

**MF GLOBAL HOLDINGS LTD., ET AL.**  
**Post-Effective Date Quarterly Operating Report**  
**For the period ending December 31, 2014**

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**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”<sup>1</sup>) 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. During the reporting period, the Plan Administrator continued to review and reconcile certain pre-petition and administrative claims filed against the Debtors. The Plan Administrator has identified and will continue to identify claims that it believes should be disallowed for a number of reasons, including but not limited to: claims that are duplicative of other claims; claims that are amended by later filed claims; claims that are not properly filed against a Debtor in the Debtors’ chapter 11 cases; and claims that are either overstated, assert an incorrect priority, or that cannot otherwise properly be asserted against the Debtors. The Plan Administrator has objected and will continue to object to such claims as appropriate. Accordingly, adjustments to the financial information provided herein may be reflected in future QORs as a result of the claims reconciliation process, and such adjustments may be material.

**CURRENT QUARTER ACTIVITY SUMMARY**

On October 31, 2014, the Debtors collectively received \$330.0 million from MFGI on account of their allowed general unsecured claims and on November 4, 2014 the Debtors distributed \$346.2 million to general unsecured creditors. Specifically, Finance USA, Holdings Ltd., Capital, FX Clear and Holdings USA received \$301.0 million, \$15.3 million, \$1.2 million, \$0.1 million and \$12.4 million, respectively, from the MFGI distribution. Using the proceeds from these distributions, on November 4, 2014, Finance USA, Holdings Ltd., and Holdings USA made first interim distributions of 13.0235%, 7.1031% and 9.7081%, respectively, on their allowed general unsecured claims. In addition, on December 3, 2014, Holdings Ltd. made a second interim distribution of 1.8405% on its allowed general unsecured claims. As a result of the November and December distributions, \$625.6 million in total was distributed to affiliates and general unsecured creditors with \$387.1 million being distributed to third party general unsecured creditors. In connection with these distributions, Finance USA, Holdings Ltd., Market Services, Capital, FX Clear and Holdings USA received \$25.1 million, \$209.9 million, \$0.2 million, \$0.04 million, \$0.8 million and \$2.5 million, respectively, to enable affiliates to make further distributions.

Capital and Market Services also made further distributions totaling \$2.2 million representing a 100% recovery on claim amounts allowed during the period. Following satisfaction in full of all allowed claims, both Capital and Market Services had available cash for distribution and sufficient to satisfy in full all post-petition interest due on account of the allowed claims. As a result, pursuant to the Second Amended Plan, Capital and Market Services paid post-petition interest totaling \$0.5 million on allowed claims. In addition, FX Clear also made further distributions of \$0.1 million representing a 70% recovery on claim amounts allowed during the period.

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<sup>1</sup> 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.

Using proceeds from the aforementioned distribution, on November 4, 2014, Holdings Ltd. also fully repaid its outstanding borrowings of \$33.0 million under its July 18, 2014 secured loan with Finance USA.

On or around October 3, 2014, Holdings Ltd. and the U.S. Commodity Futures Trading Commission (“CFTC”) agreed to the terms of a consent order that would resolve all claims filed by the CFTC against Holdings Ltd. in a lawsuit pending before the United States District Court for the Southern District of New York and all claims asserted by the CFTC in the Debtors' bankruptcy cases. On December 2, 2014, the CFTC executed the proposed final consent order, and on December 23, 2014, the District Court entered the order. Upon entry of the order by the District Court, the CFTC lawsuit was resolved with respect to Holdings Ltd., and pursuant to the final consent order, claim #1558 filed by the CFTC against Holdings Ltd. was reclassified and allowed as a Class 7A Subordinated Claim in the amount of \$100.0 million.

MF Global Holdings Ltd., et al.  
Schedules of Cash Flows (Unaudited)  
For the Period October 1, 2014 through December 31, 2014

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
<b>Cash balance at October 1, 2014</b>	<b>\$ 32,112,727</b>	<b>\$ 14,896,394</b>	<b>\$ 9,642,856</b>	<b>\$ 5,521,661</b>	<b>\$ 7,492,723</b>	<b>\$ 5,464,849</b>	<b>\$ 75,131,210</b>
<b>Cash Inflows:</b>							
Expense Reimbursement from Debtor Affiliates	272,708	1,180,786	67,292	80,750	-	865,107	2,466,643
Pre-petition receivables from Debtor Affiliates	25,123,608	209,929,831	172,434	44,494	800,895	2,490,301	238,561,563
Pre-petition receivables from Non-Debtor Affiliates	317,987,077	36,904,773	-	1,577,467	1,535,910	12,546,366	370,551,593
Debtor Affiliate Borrowings	33,000,000	-	-	-	-	11,000,000	44,000,000
Other	447,128	8,150,071	3,763	110,836	5,652	24,984	8,742,434
<b>Total Inflows</b>	<b>376,830,521</b>	<b>256,165,461</b>	<b>243,489</b>	<b>1,813,547</b>	<b>2,342,456</b>	<b>26,926,758</b>	<b>664,322,232</b>
<b>Cash Outflows:</b>							
Payroll, Payroll Taxes and Employee Benefits	-	-	-	-	-	(1,132,233)	(1,132,233)
Operating Costs	(10,000)	(1,240,621)	-	-	-	(149,061)	(1,399,682)
Professional Fees	(112,733)	(2,455,592)	-	-	-	-	(2,568,325)
US Trustee Fees	-	(51,450)	-	-	-	-	(51,450)
Other	-	(4,795,000)	-	-	-	-	(4,795,000)
Total Operating Expenses	(122,733)	(8,542,663)	-	-	-	(1,281,295)	(9,946,691)
Debtor Affiliate Borrowings	-	(33,000,000)	(5,000,000)	(6,000,000)	-	-	(44,000,000)
Expense Reimbursement to Debtor Affiliates	(1,113,854)	(731,142)	(19,952)	(34,022)	(278,562)	(289,111)	(2,466,643)
<b>Distributions:</b>							
Administrative Claims	-	(17,582)	-	-	-	-	(17,582)
Priority Tax Claims (includes Admin tax claims)	-	-	-	-	-	-	-
1 - Priority Non-Tax Claims	-	-	-	-	-	-	-
2 - Secured Claims	-	-	-	-	-	-	-
3 - JPMorgan Secured Setoff Claim	-	-	-	-	-	-	-
4 - Convenience Claims	-	(102,883)	-	-	-	(260,309)	(363,192)
5 - Liquidity Facility Unsecured Claims	(185,871,473)	(103,048,215)	-	-	-	-	(288,919,688)
6 - General Unsecured Claims	(211,338,462)	(98,238,683)	(2,112,939)	(120,876)	(121,545)	(27,444,416)	(339,376,922)
7 - Subordinated Claims	-	-	-	-	-	-	-
8 - Preferred Interests	-	-	-	-	-	-	-
9 - Common Interests	-	-	-	-	-	-	-
Total Distributions	(397,209,935)	(201,407,363)	(2,112,939)	(120,876)	(121,545)	(27,704,725)	(628,677,384)
<b>Total Cash Outflows</b>	<b>(398,446,523)</b>	<b>(243,681,168)</b>	<b>(7,132,891)</b>	<b>(6,154,898)</b>	<b>(400,106)</b>	<b>(29,275,131)</b>	<b>(685,090,717)</b>
<b>Net Cash Flows:</b>	<b>(21,616,002)</b>	<b>12,484,293</b>	<b>(6,889,402)</b>	<b>(4,341,352)</b>	<b>1,942,350</b>	<b>(2,348,373)</b>	<b>(20,768,485)</b>
<b>Cash balance at December 31, 2014</b>	<b>\$ 10,496,725</b>	<b>\$ 27,380,688</b>	<b>\$ 2,753,454</b>	<b>\$ 1,180,309</b>	<b>\$ 9,435,073</b>	<b>\$ 3,116,476</b>	<b>\$ 54,362,725</b>

The accompanying notes are an integral part of this report

**MF Global Holdings Ltd., et al.**  
**Statements of Net Assets (Liquidation Basis)**  
**As of December 31, 2014**

	Note	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
Cash		\$ 10,496,725	\$ 27,380,688	\$ 2,753,454	\$ 1,180,309	\$ 9,435,073	\$ 3,116,476	\$ 54,362,725
Non-affiliate pre-petition receivables	4	419,475	-	849,965	200,531	10,508	-	1,480,480
Debtor affiliate pre-petition receivables	4	233,666,555	1,677,023,041	1,755,855	453,719	5,348,716	25,449,395	1,943,697,282
Other affiliate pre-petition receivables	4	1,135,571,217	96,624,864	-	2,668,034	2,806,936	153,107,637	1,390,778,687
Non-affiliate post-petition receivables	4	-	-	-	-	-	-	-
Debtor affiliate post-petition receivables	4	89,282	1,943,166	5,000,000	6,000,000	-	449,829	13,482,277
Other affiliate post-petition receivables	4	-	2,241,668	-	-	-	287	2,241,956
Other assets	5	125,960,261	20,736,594	-	-	-	-	146,696,855
<b>Total assets</b>		<b>1,506,203,514</b>	<b>1,825,950,021</b>	<b>10,359,274</b>	<b>10,502,592</b>	<b>17,601,234</b>	<b>182,123,625</b>	<b>3,552,740,261</b>
Liabilities subject to compromise:	7							
Claims subject to reconciliation		(415,842)	(65,018,516)	-	-	(5,653,599)	(6,718,149)	\$ (77,806,106)
Allowed claims:								
Debtor affiliate		(1,682,349,865)	(27,562,786)	-	-	(118,075)	(233,666,555)	(1,943,697,282)
Other affiliate		(4,058,725)	(927,986)	(4,623)	(6,769)	(8,802)	(94,356)	(5,101,261)
Liquidity Facility unsecured claim		(966,329,149)	(1,049,152,407)	-	-	-	-	(2,015,481,556)
Notes claim		-	(935,648,757)	-	-	-	-	(935,648,757)
Other unsecured		-	(36,045,563)	-	(12,047)	(6,024,867)	(21,485,052)	(63,567,529)
Subordinated		-	(100,000,000)	-	-	(481,920)	-	(100,481,920)
Liabilities to be settled in full:	8							
Administrative, secured and priority		-	-	-	-	-	(24,124)	(24,124)
Debtor affiliate charges		(1,591,959)	(370,341)	(25,336)	(50,671)	(129,457)	(314,514)	(2,482,277)
Debtor affiliate borrowings		-	-	-	-	-	(11,000,000)	(11,000,000)
Professional fees - post-effective date	9	-	(1,962,698)	-	-	-	-	(1,962,698)
Estimated Plan Administration Expenses	10	(10,435,347)	(18,966,198)	(111,870)	(223,740)	(994,603)	(1,865,625)	(32,597,382)
<b>Total Liabilities</b>		<b>(2,665,180,888)</b>	<b>(2,235,655,253)</b>	<b>(141,829)</b>	<b>(293,227)</b>	<b>(13,411,322)</b>	<b>(275,168,375)</b>	<b>(5,189,850,893)</b>
<b>Net assets in liquidation</b>		<b>\$ (1,158,977,373)</b>	<b>\$ (409,705,232)</b>	<b>\$ 10,217,446</b>	<b>\$ 10,209,365</b>	<b>\$ 4,189,912</b>	<b>\$ (93,044,750)</b>	<b>\$ (1,637,110,632)</b>

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 a 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 currently pending in the Bankruptcy Court. As a result, since October 31, 2011, the Debtors have had limited access to certain books and records, certain back office systems and certain document repositories.

### ***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 six Debtors, and in return are reimbursed by each Debtor for such Debtor's allocated portion of these expenses.

#### *Pre-petition receivables from debtor affiliates*

During the period, Finance USA, Holdings Ltd., and Holdings USA made distributions of 13.0235%, 8.9436% and 9.7081%, respectively, on their allowed general unsecured claims. As a result of these distributions, Finance USA, Holdings Ltd., Market Services, Capital, FX Clear and Holdings USA received \$25.1 million, \$209.9 million, \$0.2 million, \$0.04 million, \$0.8 million and \$2.5 million, respectively.

#### *Pre-petition receivables from other affiliates*

During the period, Finance USA, Holdings Ltd., Capital, FX Clear and Holdings USA received distributions of \$301.0 million, \$15.3 million, \$1.2 million, \$0.1 million and \$12.4 million, respectively from MFGI on account of their allowed general unsecured claims. Finance USA and Holdings USA also received \$17.0 million and \$0.1 million, respectively, from MF Global Special Investor LLC which received a distribution from MFGI on account of its allowed general unsecured claim. In addition, Holdings Ltd., Capital and FX Clear received distributions of \$0.3 million, \$0.4 million and \$1.4 million, respectively, from MF Global UK Limited on account of their allowed general unsecured claims and Holdings Ltd. received a distribution of \$1.9 million from MF Global Finance Europe Limited on account of its allowed general unsecured claims. Finally, Holdings Ltd. received a \$19.2 million loan repayment from MF Global Holdings Overseas Limited.

#### *Debtor affiliate borrowings*

On November 3, 2014, Capital and Market Services loaned Holdings USA \$6.0 million and \$5.0 million, respectively. The loans bear interest at 8.5% per annum and remained outstanding as of December 31, 2014. On November 4, 2014, Holdings Ltd. fully repaid its outstanding borrowings of \$33.0 million under its July 18, 2014 secured loan with Finance USA.

#### *Other cash inflows*

During the period, Holdings Ltd. received (i) a \$4.0 million dividend from MF Global Holdings Europe Limited, (ii) \$3.4 million related to the July 2013 JP Morgan settlement agreement whereby JP Morgan owes Holdings Ltd. a portion of its recoveries on MFGI distributions, (iii) \$0.5 million from avoidance action settlement proceeds and (iv) \$0.3 million from insurers related to the Platinum and Palladium Commodities Litigation settlement. Refer to the Material Events section for a description of these settlements. In addition, Finance USA received \$0.1 million in post-petition interest and Finance USA and Capital received \$0.3 million and \$0.1 million, respectively, in recoveries on account of pre-petition receivables from third parties. Finally, the Debtors collectively earned \$0.04 million in interest on cash balances.

#### *Other cash outflows*

During the period, Holdings Ltd. funded the Litigation Trust \$3.8 million which will be used to pay accrued professional fee invoices and reserve for future expenses. In addition, Holdings Ltd. deposited \$1.0 million into a Court Registry Investment System account for the benefit of the plaintiffs in the Platinum and Palladium Commodities Litigation which was offset by the \$0.3 million received from insurers mentioned above.

#### *Distributions*

On November 4, 2014, Finance USA, Holdings Ltd., and Holdings USA made first interim distributions of 13.0235%, 7.1031% and 9.7081%, respectively, on their allowed general unsecured claims. In addition, on December 3, 2014, Holdings Ltd. made a second interim distribution of 1.8405% on its allowed general unsecured claims. As a result of these distributions, \$625.6 million in total was distributed to affiliates and general unsecured creditors with \$387.1 million being distributed to third party general unsecured creditors. Also during the period, Holdings Ltd. and Holdings USA made distributions of \$0.1 million and \$0.3 million, respectively, on convenience class claims.

Capital and Market Services made further distributions totaling \$2.2 million representing a 100% recovery on claim amounts allowed during the period. Following satisfaction in full of all allowed claims, both Capital and Market Services had available cash for distribution and sufficient to satisfy in full all post-petition interest due on account of the allowed claims. As a result, pursuant to the Second Amended Plan, Capital and Market Services paid post-petition interest totaling \$0.5 million on allowed claims. In addition, FX Clear also made further distributions of \$0.1 million representing a 70% recovery on claim amounts allowed during the period.

#### **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 Claims<sup>2</sup> until such time that the Class 5B Liquidity Facility Unsecured Claims are paid in full. As a result of this agreement, during the period, the holders of the Allowed Class 5B Liquidity Facility Unsecured Claims received an additional \$35.8 million from Finance USA, effectively making the distribution 16.1318% instead of 13.0235%. Also during the period, Finance USA, Holdings Ltd., Market Services, Capital, FX Clear and Holdings USA received \$25.1 million, \$209.9 million, \$0.2 million, \$0.04 million, \$0.8 million and \$2.5 million, respectively, from Debtor affiliates.

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. During the period, Finance USA, Holdings Ltd., Capital, FX Clear and Holdings USA received distributions of \$301.0 million, \$15.3 million, \$1.2 million, \$0.1 million and \$12.4 million, respectively from MFGI on account of their allowed general unsecured claims. Finance USA and Holdings USA also received \$17.0 million and \$0.1 million, respectively, from MF Global Special Investor. In addition, Holdings Ltd., Capital and FX Clear received distributions of \$0.3 million, \$0.4 million and \$1.4 million, respectively, from MF Global UK Limited and Holdings Ltd. received a distribution of \$1.9 million from MF Global Finance Europe Limited. Finally, Holdings Ltd. received a \$19.2 million loan repayment from MF Global Holdings Overseas Limited.

Debtor affiliate post-petition receivables contain amounts owed between Debtors for post-petition obligations arising from the operating expenses of the Debtors' estates. During the period, Holdings Ltd. repaid \$33.0 million it borrowed from Finance USA. In addition, Capital and Market Services loaned Holdings USA \$6.0 million and \$5.0 million, respectively.

Other affiliate post-petition receivables contain post-petition amounts owed from non-debtor former MF Global affiliates. During the period, Holdings Ltd. received a \$19.2 million loan repayment from MF Global Holdings Overseas Limited.

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 expected tax refunds and security deposits, as well as receivables arising from the purchase of Taiwanese customer claims filed against MF Global Singapore Pte Ltd. and the assignment of certain insurance litigation from MFGI. As of December 31, 2014 other assets held by Finance USA reflect \$24.0 million in receivables arising from the aforementioned purchase of Taiwanese customer claims. In addition, pursuant to an Assignment Agreement between the SIPA Trustee and Finance USA dated May 23, 2014, the SIPA Trustee assigned its rights in certain insurance litigation related to the unauthorized trading activity of Evan Dooley to Finance USA in exchange for, among other things, \$102.0 million. In order to effect this \$102.0 million payment, the SIPA Trustee, as permitted by the Assignment Agreement, withheld \$102.0 million from the distributions made from MFGI on October 31, 2014 that otherwise would have been distributed to Finance USA. Other assets held by Holdings Ltd. include a \$20.7 million income tax receivable. 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 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: Foreign Currency***

The functional currency of each of the Debtors is U.S. dollars. The Debtors hold receivables from former UK affiliates of approximately £22.0 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 December 31, 2014 was 1.55320 compared to the September 30, 2014 rate of 1.62388. As of December 31, 2014, the breakdown of these receivables in pounds sterling is as follows:

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<sup>2</sup> As such term is defined in the Second Amended Plan.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
MF Global UK Limited allowed claims	£ -	£ 2,414,820	£ -	£ 2,973,917	£ 10,702,735	£ 285,515	£ 16,376,986
Less: Distributions received	-	(2,040,523)	-	(2,512,960)	(9,043,811)	(241,260)	(13,838,553)
Total claim remaining at December 31, 2014	£ -	£ 374,297	£ -	£ 460,957	£ 1,658,924	£ 44,255	£ 2,538,433
MF Global Finance Europe Limited allowed claims	£ -	£ 21,624,215	£ -	£ -	£ -	£ -	£ 21,624,215
Less: Distributions received	-	(2,162,421)	-	-	-	-	(2,162,421)
Total claim remaining at December 31, 2014	£ -	£ 19,461,793	£ -	£ -	£ -	£ -	£ 19,461,793
MF Global Overseas Limited allowed claims	£ -	£ 54,787	£ -	£ -	£ -	£ -	£ 54,787
Less: Distributions received	-	(54,513)	-	-	-	-	(54,513)
Total claim remaining at December 31, 2014	£ -	£ 274	£ -	£ -	£ -	£ -	£ 274
<b>Total receivables in GBP at December 31, 2014</b>	<b>£ -</b>	<b>£ 19,836,364</b>	<b>£ -</b>	<b>£ 460,957</b>	<b>£ 1,658,924</b>	<b>£ 44,255</b>	<b>£ 22,000,500</b>

In addition to the direct foreign currency exposure detailed above, the Debtors also have indirect exposure resulting from the Debtors' claims against certain former MF Global affiliates, which in turn have asset recoveries with direct foreign currency exposure. The largest example is the Debtors' combined general unsecured claims against MFGI, which has remaining pound sterling exposure due to its claims against the MF Global UK Limited 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 7: 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, reduced, 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" refers to claims filed for potential pre-petition obligations, for which reconciliation of the claims have 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.
- "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.
- "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.
- "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.
- "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.
- "Allowed claims – Other unsecured" represents all other currently allowed and unpaid unsecured claims filed for pre-petition obligations and are reported at the allowed values of the claims less any distributions that have been made.
- "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. On December 23, 2014, pursuant to the final Consent Order in the CFTC Lawsuit, Claim #1558 filed against Holdings Ltd. was reclassified and allowed as a Class 7A Subordinated Claim in the amount of \$100.0 million.

Included in Claims Subject to Reconciliation are amounts claimed for which objections have been filed but not yet sustained by the Bankruptcy Court. As these 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 all currently outstanding objections. If the objections are not sustained, the claimed amounts will either remain in Claims Subject to Reconciliation or be reclassified to Allowed

Claims, as appropriate. As of December 31, 2014, details of Claims Subject to Reconciliation by type of claim and the outstanding objections are as follows:

<i>Claims Subject To Reconciliation As of December 31, 2014</i>	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
Admin	-	53,384	-	-	-	-	53,384
Secured	-	-	-	-	-	-	-
Priority	-	51,483	-	-	-	106,225	157,708
Convenience	414,758	2,499,729	-	-	-	1,181,113	4,095,600
Unsecured	-	40,319,768	-	-	5,653,599	3,444,375	49,417,742
Subordinated	1,085	22,094,153	-	-	-	1,986,436	24,081,673
<b>Subtotal</b>	<b>415,842</b>	<b>65,018,516</b>	<b>-</b>	<b>-</b>	<b>5,653,599</b>	<b>6,718,149</b>	<b>77,806,106</b>

<i>Outstanding Objections As of December 31, 2014</i>	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
Admin	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-
Priority	-	-	-	-	-	-	-
Convenience	385,031	1,016,669	-	-	-	-	1,401,699
Unsecured	-	25,748,416	-	-	5,653,599	-	31,402,015
Subordinated	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>385,031</b>	<b>26,765,085</b>	<b>-</b>	<b>-</b>	<b>5,653,599</b>	<b>-</b>	<b>32,803,714</b>

<i>Claims Subject To Reconciliation less Outstanding Objections As of December 31, 2014</i>	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Market Services LLC	MF Global Capital LLC	MF Global FX Clear LLC	MF Global Holdings USA Inc.	Total
Admin	-	53,384	-	-	-	-	53,384
Secured	-	-	-	-	-	-	-
Priority	-	51,483	-	-	-	106,225	157,708
Convenience	29,727	1,483,060	-	-	-	1,181,113	2,693,901
Unsecured	-	14,571,352	-	-	-	3,444,375	18,015,727
Subordinated	1,085	22,094,153	-	-	-	1,986,436	24,081,673
<b>Total</b>	<b>30,812</b>	<b>38,253,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,718,149</b>	<b>45,002,392</b>

**Note 8: 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 affiliate charges” refer to amounts owed between Debtors for post-petition obligations arising from the operating expenses of the Debtors’ estates.
- “Debtor affiliate borrowings” refer to amounts Holdings USA borrowed from Capital and Market Services.

**Note 9: 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 10: 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 evaluated the Plan Administration Expenses Reserve and determined not to make changes to estimates of future operating expenses and professional fees since September 30, 2014, but expects to make necessary adjustments for future distributions. The Plan Administrator may revise the estimate of future Plan Administration Expenses periodically, as necessary.

***Note 11: Subsequent Events***

On January 14, 2015, Daniel Ehrmann informed Holdings Ltd. that in connection with other professional commitments, he was resigning from the boards of directors of Holdings Ltd., Finance USA, and Holdings USA, as well as certain other posts at companies unrelated to MF Global.

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 December 31, 2014**

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

- (i) On or around October 3, 2014, Holdings Ltd. and the U.S. Commodity Futures Trading Commission (“CFTC”) agreed to the terms of a consent order that would resolve all claims filed by the CFTC against Holdings Ltd. in a lawsuit pending before the United States District Court for the Southern District of New York and all claims asserted by the CFTC in the Debtors' bankruptcy cases. On December 2, 2014, the CFTC executed the proposed final consent order, and on December 23, 2014, the District Court entered the order. Upon entry of the order by the District Court, the CFTC lawsuit was resolved with respect to Holdings Ltd., and pursuant to the final consent order, claim #1558 filed by the CFTC against Holdings Ltd. was reclassified and allowed as a Class 7A Subordinated Claim in the amount of \$100.0 million.
- (ii) On October 29, 2014, certain plaintiffs in the Platinum and Palladium Commodities Litigation, which is pending in the United States District Court for the Southern District of New York, filed a motion to approve a settlement agreement with Holdings Ltd., MFGI, and MFG Assurance Company Ltd. The District Court held a preliminary hearing on the settlement on November 12, 2014 and has scheduled a fairness hearing to consider this, and an earlier settlement in the same case, in February 2015. Pursuant to the scheduling order, and in connection with the settlements, Holdings Ltd. deposited \$1.0 million into a Court Registry Investment System account for the benefit of the plaintiffs in exchange for the assignment by the plaintiffs of the plaintiffs’ rights pursuant a judgment against defendant Welsh in the related Moore settlement to proceed against certain insurers. In connection with the settlement, Holdings Ltd. entered into a related agreement with said insurers to settle any insurance claim relating to the Welsh judgment for \$0.3 million.
- (iii) Pursuant to an Assignment Agreement between the SIPA Trustee and Finance USA dated May 23, 2014, the SIPA Trustee assigned its rights in certain insurance litigation related to the unauthorized trading activity of Evan Dooley to Finance USA in exchange for, among other things, \$102.0 million. In order to effect this \$102.0 million payment, the SIPA Trustee, as permitted by the Assignment Agreement, withheld \$102.0 million from the distributions made from MFGI on October 31, 2014 that otherwise would have been distributed to Finance USA.
- (iv) On November 4, 2014, Finance USA, Holdings Ltd., and Holdings USA made first interim distributions of 13.0235%, 7.1031% and 9.7081%, respectively, on their allowed general unsecured claims. In addition, on December 3, 2014, Holdings Ltd. made a second interim distribution of 1.8405% on its allowed general unsecured claims. As a result of these distributions, \$625.6 million in total was distributed to affiliates and general unsecured creditors with \$387.1 million being distributed to third party general unsecured creditors. In particular, Finance USA, Holdings Ltd., Market Services, Capital, FX Clear and Holdings USA received \$25.1 million, \$209.9 million, \$0.2 million, \$0.04 million, \$0.8 million and \$2.5 million, respectively. Capital and Market Services also made further distributions totaling \$2.2 million representing a 100% recovery on claim amounts allowed during the period. Following satisfaction in full of all allowed claims, both Capital and Market Services had available cash for distribution and sufficient to satisfy in full all post-petition interest due on account of the allowed claims. As a result, pursuant to the Second Amended Plan, Capital and Market Services paid post-petition interest totaling \$0.5 million on allowed claims. In addition, FX Clear also made further distributions of \$0.1 million representing a 70% recovery on claim amounts allowed during the period.
- (v) On September 9, 2014, the Court entered an order lifting the automatic stay with respect to the payment of defense costs under certain D&O insurance policies that had previously been subject to a soft cap. On November 21, 2014, certain individuals, all of whom are or were defendants in one or more of the cases pending in the consolidated Multi District Litigation in the Southern District of New York, filed a motion to lift the stay with respect to certain E&O insurance

policies as well. On December 17, 2014, the Bankruptcy Court held a hearing to consider the individual insureds' motion to lift the stay with respect to the E&O insurance policies. The Court reserved judgment on the final issue of lifting the stay but in the interim increased the soft cap with respect to the E&O policies.

- (vi) Using proceeds from the aforementioned distribution, on November 4, 2014, Holdings Ltd. fully repaid its outstanding borrowings of \$33.0 million under its July 18, 2014 secured loan with Finance USA.
- (vii) On October 14, 2014, non-controlled non-debtor affiliate, MF Global Overseas Limited sold 20.0 million shares of stock in Yuanta Futures Co. Ltd. (Taiwan OTC Stock exchange: 6023), for gross proceeds of TWD 620.0 million (USD 20.4 million at the prevailing foreign exchange rate). MF Global Overseas Limited then made a distribution to its creditors on November 21, 2014, including to its direct parent, controlled non-debtor affiliate, MF Global Holdings Overseas Limited, which received \$2.9 million. In addition, on November 28, 2014, MF Global Holdings Overseas Limited received a \$16.1 million distribution from MF Global Finance Europe Limited. Using the proceeds from these distributions, on December 2, 2014, MF Global Holdings Overseas Limited repaid \$19.2 million of its borrowings to Holdings Ltd.
- (viii) Under the Plan and the related Plan Trust Agreement, a Director Selection Committee was appointed as of June 4, 2013. The Director Selection Committee serves, among other things, to appoint new members of the board of directors of Holdings Ltd. when necessary, to administer the director incentive compensation plan that has been put in place for the initial members of the Holdings Ltd. board of directors, and to appoint successor trustees under the Plan Trust Agreement. The members of the Director Selection Committee served initial 18-month terms, and the Plan Administrator is following the prescribed procedures under the Plan to appoint new members to the Director Selection Committee (or to reappoint the initial members, if appropriate). The three appointees to the Director Selection Committee shall be the then-current holders of the largest aggregate allowed claims in Class 5A and/or Class 6A under the Plan as of December 3, 2014 that accept appointment to the committee. Each appointee shall serve as a member of the Director Selection Committee until June 4, 2016. The Plan Administrator expects to complete the appointment process in the near future.