

SIPC Trustee Provides Updates on Prospective Claims Process

Author: Elizabeth A. McGovern, Associate, Philadelphia & London

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Although no official claims process has been announced, on November 10 and 11, the Trustee and its counsel provided additional information to securities claimants of MF Global Inc. ("MFGI") on how the process will work. Additionally, the Trustee requested patience during the ongoing liquidation as it works towards developing the claims process and effectuating a bulk transfer of securities customers accounts.

The Securities Investor Protection Act ("SIPA") requires the Trustee to run a claims process, subject to Bankruptcy Court approval, where customers file claims with the Trustee. Counsel for the Trustee stated that the Trustee is working on an expedited process and, once established, former securities and commodities customers will need to submit a claim to obtain their property. After such claims are deemed allowed by the Trustee, the Trustee will distribute to customers the cash and securities held in the customers' accounts as of October 31, 2011. Distributions may be made on a piecemeal basis, so customers may not receive all of their property in a single distribution. No individual account transfers will be made outside of the claims process. If there are not sufficient funds to cover the allowed claims, any deficiencies will, subject to certain exceptions, be covered by the Securities Investor Protection Corporation up to \$250,000 in cash or up to \$500,000 for securities, up to a maximum cap of \$500,000 in total. The Department of Justice, the Commodity Futures Trading Commission, the Securities and Exchange Commission, and the Trustee's staff in cooperation with the Securities Investor Protection Corporation, are all currently investigating the extent of any deficiency in the funds that should have been segregated by MFGI for the benefit of its customers. Until the investigation is complete, the Trustee will not provide an estimate as to the amount of any shortfall.

With regard to the bulk transfer of securities customer accounts, the Trustee stated that he had not yet been able to locate a willing purchaser, but would continue to work towards a successful transfer. As with the claims process, any transfer would be subject to Bankruptcy Court approval.

We have a dedicated team, with experience in insolvency, financing, financial markets and commodities trading, advising clients with assets, positions and other dealings with MF Global. If you have dealings with or exposures to MF Global and would like help with this evolving situation, please contact Kyri Evagora, Georgia Quenby, Brett Hillis, Andrew Cross or Andrea Pincus.

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