subsequently submitted an application seeking a stay of the appeals against the rejection of its claims pending resolution of the issues outlined in the GTA’s application. A two-day hearing was held in late January 2019 in order for the court to determine whether the GTA and Deutsche Bank appeals should be decided by the UK court or stayed in order to allow the German courts to adjudicate the underlying issues. The High Court of Justice in England issued its judgment on March 22, 2019 determining that, subject to the GTA entering into an undertaking that it will comply with certain conditions, the Stay Application filed by the GTA was allowed (so that, in effect, the claim by the GTA against MFGUK is to be referred to the German Courts to be heard and decided there). On October 25, 2019, the JSA’s grounds of objection were filed and since then there have been several rounds of written submissions from each party and these submissions are continuing. The High Court judgment also determined that the Stay Application filed by Deutsche Bank was not allowed (so that, in effect, the DB Mirror and Market Claims can be heard and determined in the English Court without first having to await the outcome of the proceedings between the GTA and MFGUK in Germany). A hearing in respect of the DB Mirror Claim was due to take place in May 2020, however pursuant to the terms of a confidential settlement between MFGUK and Deutsche Bank, this hearing was vacated and Deutsche Bank has withdrawn its €48 million proof in the administration. In a ruling handed down on July 31, 2019, the court confirmed that Deutsche Bank shall pay the JSA’s costs of the Stay Application. A directions hearing seeking to determine if there are issues which are potentially dispositive of the DB Market Claim was to take place in November 2020. On October 30, 2020, the JSAs agreed to a confidential settlement with Deutsche Bank in relation to the DB Market Claim, meaning that the November directions hearing was vacated by the Court. While the terms of the settlement are confidential, the effect is that all further proceedings in Deutsche Bank’s appeal against the rejection of the DB Market Claim be stayed and Deutsche Bank shall pay an agreed sum to MFGUK in relation to MFGUK’s costs in relation to the appeals against the DB Market Claim and the DB Mirror Claim (pursuant to the above July 31, 2019 ruling).

MFGUK has also submitted several claims against the GTA in respect of withholding tax in connection with certain share trades carried out in Germany to which MFGUK was a party and in connection with which withholding tax has not previously been

refunded to MFGUK (the “GTA Asset Claim”). The GTA has rejected the GTA Asset Claim and the JSAs have appealed this decision in Germany; the JSAs filed their most recent legal brief in their claim on October 1, 2020 and the GTA filed an additional legal brief on December 8, 2020 stating its position that all facts in the case have now been presented and, therefore, the issue is ready for a decision. An oral hearing is expected to take place before the Fiscal Court of Cologne in due course, although no date for this has yet been set by the court.

The Plan Administrator remains open to dialogue with the JSAs to explore ways to streamline the MFGUK estate and realize some of the benefits of the Creditors Voluntary Arrangement proposed by the JSAs in the third fiscal quarter of 2018.

On October 22, 2019, the Plan Administrator commenced an Adversary Proceeding, Case No. 11-15059; Adv. Proc. Case No. 19-01379 (Bankr. S.D.N.Y.) (MG), against defendants William K. Harrington, as United States Trustee for Region 2, Clifford J. White III, as Director of the United States Trustee Program, and the United States Trustee Program seeking (i) a determination that the Debtors’ liability for quarterly fees payable to the United States Trustee Program (“UST”) pursuant to 28 U.S.C § 1930(a)(6) is governed by the schedule in effect prior to the amendment to that statute which became effective January 1, 2018 (the “Amendment”); (ii) a determination that the Debtors are entitled to a refund of quarterly fee overpayments made during the period from January 1, 2018 through the date of this Complaint (and future overpayments, if any) (the “Excess Fees”), during which time the Debtors paid Defendants based on the schedule set forth in the Amendment; and (iii) an order directing a refund of such Excess Fees, reduced by any amount the Plan Administrator has applied to pay UST fees incurred prior to receiving a refund. (D.I. 2406; Adv. Proc. D.I. 1). At issue are Excess Fees of \$0.4 million paid between Q1 2018 and Q2 2019 and future increased fees (calculated for Q3 2019 to Q4 2020 to be more than an additional \$0.7 million in increased fees if paid under the Amendment’s fee schedule), for a total of more than \$1.1 million in increased fees calculated under the Amendment’s fee schedule for the period Q1 2018 to Q4 2020. Since 2018, several bankruptcy courts found the Amendment to be unconstitutional on various grounds while other bankruptcy courts have upheld the Amendment’s constitutionality; there has similarly been a split in the decisions on appeal by the Second, Fourth, Fifth, and Tenth Circuits, and appeals are currently pending in the Ninth and Eleventh Circuits. On April 24, 2020, Judge Glenn, along with Judge Bernstein in the SunEdison case (which raised virtually identical challenges to the Amendment) issued a ruling denying the Plan Administrator’s motion for summary judgment and granting the UST’s motion for summary judgment, holding that the Amendment is constitutional. (D.I. 2417; Adv. D.I. 44). On June 16, 2020, Judge Glenn *sua sponte* entered an Order (Adv. D.I. 55) certifying the decision and related judgment entered on May 19, 2020 (Adv. D.I. 49) for immediate appeal to the United States Court of Appeals for the Second Circuit. On November 16, 2020, the Plan Administrator’s Petition for Permission to Take a Direct Appeal Pursuant to 28 U.S.C. § 158(d)(2)(A) was granted by the Second Circuit (Case No. 20-3863), which ordered MF Global’s appeal to be heard “in tandem” with the direct appeal also granted in SunEdison’s case (Case No. 20-3867), so the appeals will be heard together. During the pendency of the appeal, an amendment to the fees statute was passed by Congress in December 2020 and signed into law on January 12, 2021. The Bankruptcy Administration Improvement Act of 2020 (the “2021 Amendment”) put in place a revised quarterly fee schedule for chapter 11 cases beginning Q2 2021 that is a flat 0.4% of disbursements up to \$1.0 million (with a minimum payment of \$250.00) and a flat 0.8% of disbursements of at least \$1.0 million, up to a cap of \$0.3 million (reached now at \$31.3 million in disbursements). The parties briefing was filed after the 2021 Amendment’s enactment and addressed its impact on the arguments on appeal. Oral argument was scheduled for September 29, 2021. In a related appeal before the Second Circuit in which MF Global appeared as an amicus curiae, *In re Clinton Nurseries Inc.*, No. 20-1209 (2d Cir.), on May 24, 2021, the Second Circuit issued an Opinion which held that the Amendment is unconstitutionally non-uniform and ordered the UST to return to the debtor any excess fees paid under the Amendment. *See In re Clinton Nurseries, Inc.*, 998 F.3d 56 (2d Cir. 2021). The Government’s petition seeking a rehearing (before the panel or *en banc*) was denied on September 17, 2021.. On September 14, 2021, in light of the Second Circuit’s ruling in *Clinton Nurseries* and the enactment of the 2021 Amendment, the Second Circuit issued an Order to Show Cause why the case should not be remanded and on September 23, issued an Order vacating and remanding the MF Global and SunEdison cases to the Bankruptcy Court for further proceedings in light of the decision in *Clinton Nurseries* (for fees Q1 2018 – Q1 2021) and the 2021 Amendment (for fees Q2 2021 – forward). MF Global advised Judge Glenn’s chambers of these developments, and is coordinating with the UST on next steps given the likelihood that the Supreme Court may be deciding the constitutionality of the Amendment in the near term. Notably, in September 2021, a petition seeking certiorari was filed in the Supreme Court from the Fourth Circuit’s decision in the *Circuit City* case (which upheld the Amendment), and the Solicitor General is still considering whether to separately seek certiorari from the Second Circuit’s *Clinton Nurseries* decision (finding the Amendment unconstitutionally non-uniform). If the Second Circuit’s ruling in *Clinton Nurseries* is not overturned, MF Global should also prevail in having its fees for the period Q1 2018 – Q2 2021 determined under the fee schedule applicable prior to the Amendment (note, however that the arguments raised before the Supreme Court are unlikely to apply to fees owed after Q1 2021, when the 2021 Amendment became effective).

MF Global Holdings Ltd., et al.
Schedules of Cash Flows (Unaudited)
For the Period July 1, 2021 through September 30, 2021

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Cash balance at July 1, 2021	\$ 11,614,890	\$ 19,023,759	\$ 725,098	\$ 31,363,747
Cash Inflows:				
Expense Reimbursement from Debtor Affiliates	-	1,030,975	659,519	1,690,495
Pre-petition Receivables from Debtor Affiliates	-	-	-	-
Pre-petition Receivables from Non-Debtor Affiliates	-	-	-	-
Other	1,958	2,840,189	284	2,842,432
Total Inflows	1,958	3,871,165	659,803	4,532,926
Cash Outflows:				
Payroll, Payroll Taxes and Employee Benefits	-	-	(407,794)	(407,794)
Operating Costs	(1,962)	(903,016)	(1,994)	(906,971)
Professional Fees	-	(633,101)	-	(633,101)
US Trustee Fees	-	-	-	-
Other	-	-	-	-
Total Operating Expenses	(1,962)	(1,536,116)	(409,788)	(1,947,866)
Expense Reimbursement to Debtor Affiliates	(1,341,853)	(26,158)	(322,484)	(1,690,495)
Distributions:				
Administrative Claims	-	-	-	-
Priority Tax Claims (includes Admin tax claims)	-	-	-	-
1 - Priority Non-Tax Claims	-	-	-	-
2 - Secured Claims	-	-	-	-
3 - JPMorgan Secured Setoff Claim	-	-	-	-
4 - Convenience Claims	-	-	-	-
5 - Liquidity Facility Unsecured Claims	-	-	-	-
6 - General Unsecured Claims	-	-	-	-
7 - Subordinated Claims	-	-	-	-
8 - Preferred Interests	-	-	-	-
9 - Common Interests	-	-	-	-
Total Distributions	-	-	-	-
Total Cash Outflows	(1,343,815)	(1,562,274)	(732,272)	(3,638,361)
Net Cash Flows:	(1,341,857)	2,308,891	(72,469)	894,566
Cash balance at September 30, 2021	\$ 10,273,034	\$ 21,332,650	\$ 652,629	\$ 32,258,313

The accompanying notes are an integral part of this report.

MF Global Holdings Ltd., et al.
Statements of Net Assets (Liquidation Basis)
As of September 30, 2021

	Note	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Cash		\$ 10,273,034	\$ 21,332,650	\$ 652,629	\$ 32,258,313
Non-affiliate pre-petition receivables	4	-	-	103,984	103,984
Debtor affiliate pre-petition receivables	4	198,727,554	1,291,911,031	23,192,148	1,513,830,733
Other affiliate pre-petition receivables	4	-	49,023,956	1,944,078	50,968,034
Debtor affiliate post-petition receivables	4	1,742	270,443	125,337	397,522
Other affiliate post-petition receivables	4	-	8,070,496	-	8,070,496
Other assets	5	-	366,119	-	366,119
MFGAA membership interests	6	120,718,390	10,753,493	4,327,106	135,798,990
Total assets		329,720,720	1,381,728,189	30,345,283	1,741,794,192
Liabilities subject to compromise:	8				
Claims subject to reconciliation		(414,758)	(414,758)	-	(829,515)
Allowed claims:					
Debtor affiliate		(1,295,201,431)	(19,314,812)	(198,727,554)	(1,513,243,797)
Other affiliate		(2,942,209)	(650,293)	(77,229)	(3,669,731)
Liquidity Facility unsecured claim		(624,851,419)	(735,200,782)	-	(1,360,052,201)
Notes claim		-	(655,662,317)	-	(655,662,317)
Other unsecured		-	(24,078,106)	(17,911,501)	(41,989,607)
Subordinated		-	(106,232,679)	-	(106,232,679)
Subordinated claims not allowed		(1,085)	(16,685,153)	(1,986,436)	(18,672,673)
Liabilities to be settled in full:	9				
Administrative, secured and priority		-	-	-	-
Debtor and other affiliate charges		(369,384)	(23,743)	(4,395)	(397,522)
Professional fees - post-effective date	10	-	(722,200)	-	(722,200)
Estimated Plan Administration Expenses	11	(14,453,680)	(20,854,364)	(889,413)	(36,197,457)
Total Liabilities		(1,938,233,965)	(1,579,839,206)	(219,596,527)	(3,737,669,698)
Net assets in liquidation		\$ (1,608,513,245)	\$ (198,111,017)	\$ (189,251,245)	\$ (1,995,875,507)

The accompanying notes are an integral part of this report.

NOTES AND DEFINITION OF TERMS

Note 1: Basis of Presentation

The Plan Administrator has prepared this QOR in accordance with the Second Amended Plan. While the Plan Administrator has exercised its best efforts to ensure that this QOR is accurate, based on information that was available at the time of preparation, inadvertent errors or omissions may exist. The Plan Administrator reserves the right to amend this QOR from time to time as may be necessary or appropriate. This QOR is not meant to be relied upon as a complete description of the Debtors, their businesses, condition (financial or otherwise), results of operations, prospects, assets or liabilities.

The unaudited balance sheets (“statements of net assets in liquidation”) and statements of cash flows (“schedules of cash flows”) in this QOR have been prepared in accordance with the requirements of the Second Amended Plan. The statements of net assets in liquidation and schedules of cash flows were not prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) and neither purport to represent nor reconcile with financial statements prepared in accordance with US GAAP. This QOR does not include explanatory footnotes and other disclosures required under US GAAP, and is not presented in a US GAAP-based reporting format. Certain classifications utilized in this QOR may differ from prior report classifications and accordingly amounts may not be comparable. The statements of net assets in liquidation and the schedules of cash flows have been presented in at least the level of detail required by the Second Amended Plan.

Certain items presented in this QOR remain under review by the Plan Administrator and may be accounted for differently in future QORs. Accordingly, the financial information herein is subject to change and any such change could be material. The statements of net assets in liquidation do not reflect or provide for all the consequences of the Debtors’ chapter 11 cases including (i) as to assets, a wide range of legal claims that are being pursued or are under consideration to pursue, their realizable values on a liquidation basis or their availability to satisfy liabilities, and (ii) as to pre-petition liabilities, the amounts that may ultimately be allowed for claims or contingencies, or the ultimate status or priority of claims filed. Accordingly, future QORs may reflect adjustments (including write-downs and write-offs) to the assets and adjustments to the liabilities, which may be material.

Prior to October 31, 2011, the majority of the Debtors’ operational accounting functions, including day-to-day maintenance of the Debtors’ books and records, were fulfilled by an accounting group located in Chicago, Illinois and employed by MFGI which commenced its separate liquidation proceeding under the Securities Investor Protection Act on October 31, 2011 and which proceeding is now completed.

Note 2: Use of Estimates

In preparing the statements of net assets in liquidation, the Plan Administrator has made various estimates that may affect reported amounts and disclosures. Estimates are based on available information and judgment. Actual results could differ from estimates and could have a material effect on the statements of net assets in liquidation. As more information becomes available to the Plan Administrator, including the outcome of various negotiations and litigation, amongst other matters, it is expected that estimates could be revised. Such revisions may be material.

Note 3: Schedules of Cash Flows

Expense reimbursement from/to debtor affiliates

Holdings Ltd. and Holdings USA incur disbursements for operating costs and professional fees on behalf of all three remaining Debtors, and in return are reimbursed by each Debtor for such Debtor's allocated portion of these expenses.

Other cash inflows

During the period, Holdings Ltd. received a \$2.8 million federal tax refund. In addition, the Debtors collectively earned \$0.02 million in interest and dividends on cash balances.

Note 4: Receivables

The Plan Administrator has presented all receivables on a net basis, categorized by owing entity and whether the receivable was generated before or after the Debtors’ respective Petition Date. The three types of owing parties are defined as follows: (i) “Non-affiliates” refer to third-parties, who were not a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011; (ii) “Debtor affiliate” refers to one of the Debtors that is being jointly administered with Holdings Ltd.; and (iii) “Other affiliates” refer to non-Debtor entities that were a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011.

“Debtor affiliate pre-petition receivables” include amounts per the Intercompany Settlement contained in the Second Amended Plan. Per the Second Amended Plan, Holdings Ltd.’s right to receive distributions on account of \$275,000,000 of its \$1,886,930,980 claim against Finance USA is subordinated to the rights of the holders of the Allowed Class 5B Liquidity Facility Unsecured Claims² until such time that the Class 5B Liquidity Facility Unsecured Claims are paid in full. Below is a roll forward of Debtor affiliate pre-petition receivables as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ 258,790,163	\$ 1,886,952,872	\$ 27,939,696	\$ 2,173,682,731
Distributions received	(60,062,609)	(595,715,492)	(4,747,548)	(660,525,649)
Asset assignment from other affiliates	-	673,651	-	673,651
Balance at June 30, 2021	\$ 198,727,554	\$ 1,291,911,031	\$ 23,192,148	\$ 1,513,830,733
Distributions received	-	-	-	-
Balance at September 30, 2021	\$ 198,727,554	\$ 1,291,911,031	\$ 23,192,148	\$ 1,513,830,733

“Other affiliate pre-petition receivables” contain pre-petition amounts owed from non-debtor former MF Global affiliates. The impact of exchange rate fluctuations on receivables denominated in foreign currency is recorded in these assets. Below is a roll forward of other affiliate pre-petition receivables as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ 1,555,558,294	\$ 134,072,690	\$ 165,616,158	\$ 1,855,247,142
Distributions received	(816,878,506)	(37,952,425)	(27,343,307)	(882,174,238)
Distribution credit from MFGI	-	(3,438,445)	-	(3,438,445)
MFGI Sub-Debt w rite-off	(470,000,000)	-	(130,000,000)	(600,000,000)
Asset assignments from other affiliates	-	1,047,461	-	1,047,461
Foreign exchange movements	-	(4,785,525)	(354,139)	(5,139,664)
MFGAA Member contributions	(268,679,788)	(12,615,157)	(5,307,514)	(286,602,459)
Other affiliate w rite-downs/off	-	(539,141)	(585,851)	(1,124,992)
Other cash received	-	-	(30,000)	(30,000)
MF Global Holdings Overseas Limited ("MFGHOL") loan repayments	-	(26,063,226)	-	(26,063,226)
Balance at June 30, 2021	\$ -	\$ 49,726,232	\$ 1,995,347	\$ 51,721,579
Foreign exchange movements	-	(702,276)	(51,269)	(753,545)
Balance at September 30, 2021	\$ -	\$ 49,023,956	\$ 1,944,078	\$ 50,968,034

“Debtor affiliate post-petition receivables” contain amounts owed between Debtors for post-petition obligations arising from the operating expenses of the Debtors’ estates.

“Other affiliate post-petition receivables” contain post-petition amounts owed from non-debtor former MF Global affiliates. Below is a roll forward of other affiliate post-petition receivables as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ -	\$ 5,874,116	\$ 43,766	\$ 5,917,882
MFGHOL accrued interest repayments	-	(12,636,774)	-	(12,636,774)
Interest income on MFGHOL loan	-	16,014,783	-	16,014,783
Other cash received	-	(2,052,570)	(46,406)	(2,098,976)
Other fees	-	208,968	2,640	211,608
Balance at June 30, 2021	\$ -	\$ 7,408,522	\$ -	\$ 7,408,522
Interest income on MFGHOL loan	-	631,677	-	631,677
Other fees	-	30,296	-	30,296
Balance at September 30, 2021	\$ -	\$ 8,070,496	\$ -	\$ 8,070,496

Receivables are reported at the face amount of the receivable or at settlement agreement value, less amounts received through the end of the reporting period. Provisions and write-downs to receivables may be recorded in the future when greater clarity on the financial situation of each counterparty and collectability of each receivable becomes known.

Note 5: Other Assets

The Plan Administrator does not have current valuations of all assets as of the reporting date. Other Assets include security deposits, as well as receivables arising from the purchase of claims filed against MFGUK that had payment guarantees from Holdings Ltd. Amounts ultimately realized may vary materially from amounts currently recorded in the statements of net assets in liquidation. Additional information on potential ranges of recoveries by the Debtors is included in the Disclosure Statement for the Amended Joint

² As such term is defined in the Second Amended Plan.

Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for the Debtors (as supplemented “Disclosure Statement”) (Docket Nos. 1111-1 & 1193). Accordingly, the Plan Administrator may amend or adjust the value of these assets in the future.

Note 6: MF Global Assigned Assets LLC

On September 8, 2015, pursuant to the Sale and Assumption Agreement, the Plan Administrator designated Assigned Assets its assignee under the agreement and the Members made an initial capital contribution in the form of an assignment of all of that Member’s rights and interests in its MFGI claims in exchange for a ratable membership interest. Subsequent to the capital contribution, solvent former Debtors Capital and FX Clear assigned all assets and MFGAA interests to their direct parent entity Holdings USA and in March 2016, Special Investor and FX LLC also assigned all assets and MFGAA interests to their direct parent entities Holdings Ltd. and Holdings USA, respectively. Below is a breakdown of the allowed general unsecured claim each Member held at MFGI as well as the corresponding membership percentage in Assigned Assets, both at the time of the initial contribution and at September 30, 2021.

Member	Allowed General Unsecured Claim at MFGI	Membership Percentage as of September 8, 2015	Membership Percentage as of September 30, 2021
MF Global Finance USA Inc.	\$ 1,033,383,802	88.862192%	88.862192%
MF Global Holdings Ltd.	48,712,140	4.188829%	7.952576%
MF Global Special Investor LLC	43,768,836	3.763747%	0%
MF Global Holdings USA Inc.	33,656,292	2.894154%	3.185234%
MF Global Capital LLC	3,044,660	0.261815%	0%
MF Global FX Clear LLC	311,014	0.026745%	0%
MF Global FX LLC	29,300	0.002520%	0%
TOTAL	\$ 1,162,906,045	100%	100%

During the period, the Plan Administrator maintained the \$0.8 million MFGAA Expense Reserve for potential future operating expenses and professional fees. Below is a roll forward of selected balance sheet accounts of Assigned Assets as of September 30, 2021.

	Cash	MFGUK Receivable	Other Accounts Receivable (at face amounts)	Other Assets ⁽¹⁾	Equity - Member contributions of MFGI claims
Balance at September 30, 2015	\$ 58,669,784	\$ 37,874,962	\$ 1,059,924	\$ 204,673,608	\$ 302,278,278
Post-closing distributions from MFGI	39,727,779	-	-	(39,035,854)	691,925
Distributions to Members	(166,506,582)	-	-	-	(166,506,582)
Customer Class Counsel fees	29,800,000	-	-	(29,800,000)	-
MDL Settlement	12,015,468	-	-	(12,015,468)	-
Confidential settlements	11,919,875	-	-	(14,282,964)	(2,363,088)
Insurance settlements	5,806,250	-	362,500	(6,168,750)	-
Assigned receivables from MFGI	1,049,154	-	(852)	(1,048,302)	-
DTCC distribution	1,393,571	-	-	(1,393,571)	-
MF Global UK Limited distribution	5,940,659	(5,940,659)	-	-	-
Foreign exchange movements	-	(3,581,977)	-	-	(3,581,977)
Cash received	9,839,404	-	(1,306,653)	(8,093,135)	439,616
Operating expenses	(9,420,026)	-	-	255,742	(9,164,284)
Interest on cash balances	382,554	-	-	-	382,554
Balance at June 30, 2021	\$ 617,890	\$ 28,352,326	\$ 114,920	\$ 93,091,306	\$ 122,176,442
Foreign exchange movements	-	(751,744)	-	-	(751,744)
Cash received	14,954	-	-	(14,954)	-
Operating expenses	(42,892)	-	-	-	(42,892)
Interest on cash balances	338	-	-	-	338
Balance at September 30, 2021	\$ 590,290	\$ 27,600,582	\$ 114,920	\$ 93,076,351	\$ 121,382,144

⁽¹⁾ Other assets are reported at the carrying amount of the remaining uncollected balance of the former MFGI claims. Provisions and adjustments may be recorded in the future when greater clarity on collectability becomes known.

Note 7: Foreign Currency

The functional currency of each of the Debtors is U.S. dollars. The Debtors hold receivables from former UK affiliates of approximately £20.8 million as of the reporting date, and those balances have been converted to U.S. dollars as of the reporting date for presentation purposes. The GBP/USD exchange rate used at September 30, 2021 was 1.34819 compared to the June 30, 2021 rate of 1.38491. As of September 30, 2021, the breakdown of these receivables in pounds sterling is as follows:

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at July 1, 2021	£ -	£ 464,083	£ 1,396,217	£ 1,860,300
Distributions received	-	-	-	-
Total MF Global UK Limited claim remaining at September 30, 2021	£ -	£ 464,083	£ 1,396,217	£ 1,860,300
Balance at July 1, 2021	£ -	£ 18,900,023	£ -	£ 18,900,023
Distributions received	-	-	-	-
Total MF Global Finance Europe Limited claims remaining at September 30, 2021	£ -	£ 18,900,023	£ -	£ 18,900,023
Total receivables in GBP at September 30, 2021	£ -	£ 19,364,106	£ 1,396,217	£ 20,760,323

In addition to the direct foreign currency exposure detailed above, the Debtors also have indirect exposure resulting from the Debtors' claims against, and interests in, certain former MF Global affiliates, which in turn have asset recoveries with direct foreign currency exposure. The largest example is the Debtors' combined interests in MFGAA, which has remaining pound sterling exposure due to its claims against the MFGUK estate. The Debtors have also filed claims against other former affiliates in U.S. dollars that may be allowed in local currency, causing additional foreign currency exposure. While the Debtors' largest currency exposure (direct and indirect) is pound sterling, the Debtors' also have direct and/or indirect exposure to Singapore dollars, New Taiwan dollars, Australian dollars, Hong Kong dollars and Canadian dollars, amongst other currencies. The Debtors have not hedged any foreign currency exposure.

Note 8: Liabilities Subject to Compromise

Liabilities subject to compromise include claims filed by creditors asserting obligations incurred prior to the Debtors' respective Petition Dates, which have not yet been withdrawn, expunged, resolved, or paid and satisfied. Liabilities subject to compromise do not represent the amounts that may ultimately be paid in respect of such claims. Liabilities subject to compromise exclude claims and interests classified as either preferred interests or common interests. Additional information on potential ranges of recoveries to holders of allowed pre-petition claims is included in the Disclosure Statement.

"Claims Subject to Reconciliation" and "Subordinated Claims not Allowed" refer to claims filed for potential pre-petition obligations, for which reconciliation of the claims has not yet been completed. The amounts of the claims are reported at the face values of the claims, which do not necessarily represent the amounts that may ultimately be allowed, if any. Claims filed for unliquidated amounts are presented at zero value until reconciliations of the claims are completed.

Included in Claims Subject to Reconciliation are amounts claimed for which objections may be filed in the Bankruptcy Court, as well as subordinated claims which are not expected to be allowed or receive distributions. If objections are sustained, the related claimed amounts will be withdrawn and removed from Claims Subject to Reconciliation. There is no guarantee that the Bankruptcy Court will sustain objections. If objections are not sustained, the claimed amounts will either remain in Claims Subject to Reconciliation or be reclassified to Allowed Claims, as appropriate.

"Allowed claims – Debtor affiliate" refers to claims allowed by the Second Amended Plan for pre-petition obligations between the Debtors, and are reported at the allowed values of the claims less any distributions that have been made. These balances include amounts allowed by the Intercompany Settlement as defined in the Second Amended Plan. Below is a roll forward of allowed claims – debtor affiliate as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ (1,893,080,591)	\$ (30,270,015)	\$ (258,790,163)	\$ (2,182,140,769)
Distribution payments	597,879,160	10,955,203	60,062,609	668,896,972
Balance at June 30, 2021	\$ (1,295,201,431)	\$ (19,314,812)	\$ (198,727,554)	\$ (1,513,243,797)
Distribution payments	-	-	-	-
Balance at September 30, 2021	\$ (1,295,201,431)	\$ (19,314,812)	\$ (198,727,554)	\$ (1,513,243,797)

"Allowed claims – Other affiliate" refers to non-Debtor entities that were a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011, and are reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – other affiliate as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ (4,666,462)	\$ (1,019,133)	\$ (94,356)	\$ (5,779,951)
Distribution payments	1,724,253	368,841	-	2,093,094
Asset assignment from other affiliates	-	-	17,127	17,127
Balance at June 30, 2021	\$ (2,942,209)	\$ (650,293)	\$ (77,229)	\$ (3,669,731)
Distribution payments	-	-	-	-
Balance at September 30, 2021	\$ (2,942,209)	\$ (650,293)	\$ (77,229)	\$ (3,669,731)

“Allowed claims – Liquidity Facility Unsecured Claim” refers to the unsecured claims allowed under the Second Amended Plan for the revolving credit facility dated as of June 15, 2007 for which Holdings Ltd. and Finance USA were borrowers, and are reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – liquidity facility unsecured claim as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ (1,152,200,622)	\$ (1,152,200,622)	\$ -	\$ (2,304,401,244)
Distribution payments on \$1,152 million allowed claim	425,736,978	416,999,840	-	842,736,818
Distribution payments on \$275 million settlement	101,612,225	-	-	101,612,225
Balance at June 30, 2021	\$ (624,851,419)	\$ (735,200,782)	\$ -	\$ (1,360,052,201)
Distribution payments	-	-	-	-
Balance at September 30, 2021	\$ (624,851,419)	\$ (735,200,782)	\$ -	\$ (1,360,052,201)

“Allowed claims – Notes Claim” refers to the claim for principal and interest allowed under the Second Amended Plan for the (a) 1.875% convertible senior notes due 2016, (b) 9% convertible senior notes due 2038, (c) 3.375% convertible senior notes due 2018, and (d) 6.25% senior notes due 2016, and is reported at the allowed value of the claim less any distributions that have been made. Below is a roll forward of allowed claims – notes claim as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ -	\$ (1,027,548,593)	\$ -	\$ (1,027,548,593)
Distribution payments	-	371,886,277	-	371,886,277
Balance at June 30, 2021	\$ -	\$ (655,662,317)	\$ -	\$ (655,662,317)
Distribution payments	-	-	-	-
Balance at September 30, 2021	\$ -	\$ (655,662,317)	\$ -	\$ (655,662,317)

“Allowed claims – Other unsecured” represents all other currently allowed and unpaid general unsecured claims filed for pre-petition obligations and are reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – other unsecured as of September 30, 2021.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2014	\$ -	\$ (39,814,603)	\$ (21,603,980)	\$ (61,418,583)
Allowed claims	-	(3,696,600)	(3,101,083)	(6,797,683)
Withdrawn claims	-	3,598,197	-	3,598,197
Distribution payments	-	15,834,900	6,793,562	22,628,462
Balance at June 30, 2021	\$ -	\$ (24,078,106)	\$ (17,911,501)	\$ (41,989,607)
Distribution payments	-	-	-	-
Balance at September 30, 2021	\$ -	\$ (24,078,106)	\$ (17,911,501)	\$ (41,989,607)

“Allowed claims – Subordinated” represents currently allowed and unpaid claims filed for pre-petition obligations that have been subordinated and are reported at the allowed values of the claims. As of September 30, 2021, no distributions have been made on the \$106.2 million subordinated claims allowed at Holdings Ltd.

Note 9: Liabilities to be Settled in Full

Liabilities to be Settled in Full represent liabilities that are expected to be paid at 100% of the reported amount.

- “Administrative, secured and priority” refer to claims filed for obligations incurred after the Debtors’ respective Petition Dates and prior to the Effective Date, claims secured by a lien on property in which the Debtors have an interest, or claims entitled to priority in payment pursuant to the Bankruptcy Code, all as defined by the Second Amended Plan.
- “Debtor and other affiliate charges” refer to amounts owed between Debtors or other controlled affiliates for post-petition obligations arising from the operating expenses of the Debtors’ estates or the assignment of assets from non-Debtors.

Note 10: Professional Fees

Professional Fees are presented based on the date incurred and include amounts that have been incurred but are unpaid for professionals retained by the Plan Administrator on behalf of the Debtors through the reporting date. Amounts accrued for Professional Fees include invoices received and estimates.

Note 11: Estimated Plan Administration Expenses

Estimated Plan Administration Expenses represent (i) an estimate of future operating expenses and professional fees (including litigation costs) and (ii) accrued, but unpaid, operating expenses. The Plan Administrator maintained the \$36.1 million Plan Administration Expenses Reserve for potential future operating expenses and professional fees, which includes reasonable contingency amounts. The Plan Administrator may further revise the estimate of future Plan Administration Expenses periodically, as necessary.

Note 12: Subsequent Events

The Plan Administrator has recorded amounts in the financial statements as of the reporting date based on the information available at the time the review was performed. Any events subsequent to the time of the review are not reflected in the statements of net assets in liquidation or schedule of cash flows and will be reflected in future QORs.

MATERIAL EVENTS

For the period ending September 30, 2021

	Event	Yes	No	Notes
1	Any settlement of an individual Claim greater than \$25 million		X	
2	Any litigation settlement where the Cause of Action was greater than \$25 million or the settlement is for more than \$25 million		X	
3	Any sale of Property of the Estate where the face amount of such asset is \$25 million or greater		X	
4	Other significant events		X	