

November 21, 2011

**Hon. Martin Glenn**

United States Bankruptcy Court  
Courtroom 501  
One Bowling Green  
New York, N.Y. 1000

**In re MF Global Inc., Debtor; Case No. 11-2790(MG)SIPA**

Dear Judge Glenn:

We are tendering this letter in support of the various efforts before your court which request the immediate release of the majority of assets in all commodity customer accounts at MF Global which have been frozen by the SIPC liquidation now underway. As the letters logged onto your docket evidence, Americans from all walks of life have been adversely affected by MF Global's failure, from farmers to investment advisors to MF Global's competitors. It is imperative that nearly all of their funds be released at once in order to prevent irreparable harm to these customers, the commodities industry, America's capital markets and economic future.

A central tenant of the success, stability and efficiency of commodity markets in the United States is that the segregation of customer funds is absolute. If that tenant was violated by MF Global, it is the duty of the court to ensure that customers of MF Global are protected as provided by the law. We know that the court is endeavoring to that end with the greatest possible speed. We understand that you ordered the Trustee to meet with representatives of MF Global's customers to develop a fast and equitable claims process. These representatives know their business well and the Trustee can utilize their expertise to facilitate a quick distribution of assets. We urge the court to ensure the Trustee incorporates their ideas, especially those which will leverage technology to yield a fast claims process. Customer assets have been frozen for over two weeks, despite the majority of these assets being accounted for and their owners easily affirmed. That is unacceptable.

In fact, as the delay of a release of funds persists the damage to our fragile economic recovery increases exponentially. Customers with frozen assets will face bankruptcy and financial ruin. This could lead to fewer commodity producers, resulting in scarcity and diminished competitiveness. Confidence in our capital markets will continue to erode, with fewer players willing to risk their capital to a flawed system. Commodity markets will see liquidity diminish and price volatility expand. This will lead to inefficient hedging for commodity producers and consumers, which will in turn lead to higher consumer prices for everything from food to fuel to clothing.

We understand that the Trustee asserts he does not know the size of the shortfall in commodity customer funds and cites this as his central reason for withholding the majority of customer assets. It is also our understanding the MF Global's bankruptcy filing listed over \$1.2 billion dollars in excess equity in its estate. As you are also aware, the Chicago Mercantile Exchange has pledged \$250 million to aid the Trustee in the event that he over-distributes funds. If the estate has over twice the amount of the \$600 million dollar shortfall in customer funds reported by regulators of MF Global at the time of the bankruptcy and the CME has pledged over \$250 million to aid in the distribution of funds, the court has over \$1.5 billion at its disposal—250% of the shortfall in total—with which it can make commodity customers whole. Therefore we believe no compelling interest could be served by preventing customers from accessing the majority of their funds at once.

As the proceeding in your court continues, we urge you to ensure commodity customers receive 100% of their funds as quickly as is feasible, subordinating all other creditors claims in doing so. No customer has ever lost any money in segregated funds as the result of an FCM default. We urge you to ensure that continues to be true. We implore you to act quickly and thank you for your efforts.

Respectfully Submitted,

CC: Hughes Hubbard & Reed, counsel to the Trustee  
Commodity Futures Trading Commission  
SIPC  
Tibbets Keating & Butler  
Commodity Customer Coalition