

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

MOTION RECORD
(returnable November 24, 2011)

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in bankruptcy of MF Global Canada Co.

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SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

I N D E X

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

NOTICE OF MOTION
(returnable November 24, 2011)

KPMG Inc., in its capacity as trustee in bankruptcy (the "**Trustee**") of MF Canada Co. ("**MF Canada**") will make a motion before The Honourable Mr. Justice Campbell on Monday, November 14, 2011 at 9:00 o'clock a.m. or soon thereafter as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. an order substantially in the form of order attached as Schedule "A" hereto which provides for, among other things, an order:
 - a. that the period for sending the prescribed notice required by section 102(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"), previously extended to twenty-one days from the date of bankruptcy by Order of the Court dated November 8, 2011, be further extended to forty-eight days (48) days from the date of the Bankruptcy Order herein, namely to December 22, 2011;
 - b. that, for a period of nine months from the 24th day of November, 2011 (such period expiring on August 24, 2012), any mail addressed to MF Canada at 123 Front Street West, Suite 1601, Toronto, Ontario M5J 2N2 or 800 Place Victoria,

Suite 4110, P.O. Box 313, Montreal, Q.C. H4Z 1G8 shall be re-directed to the Trustee at:

KPMG Inc.
Bay Adelaide Centre
Suite 4600
333 Bay Street
Toronto, Ontario M5H 2S5

- c. that a copy of the Order be transmitted forthwith by the Trustee to the postmaster in charge of the post office at the said City of Toronto and the City of Montreal; and
 - d. such further and other relief as counsel may request and this Honourable Court permit; and
2. an order substantially in the form of order attached at Schedule “B” hereto¹ which provides for, among other things, an order:
- a. that the Trustee shall, no later than seven (7) days following the making of this Order, send to each FX Customer, in accordance with paragraph (g) below, a cheque payable to such FX Customer in the amount of the Net Equity Calculation of such FX Customer (collectively, the “**FX Customer Payments**”), together with either the Retail FX Account Letter or Corporate FX Account Letter, as applicable, and the FX Customer Summary (collectively, the “**FX Customer Documents**”).
 - b. that, in the event that the Net Equity Payment is deposited, endorsed or otherwise negotiated by or for the benefit of the FX Customer named thereon, such FX Customer’s Net Equity shall be deemed to be paid and credited by the amount of the Net Equity Payment; provided that the deposit, endorsement or negotiation of the cheque by or for the benefit of an FX Customer shall be without prejudice to the ability of such FX Customer to assert a claim for Net Equity in excess of the

¹ Capitalized terms not otherwise defined in this Notice of Motion shall have the meaning ascribed to them in the draft FX Customer Payment order attached as Schedule “B” hereto.

Net Equity Payment or any other claim against the estate of MF Canada.

- c. that: (a) in carrying out the terms of the Order, the Trustee shall have all of the protections given to it by the BIA and as an officer of this Court, including the stay of proceedings in its favour; (b) the Trustee shall not incur any liability or obligation as a result of the carrying out of the provisions of the Order, (c) the Trustee shall be entitled to rely on the books and records of MF Canada without independent investigation, and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;
- d. that the Trustee is authorized to borrow or enter into support agreements with CIPF to facilitate the FX Customer Payments;
- e. that all advances or payments by CIPF under any loan or support agreement as between the Trustee and CIPF to facilitate the FX Customer Payments shall be deemed to form part of the "customer pool fund" as defined in section 261 of the BIA and shall be repaid from the assets in the customer pool fund following the allocation of such fund pursuant to paragraphs 262(1)(a) and (b) of the BIA; provided that the portion of the customer pool fund allocated to any customer who is not entitled to compensation from CIPF or to receive any further compensation from CIPF shall be calculated so as to exclude any allocation of funds paid or advanced by CIPF (the "**CIPF Exclusion**"). For greater certainty, CIPF shall be entitled to be repaid in priority to any allocation pursuant to paragraph 262(1)(c) of the BIA;
- f. that the payment of the Net Equity Payment to any FX Customer pursuant to the terms of the Order shall be without prejudice to the Trustee's rights to seek to recover from such FX Customer the amount by which such FX Customer's Net Equity Payment exceeded its Net Equity;
- g. that, except where alternative arrangements have been made between the Trustee and Customer Representative Counsel in respect of particular FX Customers, the Trustee shall deliver the Net Equity Payment and the FX Customer Documents to

each FX Customer by prepaid ordinary mail at the address as last shown for such FX Customer in the books and records of MF Canada;

h. approving the Second Report of the Trustee dated November 23, 2011 (the "**Second Report**") and the activities of the Trustee as described therein; AND

3. such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

4. on November 4, 2011, KPMG Inc. was appointed as trustee in bankruptcy of MF Canada by Order of the Honourable Mr. Justice Colin Campbell (the "**Bankruptcy Order**");

5. since the making of the Bankruptcy Order, the FX Customers have not able to deal with their accounts and participate in the FX market;

6. the Trustee is concerned that any further delay in paying the net equity amounts shown on the books and records of MF Global to the FX Customers may cause significant harm to the FX Customers;

7. the primary objective of protecting customers requires the support of Canadian Investor Protection Fund and the resources of the Trustee;

8. there are a significant number of FX Customers that have been affected by the bankruptcy of MF Canada;

9. sections 34, 259 and 264 of the BIA;

10. rule 10 of the *Rules of Civil Procedure* (Ontario); and

11. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of

the motion:

1. the Second Report of the Trustee dated November 23, 2011; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

DATE: November 23, 2011

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TO: THE SERVICE LIST

SCHEDULE "A"

Court File No. 31-OR-207854-T

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.) THURSDAY, THE 24TH
)
JUSTICE COLIN L. CAMPBELL) DAY OF NOVEMBER, 2011

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ORDER
(RE BANKRUPTCY ADMINISTRATION – PART II)**

THIS MOTION made on short notice by KPMG Inc., in its capacity as the trustee in bankruptcy (the "Trustee") of MF Global Canada Co. ("MF Global Canada") was heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Trustee dated November 23, 2011 and on hearing the submissions of counsel for the Trustee and the Customer Representative Counsel, no one else appearing.

1. **THIS COURT ORDERS** that the period for sending the prescribed notice required by section 102(1) of the *Bankruptcy and Insolvency Act* (the "BIA") previously extended to twenty-one days from the date of bankruptcy by Order of the Court dated November 8, 2011 be further extended to forty-eight days (48) days from the date of the Bankruptcy Order herein, namely to December 22, 2011.

2. **THIS COURT ORDERS** that, for a period of nine months from the 24th day of November, 2011 (such period expiring on August 24, 2012), any mail addressed to MF Global Canada Co. at 123 Front Street West, Suite 1601, Toronto, Ontario M5J 2N2 or 800 Place Victoria, Suite 4110, P.O. Box 313, Montreal, Q.C. H4Z 1G8 shall be re-directed to the Trustee at:

KPMG Inc.
Bay Adelaide Centre
Suite 4600
333 Bay Street
Toronto, Ontario M5H 2S5

3. **THIS COURT ORDERS** that a copy of this Order be transmitted forthwith by the Trustee to the postmaster in charge of the post office at the said City of Toronto and the City of Montreal.
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**IN THE MATTER OF THE BANKRUPTCY OF MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDINGS COMMENCED AT TORONTO

ORDER

(RE BANKRUPTCY ADMINISTRATION –PART II)

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SCHEDULE "B"

Court File No. 31-0R-207854-T

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.) THURSDAY, THE 24TH
)
JUSTICE COLIN L. CAMPBELL) DAY OF NOVEMBER, 2011

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ORDER
(FX CUSTOMER PAYMENT)**

THIS MOTION made on short notice by KPMG Inc., in its capacity as the trustee in bankruptcy ("the **Trustee**") of MF Global Canada Co. ("**MF Global Canada**") for authorization for the Trustee to make the FX Customer Payments (as hereinafter defined) was heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Trustee dated November 23, 2011 (the "**Trustee's Report**") and upon hearing the submissions of counsel for the Trustee, the Customer Representative Counsel, appointed by order of this Court dated November 14, 2011, and counsel for the Canadian Investor Protection Fund ("**CIPF**").

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Trustee's Report filed by the Trustee in support of this motion be and it is hereby abridged such that the motion is properly returnable today and further service of notice of the motion is hereby dispensed with.

DEFINITIONS

2. The following terms shall have the following meanings ascribed to them:

- (i) "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (ii) "Corporate FX Account Letter" means the instruction letter from the Trustee to corporate FX Customers in the form attached as Schedule "F" to the Trustee's Report.
- (iii) "Court" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (iv) "Date of Bankruptcy" means November 4, 2011;
- (v) "Estate" means the bankruptcy estate of MF Global Canada;
- (vi) "FX" means foreign exchange;
- (vii) "FX Claim" means any right of any FX Customer against MF Global Canada in connection with any indebtedness, liability or obligation of any kind of MF Global Canada to the FX Customer related to online FX or corporate FX trading whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown based in whole or in part on facts existing prior to the Date of Bankruptcy, or which would otherwise be a claim provable in bankruptcy against MF Global Canada;
- (viii) "FX Customer" means any Person that appears on the books and records of MF Global Canada as a customer (as that term is defined in section 253 of the BIA) of MF Global Canada as at the Date of Bankruptcy who dealt in online FX or corporate FX trading through or with MF Global Canada;
- (ix) "FX Customer Documents" shall have the meaning ascribed in paragraph 3 hereof;

- (x) "FX Customer Payments" shall have the meaning ascribed in paragraph 3 hereof;
- (xi) "FX Customer Summary" means the summary of account information obtained by the Trustee from the books and records of MF Global Canada in respect of a particular FX Customer supporting the Net Equity Calculation of such FX Customer;
- (xii) "Net Equity" means the amount of net equity (as that term is defined in section 253 of the BIA) of each FX Customer related to its FX Claim;
- (xiii) "Net Equity Calculation" means the amount of Net Equity as calculated by the Trustee from the books and records of MF Global Canada as at the Date of Bankruptcy, which may be calculated in US dollars if the reference transactions relate to US dollars, and may be calculated in Canadian dollars if the reference transactions are in any other currency, including Canadian dollars, at the discretion of the Trustee;
- (xiv) "Net Equity Payment" means the payment made to each FX Customer as described in paragraph 3 hereof, which payment may be made in Canadian dollars or US dollars, at the discretion of the Trustee;
- (xv) "Person" includes any individual, partnership, joint venture, trust, corporation, unlimited liability company, unincorporated organization, government body or agency, howsoever designated or constituted; and
- (xvi) "Retail FX Account Letter" means the instruction letter from the Trustee to online/retail FX Customers in the form attached as Schedule "E" to the Trustee's Report.

FX PAYMENTS

3. **THIS COURT ORDERS** that the Trustee shall, no later than seven (7) days following the making of this Order, send to each FX Customer, in accordance with paragraph 11 hereof, a cheque payable to such FX Customer in the amount of the Net Equity Calculation of such FX Customer (collectively, the "**FX Customer Payments**"), together with either the Retail FX Account Letter or Corporate FX Account Letter, as applicable, and the FX Customer Summary (collectively, the "**FX Customer Documents**").

4. **THIS COURT ORDERS** that, in the event that the Net Equity Payment is deposited, endorsed or otherwise negotiated by or for the benefit of the FX Customer named thereon, such

FX Customer's Net Equity shall be deemed to be paid and credited by the amount of the Net Equity Payment; provided that the deposit, endorsement or negotiation of the cheque by or for the benefit of an FX Customer shall be without prejudice to the ability of such FX Customer to assert a claim for Net Equity in excess of the Net Equity Payment or any other claim against the estate of MF Global Canada.

PROTECTIONS FOR TRUSTEE

5. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Order, the Trustee shall have all of the protections given to it by the BIA and as an officer of this Court, including the stay of proceedings in its favour; (b) the Trustee shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, (c) the Trustee shall be entitled to rely on the books and records of MF Global Canada without independent investigation, and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

6. **THIS COURT ORDERS** that the Trustee is authorized to borrow or enter into support agreements with CIPF to facilitate the FX Customer Payments.

7. **THIS COURT ORDERS** that all advances or payments by CIPF under any loan or support agreement as between the Trustee and CIPF to facilitate the FX Customer Payments shall be deemed to form part of the "customer pool fund" as defined in section 261 of the BIA and shall be repaid from the assets in the customer pool fund following the allocation of such fund pursuant to paragraphs 262(1)(a) and (b) of the BIA; provided that the portion of the customer pool fund allocated to any customer who is not entitled to compensation from CIPF or to receive any further compensation from CIPF shall be calculated so as to exclude any allocation of funds paid or advanced by CIPF (the "**CIPF Exclusion**"). For greater certainty, CIPF shall be entitled to be repaid in priority to any allocation pursuant to paragraph 262(1)(c) of the BIA.

8. **THIS COURT ORDERS** that the payment of the Net Equity Payment to any FX Customer pursuant to the terms of this Order shall be without prejudice to the Trustee's rights to seek to recover from such FX Customer the amount by which such FX Customer's Net Equity Payment exceeded its Net Equity.

DIRECTIONS

9. **THIS COURT ORDERS** that the Trustee may, at any time, and with such notice as this Court may require, seek directions from the Court with respect to this Order.

SERVICE AND NOTICE

10. **THIS COURT ORDERS** that the Trustee shall post a copy of this Order on its website at "www.kpmg.ca/mfglobalcanada" by no later than seven (7) days following the making of this Order.

11. **THIS COURT ORDERS** that, except where alternative arrangements have been made between the Trustee and Customer Representative Counsel in respect of particular FX Customers, the Trustee shall deliver the Net Equity Payment and the FX Customer Documents to each FX Customer by prepaid ordinary mail at the address as last shown for such FX Customer in the books and records of MF Global Canada.

**IN THE MATTER OF THE BANKRUPTCY OF MF GLOBAL CANADA CO.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(FX CUSTOMER PAYMENT)**

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IN THE MATTER OF THE BANKRUPTCY OF MF GLOBAL CANADA CO. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable November 24, 2011)

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TOR01: 4781402: v1

TAB 2

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**SECOND REPORT OF THE TRUSTEE
(NOVEMBER 23, 2011)**

THE BANKRUPTCY

1. On November 2, 2011 an Application for Bankruptcy Order was issued by the Canadian Investor Protection Fund (“**CIPF**”) against MF Global Canada Co. (“**MF Canada**”). CIPF is a customer compensation body within the meaning of Section 253 of the *Bankruptcy and Insolvency Act* (the “**BIA**”), constituted under a trust established under the laws of the Province of Ontario by self-regulatory organizations such as the Investor Industry Regulatory Organization of Canada (“**IIROC**”), to protect customers in the event of an insolvency of a regulated member. MF Canada is a “securities firm” within the meaning of Section 253 of the BIA.

2. On November 4, 2011 MF Canada consented to the immediate making of a Bankruptcy Order and KPMG Inc. was appointed as trustee in bankruptcy of MF Canada (the “**Trustee**”). A copy of the Bankruptcy Order is attached hereto as Schedule “A”. As a result, the Trustee has a mandate to administer the estate of MF Canada in accordance with the BIA, including Part XII thereof.

PURPOSE OF THE REPORT

3. This is the Second Report to the Court of the Trustee¹. The First Report, dated November 11, 2011 and the Supplement to the First Report dated November 13, 2011 were filed with the Court in connection with the Trustee’s motion to obtain the Account Transfer Support and Vesting Order. Copies of the Reports have been posted on the Trustee’s website at www.kpmg.ca/mfglobalcanada. The purpose of this Second Report is to provide an evidentiary basis upon which this Honourable Court can make the orders requested by the Trustee:

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the FX Payment Order attached as Schedule “B” to the Trustee’s Notice of Motion.

- (a) pursuant to section 187(1) of the *Bankruptcy and Insolvency Act* extending the time for sending notice in respect of the first meeting of creditors in the estate of MF Canada to December 22, 2011;
- (b) authorizing the Trustee to send, by ordinary mail, to each FX Customer of MF Canada, a cheque payable to the FX Customer in the amount of the Net Equity Calculation and the FX Customer Documents providing the background/support for such payment;
- (c) that the payment shall be credited against the Net Equity of such FX Customer; and
- (d) addressing certain other administrative matters relating to the re-direction of MF Canada's mail to the Trustee.

4. In preparing this Report, including certain of the schedules hereto as described in greater detail below, the Trustee has relied, without any independent verification, on information provided to it through the course of its engagement by various parties including (but not limited to) IIROC, CIPF, the books and records of MF Canada and various contract counterparties providing clearing, back office and support arrangements for the operations of MF Canada. The Trustee has not audited, reviewed or otherwise verified the information provided to it but has taken various steps to confirm the reasonableness and accuracy of such information from such third parties. Therefore, reliance by any third party on the information provided for in this Trustee's Report and in the appendices shall be subject to the foregoing qualifications. It is important to understand that the administration of the estate is still in its preliminary stages and the Trustee has not had complete access to the books and records of MF Canada. As a result, the Trustee has not made any conclusions or opinions regarding the outcome of the administration of the estate.

5. All dollar amounts referenced herein are Canadian dollars, unless otherwise stated.

UPDATE

6. On November 14, 2011, the Trustee made a motion to the Court for an Order to approve the form of Account Transfer and Support Agreement negotiated between the Trustee and RBC Dominion Securities Inc. (“RBCDS”) in connection with the proposed transfer of substantially all of the “non-FX” customer equity and commodities accounts of MF Canada to RBCDS. Pursuant to an Account Transfer Support and Vesting Order dated November 14, 2011, the Court approved the form of Account Transfer and Support Agreement (the “**Transfer Agreement**”) and authorized the Trustee to complete the transactions contemplated therein. A copy of the Account Transfer Support and Vesting Order is attached as Schedule “B”. On November 14, 2011, the Court also made the Customer Representative Counsel Order appointing Stikeman Elliott LLP as Customer Representative Counsel. A copy of the Customer Representative Counsel Order is attached as Schedule “C”.

7. The Trustee and RBCDS entered into the Transfer Agreement dated November 17, 2011, a copy of which is attached as Schedule “D”.

8. The Trustee has focused its efforts on completing the account transfers contemplated by the Transfer Agreement and completing the reconciliation with respect to the transfer of futures and commodities positions to RBCDS, as well as the supporting collateral held in the customer accounts. The reconciliation process continues and is expected to be completed shortly. The Trustee has also been directing its resources to seeking authorization to make the FX Customer Payments and preparing to make such payments if so authorized, as described more particularly below.

9. The “FX Customers” of MF Canada were not included in the transaction contemplated by the Transfer Agreement. “FX Customers” include all persons that appear on the books and records of MF Canada as a “customer” (as that term is defined in section 253 of the BIA) of MF Canada as at the date of bankruptcy who dealt in online foreign exchange (“FX”) or corporate FX trading through or with MF Canada. The Trustee has been reviewing the books and records of MF Canada that it has access to in order to clarify and reconcile the “net equity” (as that term is defined in section 253 of the BIA) positions of the FX Customers.

FX CUSTOMER PAYMENTS

10. The books and records of MF Canada indicate the following parameters with respect to the FX Customers:

Type of Customer	Number of Customers	Average Account Net Equity (approx.)	Total Net Equity (approx.)
Online/Retail FX Customers	2,500 (approx.)	\$4,400	\$8.2 million (U.S.) \$2.7 million
Corporate FX Customers	71	\$93,100	\$6.6 million

11. The Trustee has determined that MF Global U.K. Ltd. (“**MF Global UK**”) supplied MF Canada with computer access to enable MF Canada to print statements for corporate FX Customers. MF Canada’s access has been terminated and the Trustee is unable to print statements as of November 4, 2011. However, the Trustee is able to replicate the data to produce a summary that contains the information otherwise set out on a MF Global statement.

12. The Trustee has been informed by former employees of MF Global that, prior to the date of bankruptcy, MF Global did not send out periodic statements to the “online FX” or “retail FX” customers because these customers could log on to MF Canada’s website and view the status of their accounts online at any time. As a result, the preparation of “account statements” is a manual process that will take considerable time for the Trustee to prepare. The Trustee has confirmed that online/retail FX Customers continue to have online access to view their accounts.

13. Accordingly, the Trustee proposes to include, with the mailing to online/retail FX Customers of the FX Customer Payments, an instruction letter in the form attached hereto as Schedule “E” and a summary of account information supporting the amount of the Net Equity Calculation (the “**Retail FX Account Letter and Summary**”). The Retail Account Letter and Summary contains a notice to the online/retail FX Customers asking that they log on to their accounts and confirm the information on the statement.

14. The Trustee proposes to include, with the mailing to corporate FX Customers of the FX Customer Payments, an instruction letter in the form attached hereto as Schedule “F” and a summary of account information supporting the Net Equity Calculation (the “**Corporate FX Account Letter and Summary**”).

15. The Trustee is proposing a distribution to FX Customers pursuant to the terms of the draft Order attached as Schedule “B” to the Trustee’s Notice of Motion (the “**FX Customer Payment Order**”), the particulars of which are as follows:

- (a) the Trustee shall, within 7 days after the making of an Order approving the FX Customer payment, mail to each (i) online/retail FX Customer, the Retail FX Account Letter and Summary and a cheque payable to the FX Customer in the amount of the Net Equity Calculation; and (ii) corporate FX Customer the Corporate FX Account Letter and Summary and a cheque payable to the FX Customer in the amount of the Net Equity Calculation;
- (b) in the event the cheque is deposited, the FX Customer’s Net Equity shall be deemed to be credited by the amount of the Net Equity Payment without prejudice to the FX Customer’s ability to assert a claim for additional Net Equity or other claims in the Estate;
- (c) the Trustee shall be entitled to rely on the books and records in making the Net Equity Calculation; and
- (d) the making of the Court Order shall be without prejudice to the Trustee’s right to seek to recover from any FX Customer any amount by which the FX Customer’s Net Equity Calculation by the Trustee exceeds its actual Net Equity.

16. As noted above, the amount payable to the FX Customers is approximately \$17.5 million. The Trustee currently appears to have sufficient assets in the customer pool fund to pay the estimated net equity claims of all Customers, including the FX Customers. In any event, all of the proposed recipients of the FX Customer Payments appear to be fully covered by CIPF

coverage in the event that there was a shortfall in the “customer pool fund” (as defined in section 261 of the BIA) and the Trustee is making the necessary arrangements to coordinate the payments from the estate with CIPF in the event that any portion of the payments would constitute amounts paid by CIPF in the event of a shortfall in the estate.

ADMINISTRATIVE MATTERS

17. On November 8, 2011, the Court made an Order extending the period for sending the prescribed notice required by section 102(1) of the BIA to November 25, 2011. A copy of the Order is attached as Schedule “G”.

18. As noted above, the Trustee has focused its efforts during the past two weeks on transferring the “Transferred Accounts” under the Transfer Agreement and reconciling the positions and collateral for the transfers contemplated by the Transfer Agreement. In addition, the Trustee has made arrangements for the transfer of positions and collateral with respect to several of the “Excluded Accounts” that were not transferred pursuant to the Transfer Agreement and carried out the work connected with seeking authorization to make the FX Customer Payments and preparing for the implementation of the distribution if so authorized.

19. In the event that the FX Customer Payment Order is made, the Trustee will be able to distribute the estimated net equity with respect to the FX Customers. This will mean that, within the next several weeks, almost all of the customers of MF Canada will have received, either through the transfer of their account or direct payment, an amount representing the Trustee’s calculation of all of their Net Equity claims as at the date of bankruptcy (for those Customers with CIPF protection) or as much as 80% of the calculation of their net equity as at the date of bankruptcy (for those Customers that do not have CIPF protection).

EXTENSION OF TIME TO SEND NOTICE OF THE BANKRUPTCY

20. The Trustee requires a further extension of the period required to send notice of the bankruptcy and the claims package to creditors. The reasons for the request for a further extension are set out below:

- (a) the Trustee requires additional time in order to prepare a preliminary report for the first meeting of creditors that addresses the interim matters accomplished including the Account Transfers and the completion of the proposed FX Customer Payments;
- (b) the access to the books and records through the Trustee of MF Global Inc. continues to be done on an “as requested” basis. The Trustee has requested further information with respect to assembling data to prepare a proper Statement of Affairs but the process has not been completed. The Trustee has not yet had unrestricted access to the MF Canada server located on the premises of MF Global Inc. The Trustee expects that, with the additional time requested to send notice of the bankruptcy and prepare the Statement of Affairs, a more accurate representation with respect to the assets and liabilities can be presented to the creditors at the meeting of creditors;
- (c) the Trustee has also been working with the various third parties and intermediaries in the MF Canada business to recover funds held by third parties such as CDS Clearing and Depository Services Inc. and Canadian Derivatives Clearing Corporation (among others). These processes are now substantially complete (although some “holdbacks” continue to be held by such parties). However, the Trustee requires additional time to reconcile and report on the status of matters to the creditors in the Trustee’s Preliminary Report to Creditors for the first meeting of creditors;
- (d) the Trustee has been reviewing the books and records to assemble the information necessary to make the proposed FX Customer Payments; and
- (e) the Trustee must prepare separate claims packages for customers and creditors so that the claims process can be conducted more efficiently, with due regard to account transfers and payments made to FX Customers.

21. The Trustee anticipates that it will be able to have the claims packages available for distribution to the creditors and customers of MF Canada on or before December 22, 2011. As a result, the Trustee is requesting that the Court make an Order extending the time for delivery of notice of the bankruptcy to December 22, 2011.

22. As noted above, substantially all of the customers (excluding MF Global Inc.) will have been fully or substantially paid out within the next several weeks. The Trustee's preliminary information is that there are approximately \$2 million of outstanding liabilities of "trade creditors" and that, prior to its bankruptcy, MF Canada was paying its obligations on normal trade terms. Accordingly, it is the Trustee's view that there will be no prejudice to the further extension of time for sending of the notice.

RECOMMENDATION

23. The Trustee requests that this Honourable Court make an Order providing authority for, *inter alia*:

- (a) an Order pursuant to section 187(1) of the *Bankruptcy and Insolvency Act* extending the time for sending notice in respect of the first meeting of creditors in the estate of MF Canada to December 22, 2011;
- (b) authorizing the Trustee to send, by ordinary mail, to each FX Customer of MF Canada, the Retail FX Account Letter and Summary or Corporate FX Account Letter and Summary (as applicable) and a cheque payable to the FX Customer in the amount of the Net Equity Calculation as at the Date of Bankruptcy;
- (c) that the Net Equity Payments shall be credited against the Net Equity entitlement of such FX Customer;
- (d) approving the Second Report of the Trustee and the activities of the Trustee referred to therein; and

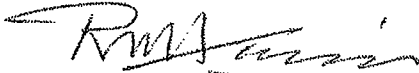
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(e) addressing certain other administrative matters relating to forwarding mail to the Trustee from MF Canada's offices.

- All of which are described more particularly in the draft Orders attached as Schedule "A" and "B" to the Trustee's Notice of Motion herein.

ALL OF WHICH IS RESPECTIVELY SUBMITTED this 23rd day of November, 2011.

**KPMG INC., in its capacity as trustee in
bankruptcy of MF GLOBAL CANADA CO.**



Richard M. Harris
Senior Vice President

TOR01: 4779993: v5

SCHEDULE “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.)
JUSTICE COLIN CAMPBELL)
FRIDAY, THE 4th DAY
OF NOVEMBER, 2011



**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

BANKRUPTCY ORDER

UPON THE APPLICATION of the Canadian Investor Protection Fund (the "Applicant"), issued on the 2nd day of November 2011, and upon having read the Affidavit of Truth of Barbara D. Love, filed, and upon being advised that MF Global Canada Co. consents to the making of a bankruptcy order against it, and it appearing to the Court that the following act of bankruptcy has been committed:

(a) MF Global Canada Co. has ceased to meet its liabilities generally as they become due.

1. **THIS COURT ORDERS** that MF Global Canada Co., of the City of Toronto, Province of Ontario, be and is hereby adjudged bankrupt and a bankruptcy order is hereby made against MF Global Canada Co.

2. **THIS COURT ORDERS** that KPMG Inc., of the City of Toronto, Province of Ontario, be and is hereby appointed Trustee of the estate of the said bankrupt.

3. **THIS COURT ORDERS** that the said Trustee give security in an amount to be fixed by the Official Receiver pursuant to section 16(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").
4. **THIS COURT ORDERS** that, effectively immediately, the proceedings commenced by MF Global Canada Co. pursuant to Part III, Division I, of the BIA, having Court File No. / Estate No. 31-1556952 (the "Proposal Proceedings"), are hereby terminated.
5. **THIS COURT ORDERS** that, effective immediately, RSM Richter Inc. is hereby discharged and relieved from its obligations, liabilities, responsibilities and duties in its capacity as the Proposal Trustee in the Proposal Proceedings.
6. **THIS COURT ORDERS** that a copy of this Order shall be forthwith filed by the Proposal Trustee in the court file for the Proposal Proceedings.
7. **THIS COURT ORDERS** that the costs of and incidental to this application and order be paid to the Applicant out of the assets of the estate upon taxation thereof.



Tara Stead
Officer of the Bankruptcy Court of Ontario

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV - 4 2011

PERFAR:



**IN THE MATTER OF THE BANKRUPTCY OF MF GLOBAL CANADA CO., OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDINGS COMMENCED AT TORONTO

BANKRUPTCY ORDER

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
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Toronto, Ontario
M5H 3Y4

CRAIG J. HILL

(416) 367-6156
Direct Fax (416) 361-7301
LSUC#31888K

Lawyers for the Applicant

SCHEDULE “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.) MONDAY, THE 14TH DAY
)
JUSTICE COLIN L. CAMPBELL) OF NOVEMBER, 2011

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**



**ORDER
(RE ACCOUNT TRANSFER, SUPPORT AND VESTING)**

THIS MOTION made on short notice by KPMG Inc., in its capacity as the trustee in bankruptcy (“Trustee”) of MF Global Canada Co. (“MF Global Canada”) was heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Trustee dated November 11, 2011 (the “Trustee’s Report”) and the Supplement to the First Report dated November 13, 2011 (the “Supplementary Report”) and on hearing the submissions of counsel for the Trustee, the Investment Industry Regulatory Organization of Canada (“IIROC”), the Canadian Investor Protection Fund (“CIPF”) for RBC Dominion Securities Inc. (“RBC DS”) and Stikeman Elliott LLP as representative counsel for the Customers (as defined in the Customer Representative Counsel Order dated November 14, 2011) (“Representative Counsel”), Friedberg Mercantile Group and Canadian Derivatives Clearing Corporation, no one else appearing.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record and the Supplementary Motion Record filed by the Trustee in support of this Motion, be and it is hereby abridged such the Motion is properly returnable today.
2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Account Transfer and Support Agreement attached as Schedule "D" to the Trustee's Report (the "Account Transfer and Support Agreement").
3. **THIS COURT ORDERS** that the Account Transfer and Support Agreement, substantially in the form attached as Schedule "D" to the Trustee's Report be and the same is hereby approved and the execution of the Account Transfer and Support Agreement by the Trustee is hereby authorized, with such minor amendments as the Trustee and the Transferee may deem necessary, and the Trustee be and is hereby authorized and directed to complete the transfers of the Transferred Accounts (the "Account Transfers") to RBC DS (the "Transferee") pursuant to and as contemplated by the Account Transfer and Support Agreement.
4. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to execute and deliver, any and all agreements, instruments and additional documents in connection with the Account Transfer and Support Agreement and the transactions contemplated therein as may be necessary or desirable, and to implement, fully perform and take any and all additional actions as may be necessary or desirable to consummate the Account Transfers and to perform its obligations (including in respect of the Transition Support Services) under the Account Transfer and Support Agreement.
5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Trustee's Certificate to the Transferee substantially in the form attached as Schedule "A" hereto, all of MF Global Canada's and the Trustee's right, title and interest, if any, in and to the Transferred Accounts shall vest absolutely in and to the Transferee, free and clear of any and all Claims, security interests (whether contractual, statutory or otherwise), hypothecs,

mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, and encumbrances, or other financial or monetary Claims, whether or not they have attached or been perfected, registered, or filed and whether secured, unsecured or otherwise, including without limiting the generality of the foregoing the Liquidity Support Charge granted herein pursuant to section 13, all charges, security interests or Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, other than rights and security interests of recognized exchanges or third parties holding security interests to the extent of the obligations secured thereby (collectively, the “**Encumbrances**”), and for greater certainty all Encumbrances against the Transferred Accounts are hereby expunged and discharged as against the Transferred Accounts and the Closing Time shall be deemed to have occurred upon delivery of the Trustee’s Certificate.

6. **THIS COURT ORDERS AND DIRECTS** the Trustee to file with this Honourable Court a copy of the Trustee’s Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that the Account Transfers are hereby approved as a necessary step to implement the efficient administration of the bankruptcy of MF Global Canada and neither the Trustee, IIROC, CIPF, Callidus Capital Corporation, in its capacity as Customer Representative, or the Customer Representative Counsel shall have any personal liability in connection with the carrying out of the Account Transfers.

8. **THIS COURT ORDERS** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee be and is hereby authorized and directed to provide to the Transferee all such customer account or personal information contained in the documentation relating to the Transferred Accounts and in the books and records of MF Global Canada that is necessary or desirable for the Trustee and the Transferee to carry out the Account Transfers and the transactions contemplated in the Account Transfer and Support Agreement. The Transferee shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it a manner which is in all material respects

substantially similar to the prior use of such information by MF Global Canada and the Transferor.

9. **THIS COURT ORDERS** that by accepting the Transferred Accounts pursuant to, and in performing its obligations under, the Account Transfer and Support Agreement, the Transferee, its affiliates, successors, and assigns shall not incur any liability or responsibility whatsoever, for or in connection with:

(a) any Claim by any Transferred Customer or Person, including against MF Global Canada or the Trustee relating to or in connection with the bankruptcy of MF Global Canada, the Transferred Accounts or otherwise, including without limiting the generality of the foregoing, arising from, relating to or in connection with the state, operation, management or control of any Transferred Account, investment, management of investments, failure to segregate customer funds or any act taken, not taken or which may have been taken by MF Global Canada or the Trustee up to the Closing Time; or

(b) any Claim other than in respect and to the extent of the Transferred Accounts after the Closing Time;

(c) any Claim by any Transferred Customer or Person against the Transferee for any action taken by the Transferee to request additional margin or collateral in respect of the Transferred Accounts or to liquidate open positions in the Transferred Accounts as a result of the insufficiency of the related Transferred Customer Collateral; or

(d) any claims provable (as such term is defined in section 121 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA")) against the bankruptcy estate of MF Global Canada.

10. **THIS COURT ORDERS** that the Transferee shall be entitled in respect of any Transferred Account to request from a Transferred Customer additional margin or collateral in respect of the Transferred Account or to liquidate open positions in any

Transferred Account as a result of an insufficiency of the related Transferred Customer Collateral.

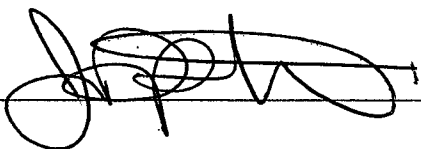
11. **THIS COURT ORDERS** that prior to the appointment of inspectors of the bankruptcy estate of MF Global Canada, the Trustee is authorized to borrow or enter into support agreements with CIPF to facilitate the transfer of customer accounts from time to time as it may consider advisable, including, without limitation, the "Liquidity Support" provided to the Trustee from CIPF and described in the Supplementary Report.
12. **THIS COURT ORDERS** that, subject to paragraph 13 hereof, all advances or payments by CIPF under any loan or support agreement as between the Trustee and CIPF shall be deemed to form part of the "customer pool fund" as defined in section 261 of the BIA and shall be repaid from the assets in the customer pool fund following the allocation of such fund pursuant to paragraphs 262(1)(a) and (b) of the BIA; provided that the portion of the customer pool fund allocated to any customer who is not entitled to compensation from CIPF or to receive any further compensation from CIPF shall be calculated so as to exclude any allocation of funds paid or advanced by CIPF (the "**CIPF Exclusion**"). For greater certainty, CIPF shall be entitled to be repaid in priority to any allocation pursuant to paragraph 262(1)(c) of the BIA.
13. **THIS COURT ORDERS** that as security for the Trustee's obligation to repay the liquidity support, CIPF shall be entitled to the benefits of and is hereby granted a charge (the "**Liquidity Support Charge**") on all of the property vested in the Trustee and that the Liquidity Support Charge shall have priority to all claims, interests, security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person, but subject to: (i) with respect to customers of Excluded Accounts that are not protected by CIPF coverage, 80% of the "net equity" (as defined in section 253 of the BIA) of such customer in the customer pool fund, subject to application of the CIPF Exclusion; and (ii) with respect to the customers of Excluded Accounts that are protected by CIPF coverage, to the extent of the "net equity" (as defined in section 253 of the BIA) of such customer in the customer pool fund.

14. **THIS COURT ORDERS** that the Transferee shall be entitled to the benefits of and is hereby granted a charge in the amount of \$50,000.00 (the "**Transferee's Charge**") on the property in the "general fund" of the estate of MF Global Canada to secure the Transferee's entitlement to receive payment of the Expense Reimbursement from the Transferor out of the "general fund" pursuant to section 8.6 of the Account Transfer and Support Agreement, and that the Transferee's Charge shall have priority to all claims or interests described in section 262(3)(c) and (d) of the BIA. For greater certainty, the Transferee shall be entitled to be paid following the allocation of such fund pursuant to paragraphs 262(1)(a) and (b) of the BIA and in priority to any allocation pursuant to paragraph 262(1)(c) of the BIA.
15. **THIS COURT ORDERS** that the Transferee, its affiliates, successors or assigns shall not be or be deemed to be, as a result of the Account Transfers, the Account Transfer and Support Agreement, or any steps taken in connection therewith, (a) subject to any liability or responsibility for any claims provable (as that term is defined in section 121 of the BIA) against the estate in bankruptcy of MF Global Canada (whether by reason of such transfer or otherwise); (b) a successor to MF Global Canada other than in respect of the Transferred Accounts; (c) to have de facto or otherwise, merged with or into MF Global Canada; or (d) acquiring or assuming any obligation of MF Global Canada whatsoever other than as expressly provided under the Account Transfer and Support Agreement.
16. **THIS COURT ORDERS** that, except to the extent that section 262(2.1) of the BIA applies, the claim of any Transferred Customer under section 262 of the BIA shall be deemed to have been paid and reduced by the amount actually transferred to the Transferee in respect of such Transferred Customer's Transferred Account pursuant to the Account Transfer and Support Agreement.
17. **THIS COURT ORDERS** that the terms of this Order do not prejudice the rights of the Trustee, other than as against the Transferee, to recover by legal process against any customer any amount that is transferred to the credit of such customer pursuant to the

Account Transfer and Support Agreement to the extent that such amount exceeds the “net equity” claim of such customer in the estate as of the date of bankruptcy.

18. **THIS COURT ORDERS** that the Trustee may use and seek the assistance of any futures or derivatives clearing organization, exchange or other clearing organization custodian or other intermediary to facilitate the Account Transfers (the “**Facilitating Clearing Organizations**”).
19. **THIS COURT ORDERS** that the Facilitating Clearing Organizations are hereby authorized to consummate the Account Transfers to the Transferee and to take all other actions necessary in furtherance thereof to complete the Account Transfers directed by the Trustee and shall have no liability for any actions taken in furtherance of this Order.
20. **THIS COURT ORDERS** that, notwithstanding paragraphs 5 and 13 hereof, nothing herein shall be deemed to preclude, limit or in any way interfere with the Facilitating Clearing Organizations from unilaterally liquidating any positions, including positions designated to be transferred by the Trustee to the Transferee under the Account Transfer and Support Agreement or from taking any actions or exercising any rights consistent with and in accordance with applicable law.
21. **THIS COURT ORDERS** that the *Bulk Sales Act* (Ontario) does not apply to the transactions contemplated under the Account Transfer and Support Agreement.
22. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of the Trustee’s powers and duties hereunder.
23. **THIS COURT ORDERS** that the Trustee shall give notice of this Order to customers by: (a) posting a copy of this Order on the Trustee’s website at www.kpmg.ca/mfglobalcanada and (b) e-mailing or mailing a copy of this Order, together with the Notice of Bankruptcy required by Section 102(c) of the BIA, and that compliance with the foregoing shall constitute adequate notice to the customers of this Order.

24. **THIS COURT ORDERS** that the Trustee's Report and the Supplementary Report, and the activities of the Trustee, as described in the Trustee's Report and the Supplementary Report, be and are hereby approved.
25. **THIS COURT ORDERS SEEKS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Trustee carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist the Trustee in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to read 'Giuseppe Di Pietro', is written over a horizontal line. The signature is stylized and cursive.

Giuseppe Di Pietro
Registrar

Schedule A – Form of Trustee’s Certificate

Court File No. 31-OR-207854-T

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Colin L. Campbell of the Ontario Superior Court of Justice (the “**Court**”) dated November 4, 2011, KPMG Inc. (the “**Trustee**”) was appointed as the trustee in bankruptcy of the estate of MF Global Canada Co. (the “**Corporation**”).

B. Pursuant to an Order of the Court dated November 14, 2011, the Court approved the Account Transfer and Support Agreement made as of November ●, 2011 (the “**Account Transfer and Support Agreement**”) between the Trustee, as transferor, and RBC Dominion Securities Inc., as transferee (the “**Transferee**”) and provided for the vesting in the Transferee of the Corporation’s and the Trustee’s right, title and interest in and to the Transferred Accounts, which vesting is to be effective with respect to the Transferred Accounts upon the delivery by the Trustee to the Transferee of a certificate confirming: (i) that the conditions to Closing as set out in Section 5.2 of the Account Transfer and Support Agreement have been satisfied or waived by the Trustee and the Transferee; and (ii) the transactions contemplated by the Account Transfer and Support Agreement have been completed to the satisfaction of the Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Account Transfer and Support Agreement.

THE TRUSTEE CERTIFIES the following:

1. The conditions to Closing as set out in Section 5.2 of the Account Transfer and Support Agreement have been satisfied or waived by the Trustee and the Transferee; and
2. The transactions contemplated by the Account Transfer and Support Agreement have been completed to the satisfaction of the Trustee.
3. This Certificate was delivered by the Transferee at [TIME]_____ on [DATE]_____.

KPMG INC., in its capacity as Trustee in Bankruptcy of the estate of MF GLOBAL CANADA CO., and not in its personal or corporate capacity

Per: _____
Name:
Title:

**IN THE MATTER OF THE BANKRUPTCY OF MF GLOBAL CANADA CO.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(RE ACCOUNT TRANSFER, SUPPORT AND VESTING)**

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CRAIG J. HILL
Direct Phone: 416-367-6156
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LSUC#31888K

Lawyers for KPMG Inc.,
in its capacity as trustee in bankruptcy of
MF Global Canada Co.

SCHEDULE “C”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.) MONDAY, THE 14TH DAY
JUSTICE COLIN L. CAMPBELL) OF NOVEMBER, 2011

**IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**



**ORDER
(RE CUSTOMER REPRESENTATIVE COUNSEL)**

THIS MOTION made on shortened notice by KPMG Inc., in its capacity as the trustee in bankruptcy (the "Trustee") of MF Global Canada Co. ("MF Global Canada") was heard on Monday, November 14, 2011 at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Trustee and on hearing the submissions of counsel for the Trustee and the proposed Customer Representative Counsel (as defined below):

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is abridged, service of notice of motion material and the motion record is validated, all such that this motion is properly returnable on November 14, 2011.
2. **THIS COURT ORDERS** that, subject to further Order of the Court, Callidus Capital Corporation, and XL Foods Inc. (collectively, the "Customer Representative") is hereby appointed to represent all "customers" (as such term is defined in the *Bankruptcy*

and Insolvency Act (Canada) (the "BIA")) of MF Global Canada as at November 4, 2011, other than MF Global Inc. (collectively, the "Customers") in all matters relating to MF Global Canada's proceedings under the BIA (collectively, the "Proceedings").

- 3. **THIS COURT ORDERS** that Stikeman Elliott LLP is hereby appointed as counsel (the "Customer Representative Counsel") to represent the Customers in respect of all matters affecting the Customers in the Proceedings.
- 4. **THIS COURT ORDERS** that any individual Customer who does not wish to be represented by the Customer Representative Counsel and to be bound by this Order and all other related orders which may subsequently be made in these proceedings shall by December 14, 2011, notify the Customer Representative Counsel and the Trustee in writing by facsimile, mail or delivery, in the form attached as **Schedule "A"** hereto, and shall thereafter not be so represented and shall represent themselves as an independent individual party to the extent they wish to appear in the Proceedings.
- 5. **THIS COURT ORDERS** that, subject to further Order of the Court, the Customer Representative Counsel shall have no obligation to consult with or seek instructions from the Customers other than the Customer Representative.
- 6. **THIS COURT ORDERS** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee is hereby authorized and directed to provide to the Customer Representative Counsel as soon as possible after the granting of this Order, without charge,
 - (a) all available information from the books and records of MF Global Canada under the Trustee's control with respect to the names, last known addresses, last known phone numbers and e-mail addresses (if any) of all Customers. The Customer Representative Counsel shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it only for the purpose of facilitating its communications with the customers; and

- (b) upon request of the Customer Representative Counsel, such documents and data as the Customer Representative Counsel deems necessary or desirable in order to perform its role as counsel to the Customers in the Proceedings. The Customer Representative Counsel is authorized to provide information obtained under this paragraph to the Customer Representative for the purpose of seeking and obtaining instructions in connection with carrying out its responsibilities as Customer Representative Counsel.
7. **THIS COURT ORDERS** that any Customer whose personal information is provided to the Customer Representative Counsel by the Trustee pursuant to this Order is deemed to have consented to such provision for the purposes of any applicable privacy legislation to the Trustee providing such information, and to the collection, use, and disclosure by the Customer Representative Counsel of such information, provided that such information will be used or disclosed by the Customer Representative Counsel solely for the purposes of representing the Customers' interests in the Proceedings.
8. **THIS COURT ORDERS** that the reasonable legal fees of and incidental fees and disbursements incurred by the Customer Representative and Customer Representative Counsel shall be paid by the Trustee on a periodic basis, forthwith upon the rendering of accounts (redacted to preserve any claim for privilege) to the Trustee and that, in the event of any disagreement regarding such fees and disbursements, such matters may be remitted to this Court for determination.
9. **THIS COURT ORDERS** that, subject to further order of the Court, and without limitation to any other right or protection in favour of the Customer Representative Counsel: (a) the Customer Representative Counsel shall not be required to take any step or action if it reasonably believes that there will not be sufficient funds available to it to complete such step or action; and (b) Stikeman Elliott LLP may apply to be discharged from its role as Customer Representative Counsel at any time in its sole discretion, including, without limitation, on the basis that it reasonably believes that there are