Hearing Date and Time: August 22, 2013 at 4:00 p.m. (Prevailing Eastern Time)
Response Deadline: August 15, 2013 at 12:00 p.m. (Prevailing Eastern Time)

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as Plan Administrator

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., et al.,	:	**Case No. 11-15059 (MG)**
Debtors.[1]	:	**(Jointly Administered)**

MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN ORDER APPROVING THE SETTLEMENT AGREEMENT BETWEEN THE PLAN ADMINISTRATOR AND JPMORGAN CHASE BANK, N.A.

MF Global Holdings Ltd. ("Plan Administrator") as Plan Administrator under 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*

[1] The debtors in these chapter 11 cases are MF Global Holdings Ltd. ("Holdings Ltd."); MF Global Finance USA Inc. ("Finance USA"); MF Global Capital LLC ("MFG Capital"); MF Global Market Services LLC ("MFG Market Services"); MF Global FX Clear LLC ("FX Clear"); and MF Global Holdings USA Inc. ("MFG Holdings USA") (collectively, the "Debtors").

Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc. (Docket No. 1382) (the "Plan")[2] confirmed in the above-referenced chapter 11 cases respectfully submits this motion (the "Motion") pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for approval of a settlement and compromise (the "Settlement") by and among the Plan Administrator and JPMorgan Chase Bank, N.A. ("JPMorgan") as set forth in the settlement agreement, dated July 23, 2013, attached hereto as Exhibit A (the "Settlement Agreement"), and respectfully states as follows:

I. PRELIMINARY STATEMENT

1. The Settlement Agreement represents a consensual and cost-effective resolution of potential claims by the Debtors against JPMorgan that would otherwise result in years of costly and complex litigation with an uncertain outcome. The Plan Proponents' professionals' exhaustive investigations concluded that, while there are potential claims against JPMorgan, it is not at all clear that the Plan Administrator would prevail in litigation against JPMorgan.

2. Further, while avoiding the delay, expense and uncertainty of protracted litigation with JPMorgan, the Settlement Agreement provides that the Plan Administrator shares in the recovery on JPMorgan's Allowed General Creditor Claim (as defined below) in the SIPA Case (as defined below), resulting in direct economic benefit for the Debtors' creditors.

3. Accordingly, the Plan Administrator respectfully submits that the Settlement Agreement is reasonable and beneficial to the Debtors' creditors, and should be approved.

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[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

II. JURISDICTION

4. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

5. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

III. BACKGROUND

The Chapter 11 Cases

6. On October 31, 2011, Holdings Ltd. and Finance USA filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On December 19, 2011, MFG Capital, FX Clear and MFG Market Services filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. On March 2, 2012, Holdings USA filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code.

7. The Debtors' cases (collectively, the "Chapter 11 Cases") are jointly administered pursuant to Bankruptcy Rule 1015(b) (D.I. 19, 298, 528).[3]

8. On November 28, 2011, December 27, 2011, and March 8, 2012, Louis J. Freeh (the "Chapter 11 Trustee") was appointed as the chapter 11 trustee for Holdings Ltd. and Finance USA, MFG Capital, FX Clear and MFG Market Services, and Holdings USA, respectively (D.I. 170, 306, 548).

9. On April 5, 2013, this Court entered an order (D.I. 1288) (the "Confirmation Order") confirming the *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*

[3] Citations to "D.I." refer to docket items in the main case of Holdings Ltd., No. 11-15059. Citations to "SIPA D.I." refer to docket items in the SIPA case, No. 11-2790.

Services LLC, and MF Global Holdings USA Inc., and on May 2, 2013, entered an order approving certain nonmaterial modifications to the confirmed plan which are reflected in the Plan (D.I. 1376).

10. The Effective Date of the Plan occurred on June 4, 2013. As of the Effective Date, Holdings Ltd. became the Plan Administrator under the Plan. Also as of the Effective Date, pursuant to the Confirmation Order, the Chapter 11 Trustee fulfilled all of his duties under section 1106 of the Bankruptcy Code and, accordingly, was discharged from all further obligations.

11. Pursuant to section IV.C of the Plan, the Plan Administrator's duties and powers include, among other things, reviewing, reconciling, enforcing, collecting, compromising, settling, or electing not to pursue any or all Causes of Action or similar actions. *See* Plan § IV.C.iii.

Investigation of, and Potential Causes of Action Against, JPMorgan

12. Pursuant to section 1106(a)(3) of the Bankruptcy Code, the Chapter 11 Trustee conducted an investigation of the acts, conducts, assets, liabilities, and financial condition of the Debtors, as well as other matters relevant to the Chapter 11 Cases or the formulation of the Plan, including certain causes of action available to the Debtors' estates.

13. In particular, the Chapter 11 Trustee caused Pepper Hamilton LLP ("Pepper Hamilton") to conduct a thorough investigation into JPMorgan's banking and relevant business relationships with the Debtors, and JPMorgan's activities as clearing bank for Holdings Ltd.'s subsidiary, MF Global Inc. ("MFGI"), including review and analysis of a substantial document production by JPMorgan. Additionally, Pepper Hamilton and certain of the Chapter 11 Trustee's other professionals reviewed proprietary documents of the Debtors, conducted interviews of certain of the Debtors' and MFGI's personnel, reviewed books and

records of the Debtors or certain transactions involving JPMorgan, and reviewed documents JPMorgan had produced in connection with the SIPA Trustee's (as defined below) separate investigation of JPMorgan in the SIPA Case (as defined below).

14. Pepper Hamilton's investigation included an analysis of the Debtors' potential causes of action against JPMorgan. These potential causes of action sound in bankruptcy law, federal law, state law, and common law, and arise from, inter alia, a series of transactions involving the transfer of customer property during Holdings Ltd. and Finance USA's final week of operation. JPMorgan asserts legal and equitable defenses to any potential claims, all of which defenses have been carefully considered and analyzed by Pepper Hamilton.

15. At the direction of the members of the Holdings Ltd. board of directors, in their capacity as board nominees, Kasowitz, Benson, Torres & Friedman ("Kasowitz") independently reviewed Pepper Hamilton's investigation and conclusions in connection with the Debtors' potential claims against JPMorgan and concurred with Pepper Hamilton's conclusions and legal theories underlying such conclusions.

The JPMorgan Settlement in the MFGI SIPA Case

16. On March 19, 2013, James W. Giddens (the "SIPA Trustee"), as trustee for the liquidation of MFGI under the Securities Investor Protection Act, 15 U.S.C. § 78aaa, et seq. ("SIPA"), captioned *In re MF Global Inc.*, Case No. 11-2790 (MG) currently pending in the Bankruptcy Court (the "SIPA Case") filed the *Motion Pursuant to Federal Rule of Bankruptcy Procedure 9019 For Entry of an Order (i) Approving the Settlement Agreement Between the Trustee, the Class Representatives and JPMorgan; and (ii) Authorizing the Allocation of Certain Assets Made Available by the Settlement Agreement to the Customer Estates for Distributions to Customers* (SIPA D.I. 6148) (the "SIPA Settlement Motion") seeking approval of a settlement

and compromise by and among the SIPA Trustee, the class representatives that are appointed as plaintiffs in the class action cases captioned *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) and *In re MF Global Holdings Ltd. Investment Litigation*, No. 12-md-2338 (VM) (the "Customer Representatives"), and JPMorgan (the "SIPA Settlement").[4]

17. The SIPA Settlement resolves all potential claims by the SIPA Trustee and the Customer Representatives against JPMorgan and ultimately results in approximately $1 billion becoming available for distribution to the customer and general estates in the SIPA Case.

18. On July 3, 2013, in a joint hearing with the District Court, both this Court and the District Court granted the SIPA Settlement Motion and approved the SIPA Settlement (SIPA D.I. 6747).

19. Pursuant to the SIPA Settlement, JPMorgan holds a $60 million allowed general unsecured claim in the SIPA Case (the "Allowed General Creditor Claim").

IV. THE SETTLEMENT AGREEMENT

20. The Settlement Agreement is the result of extensive discussions and negotiations, as well as extensive exchange of information and due diligence, and represents a comprehensive settlement of the Debtors' potential claims against JPMorgan. Settling the Debtors' potential claims against JPMorgan through the Settlement Agreement allows the Plan Administrator to avoid the expense, delay and inherent risk of complex litigation, while increasing recoveries for the Debtors' creditors. The Plan Administrator, on behalf of the

[4] The Customer Representatives filed a motion seeking approval of the SIPA Settlement in the District Court concurrently with the SIPA Trustee's filing of the SIPA Settlement Motion.

Debtors, believes that the Settlement is within the bounds of reasonableness and is in the best interests of the Debtors' estates.

21. The salient terms of the Settlement Agreement are as follows:

a. JPMorgan shall pay or cause to be paid to the Plan Administrator a portion of JPMorgan's recoveries on the Allowed General Creditor Claim according to the following schedule:

Cumulative Amount Recovered by JPMorgan on Allowed General Creditor Claim	**Percentage of Cumulative Amount Recovered To Be Paid by JPMorgan to Holdings**
$0 to $10 million	10%
$10 million to $20 million	15%
$20 million to $30 million	25%
$30 million to $50 million	75%
$50 million and above	100%

b. The Debtors, and (in each case solely in their capacities as such) each of their divisions, branches, predecessors, successors and assigns, and in each case any person or entity claiming by, under, or through them shall release, waive, and discharge any and all claims against JPMorgan, except that the Settlement shall not release JPMorgan from claims relating to any conduct or transactions occurring after the execution of the Settlement Agreement in connection with its obligations and duties as administrative agent under the Liquidity Facility.

V. RELIEF REQUESTED

22. Pursuant to Rule 9019(a) of the Bankruptcy Rules, the Plan Administrator seeks entry of an order, substantially in the form attached hereto as Exhibit B, approving the Settlement Agreement by and among the Plan Administrator and JPMorgan. The Settlement Agreement represents a consensual and cost-effective resolution of all issues relating to JPMorgan's potential liability to the Debtors and results in a beneficial outcome for the Debtors' creditors.

VI. ARGUMENT

23. Rule 9019(a) of the Bankruptcy Rules provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise and settlement." Fed. R. Bankr. P. 9019(a). This rule empowers bankruptcy courts to approve settlements once the court determines the settlement to be "fair, equitable, and in the best interests of the estate." *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); *In re MF Global Inc.*, No. 11-2790 (MG), 2012 WL 3242533, at *5 (Bankr. S.D.N.Y. Aug. 10, 2012) ("Settlements and compromises are favored in bankruptcy as they minimize costly litigation and further parties' interests in expediting the administration of the bankruptcy estate.") (internal citations omitted).

24. The settlement need not result in the best possible outcome for the debtor, but must not fall below the lowest point in the range of reasonableness. *Id.*; *In re Chemtura Corp.*, 439 B.R. 561, 594 (Bankr. S.D.N.Y. 2010); *see also Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983).

25. The decision to approve a settlement and compromise lies within the sound discretion of the court. *See Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994). In determining whether to approve a settlement, a court must evaluate all relevant factors and inform itself of "all facts necessary for an intelligent and objective opinion of the probabilities of ultimate success should the claim be litigated," but is not required to "go so far as to conduct a trial on the terms." *In re MF Global Inc.*, No. 11-2790 (MG), 2012 WL 3242533 at *5 (internal citations omitted). Although courts have discretion to approve settlements, the business judgment of the debtor in recommending the settlement should be factored into the court's analysis. *Id.* (citing *JP Morgan Chase Bank, N.A. v. Charter Commc'ns Operating LLC (In re*

Charter Commc'ns), 419 B.R. 221, 252 (Bankr. S.D.N.Y. 2009)). In addition, courts may give weight to the opinion of bankruptcy counsel supporting the settlement. *Id.*

26. Courts in the Second Circuit consider the following factors in determining whether to approve a settlement under the Bankruptcy Rules: (i) the balance between the litigation's possibility of success and the settlement's future benefits; (ii) the likelihood of complex and protracted litigation, "with its attendant expense, inconvenience, and delay," including the difficulty in collecting on the judgment; (iii) the relative benefits to be received by creditors of any affected class (iv) whether other parties in interest support the settlement; (v) the competence and experience of counsel supporting the settlement; (vi) "the nature and breadth of releases to be obtained by officers and directors;" and (vii) the extent to which the settlement is the product of arm's length bargaining. *In re MF Global Inc.*, No. 11-2790 (MG), 2012 WL 3242533 at *5 (citing *Motorola, Inc. v. Official Committee of Unsecured Creditors (In re Iridium Operating LLC)*, 478 F.3d 452, 462 (2d Cir. 2007); *TMT Trailer Ferry, Inc.*, 390 U.S. 414 (1968)). The burden is on the settlement proponent to persuade the court that the settlement is in the best interests of the estate. *Id.*

27. The Settlement falls within the range of reasonableness detailed by the *Iridium* factors, to the extent such factors are applicable. First, the Settlement results in significant potential recoveries for the Debtors' creditors on account of the Allowed General Creditor Claim and avoids lengthy, complex and expensive litigation that has no clear likelihood of ultimate success. Second, the likelihood is high that any litigation in connection with the Debtors' potential claims against JPMorgan would be complex and protracted and would necessitate significant additional expenditure of time and resources by all parties and this Court. Among other things, the parties would have to undertake significant discovery in connection

with claims. Third, the Settlement is in the best interests of all creditors in the Chapter 11 Cases as it results in enhanced recoveries for creditors on account of the Plan Administrator's shared recovery on account of the Allowed General Creditor Claim. Fourth, the parties are represented by sophisticated and experienced professionals in connection with the Settlement. Fifth, the Settlement is the result of good faith, arm's length bargaining between the Chapter 11 Trustee, the Creditor Co-Proponents, the Plan Administrator and JPMorgan.

28. In the Plan Administrator's informed business judgment, the Settlement is fair and equitable, well within the range of reasonableness and benefits the Debtors' creditors by allowing the Plan Administrator to capture a significant amount of value of the Allowed General Creditor Claim while avoiding the risks inherent in a litigation that is without clear likelihood of success.

VII. NOTICE

29. Notice of this Motion has been given to: (i) all parties identified on the Master Service List, as defined in the *Order Pursuant to 11 U.S.C. § 105(a) of the Bankruptcy Code and Fed. R. Bankr. P. 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures* (D.I. 256) (the "Case Management Order"); (ii) all parties that have requested service of papers under section 4(a)(2) of the Case Management Order; and (iii) all other known creditors and parties in interest in the Chapter 11 Cases. The Plan Administrator submits that no other or further notice need be provided.

VIII. NO PRIOR REQUEST

30. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Plan Administrator respectfully requests entry of an order, substantially in the form of Exhibit B attached hereto, authorizing and approving the Settlement Agreement and granting such additional and further relief as the Court may deem proper.

Dated: July 24, 2013
New York, New York

Respectfully submitted,

/s/ Scott J. Greenberg

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COUNSEL FOR MF GLOBAL HOLDINGS LTD., AS PLAN ADMINISTRATOR

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of July 23, 2013, by and among the following parties: (1) MF Global Holdings Ltd. ("Holdings Ltd."), MF Global Finance USA Inc., MF Global Holdings USA Inc., MF Global Capital LLC, MF Global Market Services LLC, and MF Global FX Clear LLC (collectively, the "Debtors"); and (2) JPMorgan Chase Bank, N.A. ("JPMorgan") (collectively, the "Parties," or singularly, a "Party").

BACKGROUND

WHEREAS, on October 31, 2011, Holdings Ltd. and MF Global Finance USA Inc. filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, on October 31, 2011, James W. Giddens was appointed Trustee (the "SIPA Trustee") for the liquidation of the business of MF Global Inc. ("MFGI") in the Securities Investor Protection Act proceeding (the "SIPA Proceeding") captioned *In re MF Global Inc.*, Case No. 11-2790 (MG), pending in the Bankruptcy Court;

WHEREAS, on December 19, 2011, MF Global Capital LLC, MF Global Market Services LLC, and MF Global FX Clear LLC filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court;

WHEREAS, on March 2, 2012, MF Global Holdings USA Inc. filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court;

WHEREAS, by orders dated November 28, 2011, December 27, 2011, and March 8, 2012, the Bankruptcy Court appointed Louis J. Freeh to serve as chapter 11 trustee (the "Chapter 11 Trustee") for the Debtors in the jointly administered cases captioned *In re MF Global Holdings Ltd., et al.*, Case No. 11-15059 (MG) (the "Chapter 11 Cases");

WHEREAS, pursuant to Section 1106(a)(3) of the Bankruptcy Code, the Chapter 11 Trustee commenced an investigation of the acts, conduct, assets, liabilities, and financial condition of the Debtors, as well as other matters relevant to the Chapter 11 Cases or the formulation of a plan, including certain causes of action available to the Debtors' estates;

WHEREAS, prior to the commencement of the Chapter 11 cases, JPMorgan had certain banking and other business relationships with certain of the Debtors and Holdings Ltd.'s broker-dealer subsidiary, MFGI;

WHEREAS, on August 3, 2012, counsel for the Chapter 11 Trustee issued a subpoena to JPMorgan pursuant to Bankruptcy Rule 2004 for the production of documents, and from time to time thereafter made additional requests to JPMorgan for documents and other information;

WHEREAS, JPMorgan, in cooperation with the Chapter 11 Trustee's investigation and in response to such requests, produced relevant data, documents and other information;

WHEREAS, on March 19, 2013, JPMorgan entered into a settlement (the "MFGI-Customer Class Action Settlement") with (i) the SIPA Trustee and (ii) the plaintiffs appointed to represent the proposed class of former customers of MFGI in the Customer Class Action (defined below) pending in the United States District Court for the Southern District of New York (the "District Court");

WHEREAS, following a hearing on July 3, 2013 jointly held by the Bankruptcy Court presiding over the SIPA Proceeding and the District Court, the Bankruptcy Court and the District Court authorized and approved the MFGI-Customer Class Action Settlement;

WHEREAS, under the terms of the MFGI-Customer Class Action Settlement, a general unsecured (non-customer) claim in the amount of $60 million (the "Allowed General Creditor Claim") is allowed in favor of JPMorgan in the SIPA Proceeding upon effectiveness of the MFGI-Customer Class Action Settlement;

WHEREAS, on January 10, 2013, the Creditor Co-Proponents (defined below) filed a *Plan of Liquidation for MF Global Holdings Ltd., MF Global Finance USA Inc., and Their Debtor Affiliates* in the Chapter 11 Cases. Following the filing of this initial plan, the Chapter 11 Trustee agreed to become a plan proponent, and on February 2, 2013, the Plan Proponents (defined below) filed the *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.* This joint plan of liquidation was subsequently amended, with amended versions of the plan filed on February 12, 2013, February 15, 2013, February 20, 2013 and April 1, 2013;

WHEREAS, on April 5, 2013, the Bankruptcy Court issued an order confirming the *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.*, and by order dated May 2, 2013 approved certain nonmaterial modifications to the confirmed plan (the "Plan").

WHEREAS, on June 4, 2013, the Plan became effective and, pursuant to Section IV.C of the Plan, Holdings Ltd. became Plan Administrator (as such term is defined in the Plan) for each of the Debtors;

WHEREAS, pursuant to Section IV.C of the Plan, the Plan Administrator is entitled to, on behalf of each of the Debtors, review, reconcile, enforce, collect, compromise, settle, or elect not to pursue any or all causes of action or similar actions;

WHEREAS, the Debtors assert that they have or may have potential claims and causes of action against JPMorgan in connection with JPMorgan's relationships with Holdings Ltd. and its various subsidiaries, none of which potential claims and causes of action were assigned by the Chapter 11 Trustee to any litigation trust and all of which remain assets of the Debtors' estates following the effective date of the Plan;

WHEREAS, JPMorgan expressly denies any and all fault, liability, or wrongdoing of any kind or nature whatsoever in connection with any such potential claims and causes of action of the Debtors;

WHEREAS, the Parties nonetheless have engaged in settlement discussions to resolve any and all potential claims and causes of action the Debtors may have against JPMorgan, which discussions have included representatives of the Chapter 11 Trustee and the Creditor Co-Proponents;

WHEREAS, the Debtors have concluded, after careful consideration and an extensive investigation, that the Settlement on the terms set forth herein is in the best interests of the Debtors' estates;

WHEREAS, without admission, concession or determination of any fact, liability or fault of any kind or nature whatsoever, the Parties have agreed to enter into the Settlement to avoid the costs and uncertainty of potentially burdensome and protracted litigation;

NOW THEREFORE, in consideration of the mutual promises, covenants, agreements, and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

DEFINITIONS

1. In addition to the defined terms above, the following capitalized terms as used in this Agreement shall have the meanings specified below:

a. "Bankruptcy Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Bankruptcy Court approving the Settlement and authorizing the execution, delivery and performance of this Agreement by the Plan Administrator on behalf of the Debtors, or an alternative order entered by the Bankruptcy Court approving the Settlement that is not substantially in the form of Exhibit A but does not result in any Party terminating the Settlement pursuant to Paragraph 11 of this Agreement.

b. "Claims" means any and all manner of claims, demands, rights, actions, potential actions, causes of action, liabilities, duties, damages, losses, diminutions in value, obligations, judgments, decrees, matters, issues, suits and controversies of any kind or nature whatsoever, whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured or not matured, which now exist, or heretofore or previously existed, or may hereafter exist, including, but not limited to, any claims arising under federal, state or foreign law, common law, bankruptcy law, statute, rule or regulation, or agreement, whether individual, class, direct, derivative, representative, on behalf of others, legal, equitable, regulatory, governmental or of any other type or in any other capacity.

c. "Creditor Co-Proponents" means the proponents of the Plan other than the Chapter 11 Trustee.

d. "Customer Class Action" means all actions brought, or that in the future may be brought, by or on behalf of former customers of MFGI, which have been, or in the future may be, consolidated under the captions *Deangelis* v. *Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM), and *In re MF Global Holdings Ltd. Investment Litigation*, No. 12-md-2338 (VM).

e. "Effective Date" means the date on which all the events specified in Paragraph 10 of this Agreement have occurred.

f. "Final," with respect to any order, including the Bankruptcy Approval Order, means: (a) if no appeal is filed, the expiration date of the time provided for filing or giving notice of any appeal; or (b) if there is an appeal from the order, the date of (i) final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise to review the order, or (ii) the date the order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review of the order, and, if certiorari or other form of review is granted, the date of final affirmance of the order following review pursuant to that grant. Neither the provisions of Rule 9024 of the Federal Rules of Bankruptcy Procedure, Rule 60 of the Federal Rules of Civil Procedure, nor the All Writs Act, 28 U.S.C. § 1651, shall be taken into account in determining the above-stated times.

g. "Plan Administrator" means Holdings Ltd. pursuant to the authority granted in Section IV.C of the Plan.

h. "Plan Proponents" means the Creditor Co-Proponents and the Chapter 11 Trustee, collectively.

i. "Released Claims" means any and all Claims, including Unknown Claims, that have been, could have been, or in the future can or might be asserted by, through, or on

behalf of the Debtors, including on behalf of the Debtors' estates or their creditors, against any one or more of the Released Parties, including but not limited to any claims arising out of, related to, or in connection with, in any way or manner, the bankruptcy of the Debtors or losses suffered by any of the Debtors, whether for the avoidance of any transfer under Chapter 5 of Title 11 of the United States Code or otherwise. For the avoidance of doubt, Released Claims shall not include any setoff rights in favor of a Debtor with respect to a claim filed by JPMorgan in the Chapter 11 Cases to the extent such setoff rights arose under a transaction or agreement on which such claim was based. For the further avoidance of doubt, Released Claims does not include any Claims, including Unknown Claims, relating to any conduct or transactions occurring after the execution of this Agreement but in all cases subject to paragraph 27 hereof, that can or might be asserted by, through, or on behalf of the Debtors, including on behalf of the Debtors' estates, against any one or more of the Released Parties in connection with the Released Parties' duties and obligations as administrative agent under, and in connection with, that certain revolving credit facility, dated as of June 15, 2007, and as amended on June 29, 2010, by and among Holdings Ltd. and MF Global Finance USA Inc. as initial borrowers, JPMorgan Chase Bank, N.A., as administrative agent (the "Agent"), and the several lenders from time to time parties thereto (the "Credit Agreement").

j. "Released Parties" means JPMorgan and each and of its past or present affiliates, parents, members and subsidiaries, and (in each case solely in their capacities as such) each and all of their current and former officers, directors, employees, managers, indirect or direct shareholders, divisions, branches, partners, principals, attorneys, agents, financial advisers, investment bankers, investment advisors, accountants, actuaries, professionals, insurers, representatives, predecessors, successors and assigns.

k. "Releasing Parties" means the Debtors, and (in each case solely in their capacities as such) each of their divisions, branches, predecessors, successors and assigns, and in each case any person or entity claiming by, under, or through them.

l. "Settlement" means the settlement contemplated by this Agreement.

m. "Unknown Claims" means any Claims which the Releasing Parties do not know or suspect to exist in his, her, or their favor at the time of the release of such claims, which, if known by him, her or them, might have affected his, her or their decision(s) with respect to this Settlement. The Parties agree that, upon the Effective Date, the Releasing Parties shall have expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Parties acknowledge that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

SETTLEMENT CONSIDERATION

2. After the Effective Date, in consideration for the promises and obligations contained herein, including the full and final release, settlement and discharge of all Released Claims against the Released Parties, JPMorgan shall pay or cause to be paid to Holdings Ltd., to such account as shall be specified in writing by the Plan Administrator, a portion of JPMorgan's recoveries on the Allowed General Creditor Claim according to the following schedule:

Cumulative Amount Recovered by JPMorgan on Allowed General Creditor	**Percentage of Cumulative Amount Recovered To Be Paid by JPMorgan to**

Claim	**Holdings Ltd.**
$0 to $10 million	10%
$10 million to $20 million	15%
$20 million to $30 million	25%
$30 million to $50 million	75%
$50 million and above	100%

In the foregoing chart, all amounts to be paid by JPMorgan to Holdings Ltd. pursuant to each row of the chart are in addition to the amounts to be paid by JPMorgan to Holdings Ltd. pursuant to each of the rows above such row. JPMorgan shall make each such payment within ten (10) business days of its receipt of the relevant recovery. For the avoidance of doubt, it is the intention and understanding of the Parties that JPMorgan shall have no monetary obligation to make payments under this Settlement other than those expressly set forth in this Paragraph 2 (including for any attorneys' fees, costs, or expenses of the Debtors or any other party), that any amounts paid under this Settlement shall be limited to the percentages set forth in this Paragraph 2 of the amounts actually recovered by JPMorgan on the Allowed General Creditor Claim from the SIPA Proceeding, and that any amounts to be paid under this Settlement shall not be subject to setoff, reduction, or counterclaim for any reason.

APPROVAL OF SETTLEMENT

3. Promptly after the execution of this Agreement, the Plan Administrator shall submit to the Bankruptcy Court a motion for approval of the Settlement and the entry of a Bankruptcy Approval Order. The Plan Administrator shall consult in good faith with JPMorgan as to the language of the motion and related pleadings seeking such Bankruptcy Approval Order.

RELEASE OF CLAIMS

4. The obligations incurred pursuant to this Agreement shall be in full and final disposition of any and all Released Claims as against each and every Released Party.

5. Upon the Effective Date, the Releasing Parties shall be deemed to have released, waived, and discharged any and all of the Released Claims against each and every Released Party and shall forever be enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, investigating, taking discovery in respect of, or in any way participating in the commencement or prosecution of, in any forum, any or all of the Released Claims against each and every Released Party, except that the foregoing release, waiver and discharge shall not release, waive or discharge the Debtors' rights to enforce this Agreement.

6. The Debtors represent and warrant that each of them (a) has not sold, assigned, transferred or otherwise disposed of (including without limitation to any litigation trust), in any way or manner, in whole or in part (other than by the releases contemplated by this Agreement), (b) will not sell, assign, transfer or otherwise dispose of (including without limitation to any litigation trust), in any way or manner, in whole or in part (other than by the releases contemplated by this Agreement), any Claim or Unknown Claim it may have or may have ever had against any of the Released Parties, and (c) has all requisite power and authority, corporate and otherwise, to execute, deliver and perform this Agreement.

NO ADMISSION; DENIAL OF LIABILITY

7. Neither this Agreement nor any negotiations or proceedings connected with it shall be deemed or construed to be an admission by any Party to this Agreement or any Released Party or evidence of any fact or matter alleged or that could have been alleged in the Chapter 11 Cases, or in any other actions or proceedings, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, except in a proceeding to interpret or enforce the terms of the Settlement.

8. Without limitation of the preceding paragraph, JPMorgan is entering into this Settlement for settlement purposes only, without any admission of liability, and denies any and all liability in connection with the Released Claims.

NOTICE; CONDITIONS OF SETTLEMENT; EFFECT OF TERMINATION

9. JPMorgan shall provide notice to each of the Parties within ten (10) days of the following events (should they occur): (a) the MFGI-Customer Class Action Settlement has become effective; or (b) the MFGI-Customer Class Action Settlement has been terminated. JPMorgan shall also provide notice to Holdings Ltd. of JPMorgan's receipt of any payment on account of the Allowed General Creditor Claim within five (5) business days of receipt.

10. The Effective Date shall be conditioned on the occurrence of all of the following events:

a. The Bankruptcy Court has entered the Bankruptcy Approval Order, and such Bankruptcy Approval Order has become Final; and

b. JPMorgan has provided notice pursuant to Paragraph 9 that the MFGI-Customer Class Action Settlement has become effective.

11. Each of the Parties shall have the right to terminate the Settlement by delivering written notice of its election to do so ("Termination Notice") to all other Parties within thirty (30) days of: (a) the Bankruptcy Court declining to enter an order approving the Settlement and authorizing the execution, delivery and performance of this Agreement by the Plan Administrator on behalf of the Debtors, or entering such an order that is not in substantially the form attached hereto as Exhibit A; or (b) entry of an order by which the order of the Bankruptcy Court approving the Settlement is modified or reversed in any material respect by the District Court, the Court of Appeals, or the Supreme Court of the United States. A Termination Notice shall be effective upon delivery in accordance with the immediately preceding sentence.

12. Except as otherwise provided herein, upon delivery by JPMorgan of notice pursuant to Paragraph 9 that the MFGI-Customer Class Action Settlement has been terminated or upon delivery by any Party of a Termination Notice pursuant to Paragraph 11, this Settlement shall be null and void and without prejudice to any claims, defenses, rights, agreements, or positions that have been, could have been, or in the future may be asserted or entered into by any party in the Chapter 11 Cases or any other action or proceeding; none of its terms shall be effective or enforceable; the fact and terms of the Settlement and all related negotiations shall not be admissible in any trial or used for any other purpose in the Chapter 11 Cases or any other action or proceeding; and the Parties shall revert to their respective statuses and litigation positions immediately prior to the execution date of this Agreement.

MISCELLANEOUS

13. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

14. Each of the attorneys executing this Agreement or any related settlement documents on behalf of any Party or Parties hereto hereby represents and warrants that he or she has been duly empowered and authorized to do so by the Party or Parties he or she represents.

15. All exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

16. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior agreements or understandings, whether written or oral as to the same subject matter.

17. No representations, warranties or inducements have been made to or relied upon by any Party concerning this Settlement, other than the representations, warranties and covenants expressly set forth herein.

18. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective agents, successors, executors, heirs, and assigns.

19. This Agreement may be executed in any number of counterparts by any of the signatories hereto, and the transmission of an original signature page electronically (including by portable document format) shall constitute valid execution of the Agreement as if all signatories hereto had executed the same document. Copies of this Agreement executed in counterpart shall constitute one and the same agreement.

20. This Agreement and the Settlement, and any all disputes arising out of or relating to this Agreement or the Settlement, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the internal laws of the State of New York without regard to conflict of laws principles. Each Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the New York state court located in the Borough of Manhattan, City of New York, the United States District Court for the Southern District of New York or the Bankruptcy Court (as applicable, the "New York Court"), and any appellate court from any such court, in any proceeding arising out of or relating to this Agreement or the Settlement, or for recognition or enforcement of any judgment resulting from any such proceeding, and each Party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in the New York Court. Each Party hereby knowingly, voluntarily, intentionally, irrevocably and unconditionally waives, to the full extent it may legally and effectively do so, (i) any objection which it may now or hereafter have to the laying of venue of any proceeding arising out of or relating to the Settlement Agreement in the New York Court, (ii) the defense of an inconvenient forum to the maintenance of such proceeding in any such court, (iii) the right to object, with respect to such

proceeding, that such court does not have jurisdiction over such Party and (iv) any right to a trial by jury with respect to any such proceeding. Each Party irrevocably consents to service of process in any manner permitted by law.

21. This Agreement may not be modified or amended, in whole or in part, nor may any of its provisions be waived, in whole or in part, except by a writing signed by all Parties or their counsel or their respective successors in interest.

22. This Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties, and all Parties have contributed substantially and materially to the preparation of this Agreement and the exhibits incorporated herein.

23. All agreements by, between or among the Parties and their counsel and their other advisors as to confidentiality, including the confidentiality of information exchanged between or among them, and expressly including the Confidentiality Stipulation dated April 30, 2012 entered into by and between JPMorgan and the Chapter 11 Trustee (acting in that capacity on behalf of the Debtors), shall remain in full force and effect and shall survive the execution of and any termination of this Agreement and the final consummation of the Settlement, if finally consummated, without regard to any of the conditions of the Settlement.

24. The Debtors will, and will cause the Creditor-Co Proponents, the Chapter 11 Trustee and the Plan Administrator to, (i) refrain from filing or otherwise making any objection to the MFGI-Customer Class Action Settlement in the Bankruptcy Court or District Court or in any other court or forum, and (ii) immediately cease any efforts to obtain information or discovery from JPMorgan or any of the Released Parties with respect to the Released Claims and

any objection to the MFGI-Customer Class Action Settlement, and further refrain from seeking any such information or discovery between the date of execution of this Agreement and the Effective Date.

25. The Parties agree to refrain from making disparaging statements about each other in any motion or pleading or any other written or oral statements (including without limitation public statements and on the record statements to the media) relating to this Settlement Agreement or the Claims to be released hereunder (other than in connection with any action, suit or proceeding to enforce the terms of the Settlement).

26. The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

27. Effective automatically 30 days after the Effective Date, JPMorgan shall be deemed to have resigned as Agent under the Credit Agreement and shall thereafter have no further obligations as Agent under the Credit Agreement or the Plan. Prior thereto, JPMorgan shall have effected such distribution in respect of the JPMorgan Secured Setoff Claim (as defined in the Plan) in accordance with the terms of that certain Stipulation Settling Disputes Between JPMorgan Chase Bank, N.A. and Plan Proponents so ordered March 13, 2013.

[Remainder of Page Intentionally Left Blank]

DATED: July 23, 2013

JONES DAY

BY: _____

Bruce Bennett
555 South Flower Street, 50th Floor
Los Angeles, CA 90071

Scott J. Greenberg
222 East 41st Street
New York, NY 10017

Counsel for the Plan Administrator, acting on behalf of each of the Debtors

WACHTELL, LIPTON, ROSEN & KATZ

BY: _____

Harold S. Novikoff
John F. Savarese
Ralph L. Levene
51 West 52nd Street
New York, NY 10019

Counsel for JPMorgan Chase Bank, N.A.

DATED: July 23, 2013

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51 West 52nd Street
New York, NY 10019

Counsel for JPMorgan Chase Bank, N.A.

Exhibit A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
Debtors.[1]	:	**(Jointly Administered)**

ORDER GRANTING MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN ORDER APPROVING THE SETTLEMENT AGREEMENT BETWEEN THE PLAN ADMINISTRATOR AND JPMORGAN CHASE BANK, N.A.

This matter coming before the Court on the *Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Between the Plan Administrator and JPMorgan Chase Bank, N.A.* (the "Motion");[2] the Court having reviewed the Motion, and having heard the statements of counsel regarding the relief requested in the Motion, and any objections thereto, at a hearing before the Court (the "Hearing"); the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Hearing was adequate and in compliance with the Case Management Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates and their creditors; and the Court having determined that the legal and factual bases set

[1] The debtors in these chapter 11 cases are MF Global Holdings Ltd.; MF Global Finance USA Inc.; MF Global Capital LLC; MF Global Market Services LLC; MF Global FX Clear LLC; and MF Global Holdings USA Inc. (collectively, the "Debtors").

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in all respects and the Settlement Agreement is authorized and approved pursuant to Rule 9019 of the Bankruptcy Rules and applicable law.

2. The Plan Administrator is hereby authorized to take any and all actions reasonably necessary to consummate the Settlement Agreement and perform any and all obligations contemplated therein.

3. In accordance with and subject to the terms of the Settlement Agreement, the Releasing Parties are permanently enjoined from pursuing in any manner any Released Claims as defined in the Settlement Agreement.

4. The Plan Administrator shall be paid a portion of JPMorgan's recoveries on the Allowed General Creditor Claim in accordance with the terms of the Settlement Agreement and the recovery schedule set forth therein.

5. Any and all objections to the Motion or to the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits.

6. The failure to specifically include any particular provision of the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Plan Administrator's implementation of the actions contemplated in the Settlement Agreement be approved in its entirety.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order and to enforce and implement the terms and provisions of the Settlement Agreement and resolve disputes thereunder.

Dated: _____, 2013
New York, New York

_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
MF GLOBAL HOLDINGS LTD., *et al.*,	:	**Case No. 11-15059 (MG)**
Debtors.[1]	:	**(Jointly Administered)**

ORDER GRANTING MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR ENTRY OF AN ORDER APPROVING THE SETTLEMENT AGREEMENT BETWEEN THE PLAN ADMINISTRATOR AND JPMORGAN CHASE BANK, N.A.

This matter coming before the Court on the *Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Entry of an Order Approving the Settlement Agreement Between the Plan Administrator and JPMorgan Chase Bank, N.A.* (the "Motion");[2] the Court having reviewed the Motion, and having heard the statements of counsel regarding the relief requested in the Motion, and any objections thereto, at a hearing before the Court (the "Hearing"); the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Hearing was adequate and in compliance with the Case Management Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates and their creditors; and the Court having determined that the legal and factual bases set

[1] The debtors in these chapter 11 cases are MF Global Holdings Ltd.; MF Global Finance USA Inc.; MF Global Capital LLC; MF Global Market Services LLC; MF Global FX Clear LLC; and MF Global Holdings USA Inc. (collectively, the "Debtors").

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8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order and to enforce and implement the terms and provisions of the Settlement Agreement and resolve disputes thereunder.

Dated: _____, 2013
New York, New York

_____
UNITED STATES BANKRUPTCY JUDGE