

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS
LIMITED SECURITIES LITIGATION

Civil Action No. 1:11-CV-07866-VM

THIS DOCUMENT RELATES TO:

All Securities Actions
(*DeAngelis v. Corzine*)

ECF CASE

**ORDER PRELIMINARILY APPROVING
PROPOSED SETTLEMENT WITH CERTAIN UNDERWRITER DEFENDANTS
AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated securities class action is pending in this Court styled *In re MF Global Holdings Limited Securities Litigation*, Civil Action No. 1:11-CV-07866-VM, that has been consolidated with other actions under the master case *DeAngelis v. Corzine*, 11-CV-07866-VM (the "Action");

WHEREAS, (a) Lead Plaintiffs the Virginia Retirement System and Her Majesty The Queen In Right Of Alberta, on behalf of themselves, the other named plaintiffs in the Action, and the other members of the Underwriter Settlement Class (defined below), and (b) the following underwriter defendants: Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBS Securities Inc. and Sandler O'Neill & Partners, L.P. (the "Settling Underwriter Defendants" and together with Lead Plaintiffs, on behalf of themselves, the other named plaintiffs in the Action, and the other members of the Underwriter Settlement Class, the "Settling Parties") have determined to settle all claims asserted against the Settling Underwriter Defendants in this Action with prejudice on the terms and conditions set forth in the Stipulation and Agreement of

Settlement With Certain Underwriter Defendants dated November 25, 2014 (the “Underwriter Stipulation”) subject to approval of this Court (the “Underwriter Settlement”);

WHEREAS, Lead Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Underwriter Settlement in accordance with the Underwriter Stipulation, certifying the Underwriter Settlement Class for purposes of the Underwriter Settlement only, and allowing notice to Underwriter Settlement Class Members as more fully described herein;

WHEREAS, the Court has read and considered: (a) the Consolidated Second Amended Securities Class Action Complaint filed in this Action on October 3, 2014; (b) Lead Plaintiffs’ motion for preliminary approval of the Underwriter Settlement, and the papers filed and arguments made in connection therewith; and (c) the Underwriter Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Underwriter Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Underwriter Settlement, a class consisting of all persons and entities who or which purchased or otherwise acquired, during the Settlement Class Period (i.e., the period beginning on May 20, 2010 through and including November 21, 2011), any of the MF Global Settling Underwriter Securities¹ and were damaged thereby (the “Underwriter Settlement Class”).

¹ “MF Global Settling Underwriter Securities” means MF Global common stock purchased in or traceable to the secondary offering pursuant to a Post-Effective Amendment No. 1 to Registration Statement No. 333-162119, dated February 24, 2010, a Preliminary Prospectus Supplement dated June 1, 2010, and a Final Prospectus supplement dated June 3, 2010 (CUSIP 55277J108); MF Global’s 1.875%

Excluded from the Underwriter Settlement Class are: (i) Defendants and MF Global; (ii) members of the Immediate Families of the Individual Defendants; (iii) the subsidiaries and affiliates of Defendants and MF Global; (iv) any person or entity who or which was during the Settlement Class Period and/or is a partner, executive officer, director, or controlling person of MF Global, or any of its subsidiaries or affiliates, or of any Defendant; (v) any entity in which any Defendant or MF Global had during the Settlement Class Period and/or has a controlling interest; (vi) Defendants' liability insurance carriers, and any affiliates or subsidiaries thereof; (vii) the *AG Oncon* Plaintiffs; and (viii) the legal representatives, heirs, successors and assigns of any such excluded person or entity; provided, however, that any Investment Vehicle shall not be deemed an excluded person or entity by definition. Also excluded from the Underwriter Settlement Class are any persons or entities who or which exclude themselves from the Underwriter Settlement Class or Other Class(es) (to the extent such persons or entities are also Underwriter Settlement Class Members) by submitting a request for exclusion that is accepted by the Court.

2. **Class Findings** – Solely for purposes of the proposed Underwriter Settlement of this Action, the Court finds that each element required for certification of the Underwriter Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Underwriter Settlement Class are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Underwriter Settlement Class which predominate over any individual questions; (c) the claims of Lead Plaintiff the Virginia Retirement System in the Action are typical of the claims of the

Convertible Senior Notes due February 1, 2016 issued on or about February 7, 2011 (CUSIP 55277JAA6); MF Global's 3.375% Convertible Senior Notes due August 1, 2018 issued on or about July 28, 2011 (CUSIP 55277JAB4); and MF Global's 6.25% Senior Notes due August 8, 2016 issued on or about August 1, 2011 (CUSIP 55277JAC2).

Underwriter Settlement Class; (d) Lead Plaintiff the Virginia Retirement System and Co-Lead Counsel have and will fairly and adequately represent and protect the interests of the Underwriter Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Underwriter Settlement only, Lead Plaintiff the Virginia Retirement System is an adequate class representative and certifies it as class representative for the Underwriter Settlement Class. The Court also appoints Co-Lead Counsel as class counsel for the Underwriter Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. **Preliminary Approval of the Underwriter Settlement** – The Court hereby preliminarily approves the Underwriter Settlement, as embodied in the Underwriter Stipulation, as being fair, reasonable and adequate to the Underwriter Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on June 26, 2015 at 9:30 a.m. in Courtroom 11B of the United States Courthouse, 500 Pearl Street, New York, NY 10007, for the following purposes: (a) to determine whether the proposed Underwriter Settlement on the terms and conditions provided for in the Underwriter Stipulation is fair, reasonable and adequate to the Underwriter Settlement Class, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Underwriter Stipulation should be entered dismissing the Action with prejudice as against the Settling Underwriter Defendants; and (c) to consider any other matters that may properly be brought before the Court in connection with the Underwriter

Settlement. Notice of the Underwriter Settlement and the Settlement Hearing shall be given to Underwriter Settlement Class Members as set forth in paragraph 8 of this Order.

6. After the Settlement Hearing, and upon such further notice to the Underwriter Settlement Class as ordered by the Court, the Court shall consider any plan of allocation proposed by Lead Plaintiffs and any application for attorneys' fees and expenses by Co-Lead Counsel.

7. The Court may adjourn the Settlement Hearing and approve the proposed Underwriter Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Underwriter Settlement Class.

8. **Retention of Notice Administrator and Manner of Giving Notice** – Co-Lead Counsel are hereby authorized to retain The Garden City Group, Inc. (the “Notice Administrator”) to supervise and administer the notice procedure in connection with the proposed Underwriter Settlement and any other settlements or recoveries that may be achieved in this Action as well as the processing of Claims at such time as a plan of allocation for the proceeds of the Underwriter Settlement or any additional recoveries is approved by the Court, as more fully set forth below. Notice of the Underwriter Settlement and the Settlement Hearing shall be given by Co-Lead Counsel as follows:

(a) not later than sixty (60) business days after the date of entry of this Order (the “Notice Date”), the Notice Administrator shall cause a copy of the Underwriter Notice substantially in the form attached hereto as Exhibit 1, to be mailed by first-class mail to potential Underwriter Settlement Class Members who or which may be identified through reasonable effort including, but not limited to, the nominee procedures set forth below;

(b) contemporaneously with the mailing of the Underwriter Notice, the Notice Administrator shall cause a copy of the notice to be posted on a website to be developed by the Notice Administrator for the Action, from which copies of the notice can be downloaded;

(c) not later than ten (10) business days after the Notice Date, the Notice Administrator shall cause the Underwriter Summary Notice, substantially in the form attached hereto as Exhibit 2, to be published once each in *The Wall Street Journal* and *Investor's Business Daily* and to be transmitted once over the *PR Newswire*; and

(d) not later than seven (7) calendar days prior to the Settlement Hearing, Co-Lead Counsel shall serve on Settling Underwriter Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

9. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Underwriter Notice and the Underwriter Summary Notice, attached hereto as Exhibits 1 and 2, respectively, and (b) finds that the mailing and distribution of the Underwriter Notice and the publication of the Underwriter Summary Notice in the manner and form set forth in paragraph 8 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Underwriter Settlement Class Members of the pendency of the Action, of the effect of the proposed Underwriter Settlement (including the Releases to be provided thereunder), of their right to object to the Underwriter Settlement, of their right to exclude themselves from the Underwriter Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Underwriter Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private

Securities Litigation Reform Act of 1995, 15 U.S.C. § 77z-1, as amended, and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Underwriter Notice and Underwriter Summary Notice before they are mailed and published, respectively.

10. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise acquired any MF Global Settling Underwriter Securities during the Settlement Class Period for the benefit of another person or entity shall (a) within seven (7) calendar days of receipt of the Underwriter Notice, request from the Notice Administrator sufficient copies of the notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Underwriter Notice, send a list of the names and addresses of all such beneficial owners to the Notice Administrator in which event the Notice Administrator shall promptly mail the notice to such beneficial owners. Nominees who elect to send the Underwriter Notice to their beneficial owners shall send a statement to the Notice Administrator confirming that the mailing was made and shall retain their mailing records for use in connection with any further notices that may be provided in the Action. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Notice Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Underwriter Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

11. **Participation in the Settlement** – Underwriter Settlement Class Members who wish to participate in the Underwriter Settlement and to be eligible to receive a distribution from the Underwriter Net Settlement Fund will be required to complete and submit a Proof of Claim Form in accordance with the instructions to be set forth therein and by the date to be set by the Court. At this time, a plan of allocation for the distribution of the net proceeds of the Underwriter Settlement has not been proposed by Lead Plaintiffs. When such a plan is proposed, Underwriter Settlement Class Members will be given notice of the proposed plan and afforded the opportunity to object before the Court rules on approval of the plan.

12. **Exclusion From the Settlement Class** – Any Underwriter Settlement Class Member who wishes to exclude himself, herself or itself from the Underwriter Settlement Class must request exclusion in writing within the time and in the manner set forth in the Underwriter Notice, which shall provide that: (a) any such request for exclusion from the Underwriter Settlement Class must be mailed or delivered such that it is received no later than twenty-eight (28) calendar days prior to the Settlement Hearing, to: *In re MF Global Holdings Limited Securities Litigation*, EXCLUSIONS, c/o the Notice Administrator at the address to be set forth in the Underwriter Notice, and (b) that each request for exclusion must: (i) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (ii) state that such person or entity “requests exclusion from the Underwriter Settlement Class in *In re MF Global Holdings Limited Securities Litigation*, Civil Action No. 1:11-CV-7866”; (iii) state the amount of each MF Global Settling Underwriter Security (in terms of number of shares of common stock purchased in or traceable to the Common Stock Secondary Offering and face value of the respective notes) that the person or entity requesting exclusion purchased/acquired and/or sold

during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

13. Any person or entity who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Underwriter Settlement Class shall not be an Underwriter Settlement Class Member, shall not be bound by the terms of the Underwriter Settlement or any orders or judgments in the Action relating to the Underwriter Settlement, and shall not receive any payment out of the Underwriter Net Settlement Fund. Additionally, any person or entity who or which requests exclusion from the Underwriter Settlement Class shall be deemed to have also requested exclusion from Other Class(es). Similarly, any person or entity who or which requests exclusion from Other Classes shall be deemed to have requested exclusion from the Underwriter Settlement Class. All terms and conditions applicable to all persons and entities who or which requested exclusion from the Underwriter Settlement Class and who or which are excluded from the Underwriter Settlement Class as set forth in the preceding sentence shall also apply to persons and entities who or which request exclusion from Other Class(es) to the extent such persons or entities are also Underwriter Settlement Class Members.

14. Any persons or entities who or which, pursuant to request, are excluded from the Underwriter Settlement Class shall be deemed to be excluded from any other settlement class(es) and litigation class that may be certified by the Court, shall not be bound by the terms of any orders or judgments in the Action relating to those settlements or the Action as applicable, and

shall not be entitled to receive any payment from any other recoveries that might be obtained in the Action.

15. Any Underwriter Settlement Class Member who or which does not timely and validly request exclusion from the Underwriter Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Underwriter Settlement Class; (b) shall be forever barred from requesting exclusion from the Underwriter Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Underwriter Stipulation, the Underwriter Settlement, and all proceedings, determinations, orders and judgments in the Action relating to the Underwriter Settlement, including, but not limited to, the Underwriter Judgment, and the Releases provided for therein whether favorable or unfavorable to the Underwriter Settlement Class; and (d) shall be barred from commencing, maintaining or prosecuting any of the Released Plaintiffs' Claims against any of the Settling Underwriter Defendants' Releasees, as more fully described in the Underwriter Stipulation and Underwriter Notice.

16. **Appearance and Objections at Settlement Hearing** – Any Underwriter Settlement Class Member who or which does not request exclusion from the Underwriter Settlement Class or from any Other Class(es) may enter an appearance in the Action at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Co-Lead Counsel and Settling Underwriter Defendants' Counsel, at the addresses set forth in paragraph 17 below, such that it is received no later twenty-eight (28) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Underwriter Settlement Class Member who does not enter an appearance will be represented by Co-Lead Counsel.

17. Any Underwriter Settlement Class Member who does not request exclusion from the Underwriter Settlement Class or from any Other Class(es) may file a written objection to the proposed Underwriter Settlement and show cause, if he, she or it has any cause, why the proposed Underwriter Settlement should not be approved; *provided, however*, that no Underwriter Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Underwriter Settlement unless that person or entity has filed a written objection with the Court and served copies of such objection on Co-Lead Counsel and Settling Underwriter Defendants' Counsel at the addresses set forth below such that they are received no later than twenty-eight (28) calendar days prior to the Settlement Hearing.

<u>Co-Lead Counsel</u>		<u>Settling Underwriter Defendants' Counsel</u>
Bernstein Litowitz Berger & Grossmann LLP Salvatore J. Graziano, Esq. AND 1285 Avenue of the Americas New York, NY 10019	Bleichmar Fonti Tountas & Auld LLP Javier Bleichmar, Esq. 7 Times Square, 27 th Floor New York, NY 10036	Gibson, Dunn & Crutcher LLP Mark A. Kirsch, Esq. Christopher M. Joralemon, Esq. 200 Park Avenue New York, NY 10166

18. Any objections, filings and other submissions by the objecting Underwriter Settlement Class Member: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Underwriter Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Underwriter Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Underwriter Settlement Class, including the amount of each MF Global Settling Underwriter Security (in terms of number of shares of common stock purchased in or traceable to the Common Stock Secondary Offering and face value of the respective notes) that the objecting Underwriter Settlement Class Member purchased/acquired and/or sold during the

Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and/or sale.

19. Any Underwriter Settlement Class Member who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Underwriter Settlement and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Underwriter Settlement, or from otherwise being heard concerning the Underwriter Settlement in this or any other proceeding.

20. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the Action between the Settling Parties other than proceedings necessary to carry out or enforce the terms and conditions of the Underwriter Stipulation. Pending final determination of whether the Underwriter Settlement should be approved, the Court bars and enjoins Lead Plaintiffs, and all other members of the Underwriter Settlement Class, from commencing or prosecuting any and all of the Released Plaintiffs' Claims against each and all of the Settling Underwriter Defendants' Releasees.

21. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Underwriter Settlement Class Members and notifying them of the Underwriter Settlement as well as in administering the Underwriter Settlement shall be paid as set forth in the Underwriter Stipulation without further order of the Court.

22. **Settlement Fund** – The contents of the Underwriter Settlement Fund held by Citibank, N.A. (which the Court approves as the Escrow Agent) shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until

such time as they shall be distributed pursuant to the Underwriter Stipulation and/or further order(s) of the Court.

23. **Taxes** – Co-Lead Counsel are authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Underwriter Settlement Fund, to pay from the Underwriter Settlement Fund any Taxes owed with respect to the Underwriter Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Underwriter Stipulation.

24. **Termination of Settlement** – If the Underwriter Settlement is terminated as provided in the Underwriter Stipulation, the Underwriter Settlement is not approved, or the Effective Date of the Underwriter Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Underwriter Stipulation, and this Order shall be without prejudice to the rights of Lead Plaintiffs, the other Underwriter Settlement Class Members and Settling Underwriter Defendants, and the Settling Parties shall revert to their respective positions in the Action on April 24, 2014, as provided in the Underwriter Stipulation.

25. **Use of this Order** – Neither this Order, the Underwriter Stipulation (whether or not consummated), including the exhibits thereto, the plan of allocation to be proposed by Lead Plaintiffs (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Underwriter Stipulation, nor any proceedings taken pursuant to or in connection with the Underwriter Stipulation and/or approval of the Underwriter Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Settling Underwriter Defendants' Releasees as evidence of, or construed as, or deemed to be

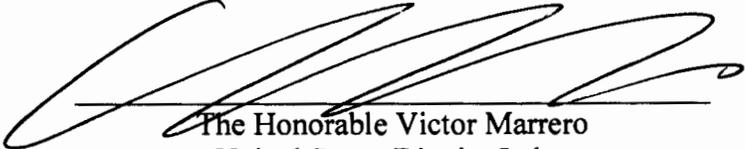
evidence of (i) any presumption, concession, or admission by any of the Settling Underwriter Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs, the validity of any claim that was or could have been asserted by Lead Plaintiffs or any member of the Underwriter Settlement Class, or the deficiency of any defense that has been or could have been asserted by the Settling Underwriter Defendants in this Action or in any other litigation, or (ii) any liability, negligence, fault, or other wrongdoing of any kind of any of the Settling Underwriter Defendants' Releasees or in any way referred to for any other reason as against any of the Settling Underwriter Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Underwriter Stipulation; (b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of (i) any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Settling Underwriter Defendants' Releasees had meritorious defenses, or that damages recoverable against the Settling Underwriter Defendants under the Complaint would not have exceeded the Underwriter Settlement Amount, or (ii) any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Underwriter Stipulation; or (c) shall be construed against any of Releasees as an admission, concession, or presumption that the consideration to be given under the Underwriter Settlement represents the amount which could be or would have been recovered against the Settling Underwriter Defendants after trial; *provided, however*, that if the Underwriter Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to

effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Underwriter Settlement.

26. **Supporting Papers** – Co-Lead Counsel shall file and serve the opening papers in support of the proposed Underwriter Settlement no later than forty-two (42) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction over the Settling Underwriter Defendants to consider all further applications arising out of or connected with the proposed Underwriter Settlement.

SO ORDERED this 11th day of December, 2014.


The Honorable Victor Marrero
United States District Judge