

In re MF Global Holdings Limited Securities Litigation

COURT: United States District Court for the Southern District of New York

CASE NUMBER: No. 1:11-cv-07866-VM

CASE LEADERS: Salvatore J. Graziano, Hannah Ross

On January 20, 2012, the Court appointed the Virginia Retirement System to serve as Co-Lead Plaintiff in this securities class action on behalf of investors who purchased the publicly traded securities of MF Global Holdings Limited (“MF Global” or the “Company”), and appointed Bernstein Litowitz Berger & Grossmann LLP as Co-Lead Counsel.

The case arises out of the collapse of MF Global – formerly a leading brokerage firm offering customized solutions in global cash, derivatives, and related markets – and concerns a series of materially false and misleading statements and omissions about MF Global’s business and financial results.

The Action Has Been Resolved Through Five Separate Settlements

Five separate settlements have resulted in an aggregate total recovery of \$234.3 million for investors in MF Global Securities.

On June 26, 2015, the Court finally approved partial settlements that Lead Plaintiffs reached with certain Underwriter Defendants for \$74 million on behalf of the Underwriter Settlement Class and with defendant Commerz Markets LLC for \$932,828 on behalf of the Commerz Settlement Class.

On November 25, 2015, the Court finally approved two additional partial settlements that Lead Plaintiffs reached with PricewaterhouseCoopers LLP (“PwC”), the outside auditor of MF Global, for \$65 million on behalf of the PwC Settlement Class, and with certain officers and directors of MF Global (the “Individual Defendants”) for \$64.5 million on behalf of the Individual Defendant Settlement Class.

On July 15, 2016, the Court finally approved a settlement for \$29,825,000 in cash with the Remaining Senior Notes Underwriter Defendants (underwriters of MF Global’s 6.25% Senior Notes due August 8, 2016), who were the final remaining defendants in the action, on behalf of the Remaining Senior Notes Underwriter Class.

Further information about each settlement and the class definition for each settlement, can be found in the applicable Notice. The Notices are available on the **Case Documents** section of this page.

The **MF Global Securities** that were eligible to participate in one or more of the Settlements are:

- **MF Global common stock**(including shares acquired through the MF Global Ltd. Amended and Restated 2007 Long Term Incentive Plan or the MF Global Ltd. Employee Stock Purchase Plan) (CUSIP 55277J108);
- **MF Global’s 9% Convertible Senior Notes**due June 20, 2038 (CUSIP 55276YAB2);
- **MF Global’s 1.875% Convertible Senior Notes**due February 1, 2016 (CUSIP 55277JAA6);
- **MF Global’s 3.375% Convertible Senior Notes**due August 1, 2018 (CUSIP 55277JAB4); and
- **MF Global’s 6.25% Senior Notes**due August 8, 2016 (CUSIP 55277JAC2).

The claims administration process has concluded and the net settlement fund has been fully disbursed. This matter is considered closed.

Background

The gravamen of the case was that, at all relevant times, the Defendants concealed from the investing public that (a) MF Global's financial statements were not presented in accordance with Generally Accepted Accounting Principles; (b) MF Global's SEC filings and other public statements materially misrepresented and failed to disclose the risks posed by the Company's enormous investments in European sovereign debt conducted through repurchase-to-maturity transactions; and (c) MF Global systematically violated its internal controls, including by misappropriating approximately \$1.6 billion from MF Global's segregated customer accounts.

On October 25, 2011, MF Global announced disappointing results for the fiscal quarter ended September 30, 2011. Specifically, the Company reported a net loss of \$191.6 million, including a \$119.4 million allowance against deferred tax assets recorded in connection with operations in the United States and Japan. In addition, MF Global finally disclosed the true risks associated with its exposure to European sovereign debt through repurchase-to-maturity transactions. On this news, MF Global's common stock declined approximately 48%, and its debt securities also declined significantly. In the following days, MF Global's credit ratings were reduced to "junk" status. On October 28, 2011, the New York Stock Exchange halted trading in MF Global's common stock. On October 31, 2011, MF Global filed for Chapter 11 bankruptcy. Subsequently, MF Global's debt securities defaulted. Numerous criminal and civil investigations into the collapse of MF Global ensued.

Case Documents

- October 30, 2018 - Order Approving Distribution Plan
- July 15, 2016 – Order Awarding Attorneys' Fees and Expenses
- July 15, 2016 – Judgment Approving Class Action Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC and U.S. Bancorp Investments, Inc.
- March 18, 2016 – Remaining Senior Notes Underwriter Preliminary Approval Order
- March 9, 2016 – Remaining Senior Notes Underwriter Stipulation
- Remaining Senior Notes Underwriter Notice
- November 25, 2015 – Order Awarding Attorneys' Fees and Expenses
- November 25, 2015 – Order Approving Plan of Allocation of Net Settlement Funds
- November 25, 2015 – Judgment Approving Class Action Settlement with Individual Defendants
- November 25, 2015 – Judgment Approving Class Action Settlement with PricewaterhouseCoopers LLP
- November 25, 2015 – Decision and Order
- April 3, 2015 – Stipulation and Agreement of Settlement with Defendant PricewaterhouseCoopers LLP

- April 20, 2015 – Order Preliminarily Approving Proposed Settlement with Defendant PricewaterhouseCoopers LLP and Providing for Notice
- June 26, 2015 – Judgment Approving Class Action Settlement with Commerz Markets LLC
- June 26, 2015 – Judgment Approving Class Action Settlement with Certain Underwriter Defendants
- July 2, 2015 – Stipulation and Agreement of Settlement with Individual Defendants
- July 7, 2015 – Order Preliminarily Approving Settlement with Individual Defendants and Providing for Notice
- July 7, 2015 - Order Amending PwC Preliminary Approval Order
- Plan of Allocation
- PwC / Individual Defendant Notice
- Commerz Settlement Notice
- Underwriter Settlement Notice
- October 3, 2014 – Consolidated Second Amended Securities Class Action Complaint
- December 11, 2014 – Stipulation and Agreement of Settlement with Certain Underwriter Defendants
- December 11, 2014 – Order Preliminarily Approving Proposed Settlement with Certain Underwriter Defendants and Providing for Notice
- March 17, 2015 – Stipulation and Agreement of Settlement with Defendant Commerz Markets LLC
- March 17, 2015 – Order Preliminarily Approving Proposed Settlement with Commerz Markets LLC and Providing for Notice
- August 20, 2012 - Consolidated Amended Securities Class Action Complaint
- February 17, 2012 - Stipulation Showing Cause to Defer Filing of Initial Report and Setting Schedule for Filing of Amended Complaints