

Commodity Customer Coalition

125 South Wacker Drive, STE 300

Chicago, IL 60606

www.commoditycustomercoalition.org

info@commoditycustomercoalition.org

November 22, 2011

CONTACT: John L. Roe (jroe@btrtrading.com)

FOR IMMEDIATE RELEASE

312-933-6564

CCC Reacts to Trustee's Moving Target on Shortfall, Presses for Its Claims Process & Ad Hoc Committee at Hearing Tuesday

The Trustee for MF Global's SIPA liquidation proceeding issued a press release yesterday in which he put a figure to the estimated shortfall of customer funds for the first time: \$1.2 billion dollars or more. This is nearly twice the shortfall reported to the bankruptcy court by MF Global's attorneys. CCC attorneys James Koutoulas and co-counsel Vincent "Trace" Schmeltz appeared on CNN's "The Situation Room" yesterday afternoon and discussed this and other developments in the case.

Mr. Koutoulas issued the following statement in response to the Trustee's revelation:

Now that it's clear that the shortfall is much greater than MF Global initially reported, it only reinforces the need to pierce the corporate veil and pay customers back from the \$41 billion in MF's estate. The Trustee claimed in his release that he has brought about \$3.7 billion under his control. Since there were \$5.4 billion in segregated funds, we know the shortfall can't be greater than \$1.7 billion. That's as far as he can move the goal posts in this. Since there's \$41 billion in assets in the estate, even a \$1.7 billion dollar hole should be easy to fill.

Co-counsel Vincent "Trace" Schmeltz of Barnes and Thornburg added:

We are concerned that the Trustee lacks the expertise and may lack the motivation to aggressively pursue the commodities customers' clear priority interest in assets at the holding company level in this case. We would very much like to see a formal committee of commodity market experts who can support, and have real-time input into, the Trustee's efforts in this matter.

The Trustee has adopted several of the CCC's proposed changes to his claims process, including electronic filing of claims, tying "master" accounts to "sub" accounts so customers have one claims form for all of their accounts and properly defining net equity. However, the Trustee has been dismissive as to the rest of the CCC's motion, as well as to their desire to create an ad hoc committee of customers to represent MF Global customers to the court. CCC attorneys feel this is critical as assets have moved back and forth between customer accounts and MF Global's estate. Koutoulas noted:

The Trustee didn't know how to read a commodities statement. He didn't know what "net equity" was and yet he thinks he has the know-how to properly administer a claims process of commodities customers without their ongoing input? That's a myopic viewpoint which has already tarnished this process.

Without customer representation to the court, it's going to be the big banks and hedge funds advising the court as to claims. That is a fox in the hen house scenario that increases the likelihood of the subordination of customer property to creditors claims. People are getting financially ruined here and not just the Wall Street crowd. It affects farmers and ranchers too.

The CCC will argue its motion for a technology driven claims process Tuesday before the bankruptcy court at 3 PM EST. You can download the CCC motion, as well as the Trustee's new application for a claims process from the CCC website at CommodityCustomerCoalition.org in the "Resources" section under "CCC Filings & Legal Docs".

###

The Commodity Customer Coalition now represents over 7,000 former MF Global customers whose funds have been frozen by the SIPC Trustee. For more information, or to schedule interviews, please contact John L. Roe (jroe@btrtrading.com, 312-933-6564).