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**TO ALL KNOWN CREDITORS AND  
CLIENTS**

Our ref TC/GP/PBB01F5305/1F3

Contact [mfglobalclaims@kpmg.co.uk](mailto:mfglobalclaims@kpmg.co.uk)

21 May 2013

Dear Sir/Madam

**MF Global UK Limited- in special administration ("the Company"/"MFG UK")**  
**Joint Special Administrators – Richard Heis, Michael Pink and Richard Fleming**

In accordance with Rules 122 and 123 of The Investment Bank Special Administration (England and Wales) Rules 2011, I give notice that the Special Administrators' progress report for the Company for the period 31 October 2012 to 30 April 2013 will be available for your information from 30 May 2013.

In view of the large number of creditors and clients, in accordance with Rule 297 of The Investment Bank Special Administration (England and Wales) Rules 2011, this report will be made available electronically from 30 May 2013. It can be viewed and downloaded from [www.kpmg.co.uk/mfglobal](http://www.kpmg.co.uk/mfglobal). Hard copies will be available on request from 30 May 2013 free of charge. If you wish to receive a hard copy of this report, please:

- a) telephone 020 3321 4195; or
- b) email [mfglobalclaims@kpmg.co.uk](mailto:mfglobalclaims@kpmg.co.uk); or
- c) write to MF Global Claims, 5 Churchill Place, Canary Wharf, London, E14 5HU.

**Notice of Court Applications:**

**Client Money Shortfall Application**

Following the judgment on the Hindsight Application, the Special Administrators filed an application at the High Court on 8 May 2013 for directions as to the basis upon which to value a client's unsecured claim into the general estate (if any) arising from any shortfall in the Client Money Pool (the "CMP") (the "Shortfall Application"). Illustrative examples of the issues behind the Shortfall Application were provided in the Special Administrators' update of 13 March 2013.

The outcome of the Shortfall Application will affect MFG UK's unsecured creditors differently from its clients. As between MFG UK's clients, some of the issues will affect only those clients who had open positions as at 31 October 2011. Among the clients who had open positions, the two interest groups are: (i) clients with positions which have a higher Hindsight Valuation than Primary Pooling Event Valuation (the "Increased Clients"); and (ii) clients with positions which have a lower Hindsight Valuation than Primary Pooling Event Valuation ("Decreased Clients").

The Special Administrators will represent the interests of the general estate in the Shortfall Application and have applied for the following parties to act as representative respondents for clients: (i) Attestor Value Master Fund LP to act as representative respondent for the Decreased Clients; and (ii) Solid Financial Services Limited to act as representative respondent for the Increased Clients.

This letter is formal notice of the Shortfall Application. The outcome of the Shortfall Application is intended to bind all of MFG UK's creditors and clients. Copies of the Shortfall Application and of the witness statement filed in support of it are available on the above website, and hard copies are available by request and free of charge using the contact details above.

A procedural hearing is scheduled to take place on 24 May 2013. The substantive hearing is provisionally due to take place on 23 and 24 July 2013.

If you are a client of MF Global UK Limited and would like to contact your appropriate proposed representative respondent's solicitors, please contact:

For Attestor Value Master Fund: Simmons & Simmons LLP, CityPoint, One Ropemaker Street, London, EC2Y 9SS, contact Gerard Heyes at [Gerard.Heyes@simmons-simmons.com](mailto:Gerard.Heyes@simmons-simmons.com).

For Solid Financial Services Limited: Dentons UKMEA LLP, One Fleet Place, London, EC4M 7WS, contact Luci Mitchell-Fry at [luci.mitchell-fry@dentons.com](mailto:luci.mitchell-fry@dentons.com).

#### **Client Money Distribution Application – imposition of bar date**

On 2 May 2013, the Special Administrators and MFG UK applied to the High Court seeking directions for the imposition of a procedure by which distributions from the CMP should be made (the "Client Money Distribution Application").

The Client Money Distribution Application is required, amongst other reasons, because neither the FCA's client money rules nor the Investment Bank Special Administration Rules 2011 (the "2011 Rules") provide a mechanism for distributing from the CMP. As such, the Special Administrators and MFG UK (as trustee of the CMP) seek directions which, if granted, will provide a clear and fair procedure by which future distributions from the CMP can be made (the "Client Money Distribution Procedure").


The proposed Client Money Distribution Procedure follows closely the mechanism contained in the 2011 Rules for making distributions to unsecured creditors. If approved, the proposed Client Money Distribution Procedure will, amongst other things, facilitate the acceleration of distributions from the CMP.

Particular features of the Client Money Distribution Procedure include: (i) an interim bar date for claims to the CMP which places a time limit by which claims in respect of an individual distribution can be made; (ii) a procedure for rejecting claims to the CMP and a time limit for appealing such rejections; and (iii) a mechanism for the Special Administrators to make distributions without reserving for certain types of claim to the CMP, including rejected claims which have not been appealed and claims which have not been submitted within the requisite time limits.

This letter is formal notice of the Client Money Distribution Application. Copies of the Client Money Distribution Application and of the witness statement filed in support of it are available on the above website, and hard copies are available by request and free of charge using the contact details above.

The Client Money Distribution Application is scheduled to be heard on 10 June 2013 with a time estimate of 1 day.

Yours faithfully  
for MF Global UK Limited (in special administration)



Richard Heis  
*Joint Special Administrator*

Richard Heis, Michael Robert Pink and Richard Dixon Fleming were appointed as joint special administrators of MF Global UK Limited and joint administrators of MF Global UK Services Limited.

The affairs, business and property of MF Global UK Limited are being managed by the joint special administrators who contract as agents of MF Global UK Limited without personal liability. The affairs, business and property of MF Global UK Services Limited are being managed by the joint administrators who contract as agents of MF Global UK Services Limited without personal liability.

Richard Heis and Michael Robert Pink are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

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