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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

----- X  
In re : Chapter 11  
MF GLOBAL HOLDINGS LTD., et al., : Case No. 11-15059 (SMB)  
: (Joint Administration Pending)  
Debtors. :  
----- X

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF THE GCG, INC. AS CLAIMS AND  
NOTICING AGENT FOR THE DEBTORS  
NUNC PRO TUNC TO THE PETITION DATE**

MF Global Holdings Ltd. and MF Global Finance USA Inc., debtors and debtors-in-  
possession in the above-captioned cases (collectively, the "Debtors," and the Debtors, together  
with MF Global Holdings Ltd.'s non-debtor affiliates and subsidiaries shall be referred to herein  
as "MF Global" or the "Company")<sup>1</sup> submit this application (the "Application") for entry of an  
order authorizing the retention and appointment of GCG, Inc. ("GCG") as claims and noticing  
agent ("Claims Agent") for the Clerk of the Bankruptcy Court (the "Clerk"), under 28 U.S.C.

<sup>1</sup> The Debtors consist of: MF Global Holdings Ltd. (EIN: 98-0551260) and MF Global Finance USA Inc. (EIN: 98-0554890).

§156(c). In support of the Application, the Debtors rely upon and incorporate by reference (a) the Declaration of Angela Ferrante in Support of the Application of the Debtors For Order Under 28 U.S.C. § 156(c) Authorizing the Retention of GCG as the Claims and Noticing Agent and Approving the Related Agreement (the "Ferrante Declaration"), filed contemporaneously herewith, and (b) the Declaration of Bradley I. Abelow Pursuant to Local Bankruptcy Rule 1007-2 and in Support of Chapter 11 Petitions and Various First Day Applications and Motions (the "Abelow Declaration"). In further support of the Application, the Debtors, by and through their undersigned counsel, respectfully represent:

### **JURISDICTION, VENUE AND STATUTORY PREDICATES**

1. This Court has jurisdiction of these cases pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are 28 U.S.C. § 156(c) and Rule 5075-1(a) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules").

### **BACKGROUND**

2. On the Petition Date, each of the Debtors filed a voluntary petition under chapter 11, title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") with this Court. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

3. Simultaneous with the filing of this Motion, the Debtors filed a motion with this Court pursuant to Rule 1015 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") seeking joint administration of the Debtors' cases.

## **RELIEF REQUESTED**

4. By this Application, the Debtors request entry of an order, substantially in the form attached hereto as Exhibit A (the "Order"), authorizing the Debtors to employ and retain GCG as the claims and noticing agent in these chapter 11 cases, *nunc pro tunc* to the Petition Date, pursuant to the terms and conditions set forth in the Bankruptcy Retention Agreement among the Debtors and GCG dated as of October 30, 2011 (such agreement together with all amendments, modifications, renewals thereof and all documents ancillary thereto or otherwise entered into in connection therewith, the "Retention Agreement"), a copy of which is attached hereto as Exhibit B and incorporated herein by reference. The Debtors' selection of GCG to act as the claims and noticing agent has satisfied the Court's *Protocol for the Employment of Claims and Noticing Agents*, in that the Debtors have obtained and reviewed engagement proposals from three other court-approved claims and noticing agents to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that GCG will provide the most cost-effective and efficient service as a claims and noticing agent in these chapter 11 cases. The Debtors chose GCG based on its experience, reputation and the competitiveness of its fees. Accordingly, the Debtors believe that GCG is well-qualified to serve in the capacity of the claims and noticing agent in these cases, and that GCG's retention in such capacity and as agent of the Court is in the best interests of the Debtors' estates and their creditors.

5. 28 U.S.C. § 156(c) provides, in relevant part, as follows:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate . . .

Local Rule 5075-1(a) provides, in relevant part, as follows:

The Court may direct, subject to the supervision of the Clerk, the use of agents either on or off the Court's premises to file Court records, either by paper or electronic means, to issue notices, to maintain case dockets, to maintain Judges' calendars, and to maintain and disseminate other administrative information where the costs of such facilities or services are paid for by the estate.

6. GCG is a bankruptcy administrator that specializes in providing comprehensive chapter 11 administrative services including noticing, claims processing, balloting and other related services critical to the effective administration of chapter 11 cases. Indeed, GCG has developed efficient and cost-effective methods to handle properly the voluminous mailings associated with the noticing, claims processing and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders and all parties in interest. Further, GCG will work with the Clerk of the United States Bankruptcy Court for the Southern District of New York (the "Clerk's Office") to ensure that such methodology conforms to all of the Court's procedures, the Local Rules and the provisions of any orders entered by this Court.

7. As set forth in the Ferrante Declaration, GCG has substantial experience in matters such as these chapter 11 cases and has acted as the claims and noticing agent in numerous cases of comparable size, including several cases filed in the United States Bankruptcy Court for the Southern District of New York. *See, e.g., In re ArchBrook Laguna Holdings LLC, et al*, case no. 11-13292 (SCC) (Bankr. S.D.N.Y. July 8, 2011); *In re Borders Group, Inc., et al*, case no. 11-10614 (MG) (Bankr. S.D.N.Y. Feb. 16, 2011); *In re Partsearch Technologies, Inc.*, case no. 11-10282 (MG) (Bankr. S.D.N.Y. Jan. 25, 2011); *In re TerreStar Corporation, et al.*, case no. 11-10612 (SHL) (Bankr. S.D.N.Y. Feb. 16, 2011); *In re TerreStar Networks Inc., et al.*, case

no. 10-15446 (SHL) (Bankr. S.D.N.Y. Oct. 19, 2010); In re Boston Generating, LLC, case no. 10-14419 (SCC) (Bankr. S.D.N.Y. Aug. 18, 2010); In re FGIC Corporation, case no. 10-14215 (SMB) (Bankr. S.D.N.Y. Aug. 3, 2010); In re Motors Liquidation Company, et al., case no. 09-50026 (REG) (Bankr. S.D.N.Y. June 1, 2009); In re DBSD North America, Inc., et al., case no. 09-13061 (REG) (Bankr. S.D.N.Y. May 15, 2009); and In re BearingPoint, Inc., et al., case no. 09-10691 (REG) (Bankr. S.D.N.Y. Feb. 18, 2009). GCG's expertise allows it to provide such services with commendable effectiveness and efficiency.

8. Pursuant to the Retention Agreement, GCG will undertake, *inter alia*, the following actions and procedures in its role as claims and noticing agent:

- (a) Notify all potential creditors of the filing of the bankruptcy petitions and of the setting of the date for the first meeting of creditors pursuant to § 341(a) of the Bankruptcy Code, under the proper provisions of the Bankruptcy Code and the Bankruptcy Rules;
- (b) Maintain an official copy of the Debtors' schedules of assets and liabilities and statement of financial affairs (collectively, "Schedules"), listing the Debtors' known creditors and the amounts owed thereto;
- (c) Notify all potential creditors of the existence and amount of their respective claims as evidenced by the Debtors' books and records and as set forth in the Schedules;
- (d) Furnish a notice of the last date for the filing of proofs of claim and a form for the filing of a proof of claim, after such notice and form are approved by this Court;
- (e) Maintain a post office box for the purpose of receiving claims;

- (f) For *all* notices, file with the Clerk's Office an affidavit or certificate of service which includes a copy of the notice, a list of persons to whom it was mailed (in alphabetical order), and the date mailed, within seven (7) days of service;
- (g) Docket all claims received by the Clerk's Office, maintain the official claims register (the "Claims Register") for the Debtors on behalf of the Clerk's Office, and, upon the receipt of a request from the Clerk's Office, provide the Clerk's Office with a certified duplicate, unofficial Claims Register;
- (h) Specify in the Claims Register, the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, and (iv) the classification(s) of the claim (*e.g.*, secured, unsecured, priority, etc.);
- (i) Record all transfers of claims and provide any notices of such transfers as required by Bankruptcy Rule 3001(e);
- (j) Relocate, by messenger or overnight courier, all of the court-filed proofs of claim to the offices of GCG, not less than weekly;
- (k) Upon completion of the docketing process for all claims received to date for each case, turn over to the Clerk's Office copies of the claims register for review by the Clerk's Office (upon the request of the Clerk's Office);
- (l) Make changes in the Claims Register pursuant to Court Order;
- (m) Maintain the official mailing list for each Debtor of all entities that have

filed a proof of claim, which list shall be available upon request by a party-in-interest or the Clerk's Office;

- (n) Assist with, among other things, solicitation and calculation of votes and distribution as required in furtherance of confirmation of any plan of reorganization;
- (o) Thirty (30) days prior to the close of these cases, arrange to have submitted to the Court a proposed Order dismissing the claims and noticing agent and terminating the services of such agent upon completion of its duties and responsibilities and upon the closing of these cases;
- (p) File with the Court the final version of the claims register immediately before the close of the chapter 11 cases; and
- (q) At the close of the cases, box and transport all original documents, in proper format, as provided by the Clerk's Office, to the Federal Archives Record Administration, located at Central Plains Region, 200 Space Center Drive, Lee's Summit, MO 64064.

9. The claims register maintained by GCG shall be open to the public for examination without charge during regular business hours.

10. In addition to the foregoing services, GCG will provide such other noticing, claims processing, balloting and related administrative services as the Debtors or the Clerk's Office may request from time to time.

### **COMPENSATION**

11. The fees to be charged by GCG as claims and noticing agent are set forth on Schedule A to the Retention Agreement. The Debtors respectfully submit that the rates to be charged by GCG for its services are competitive and comparable to the rates charged by its competitors for similar services. Furthermore, the Debtors respectfully submit that the fees and expenses incurred by GCG are administrative in nature and thus are not subject to standard fee application procedures of professionals. As such, the Debtors request authorization to compensate GCG on a monthly basis without further authorization from this Court, in accordance with the terms and conditions set forth in the Retention Agreement and upon GCG's submission to the Debtors of monthly invoices that summarize in reasonable detail the services for which compensation is sought.

12. The Debtors seek authority such that if these cases convert to cases under chapter 7 of the Bankruptcy Code, (a) GCG will continue to be paid for its services until the claims filed in the chapter 11 cases have been completely processed; and (b) if claims agent representation is necessary in the converted chapter 7 case, GCG will continue to be paid in accordance with 28 U.S.C. § 156(c) under the terms set forth in the Retention Agreement and this Order.



### **GCG's DISINTERESTEDNESS**

14. To the best of the Debtor's knowledge, and as disclosed in the Ferrante Affidavit, GCG (i) does not have any adverse connection with the Debtor, the Debtor's creditors or any other party in interest or its respective attorneys and accountants, or the United States Trustee; and (ii) does not hold or represent an interest adverse to the Debtor's estates.

15. Based on the Ferrante Declaration and to the best of the Debtors' knowledge, other than in connection with these cases, neither GCG nor any employee thereof has any connection with the Debtors, their creditors, the United States Trustee or any other party in interest herein; it is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code; and it does not hold or represent any interest adverse to the Debtors' estates, except as set forth herein and in the Ferrante Declaration.

16. Prior to the Petition Date, GCG performed certain professional services for the Debtors in accordance with the Retention Agreement. The Debtors do not owe GCG any amount for services performed or expenses incurred prior to the Petition Date.

17. GCG will conduct an ongoing review of its files to ensure that no conflict or other disqualifying circumstances exist or arise. If any new facts or relations are discovered, GCG will supplement its disclosure to the Court.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto, (a) authorizing the Debtors to employ and retain GCG as their claims and noticing agent *nunc pro tunc* to the Petition Date; (b) approving the terms of the Retention Agreement; and (c) granting such other and further relief as is just and proper.

Dated: New York, New York  
October 31, 2011

MF GLOBAL HOLDINGS LTD.  
(on behalf of itself and MF Global  
Finance USA Inc.)

/s/ Bradley I. Abelow  
Bradley I. Abelow  
President and Chief Operating Officer

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Proposed Counsel for Debtors and  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11  
MF GLOBAL HOLDINGS LTD., et al. : Case No. 11-15059 (SMB)  
: (Joint Administration Pending)  
Debtors. :  
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**ORDER AUTHORIZING THE RETENTION OF GCG INC., AS CLAIMS AND  
NOTICING AGENT FOR THE DEBTORS AND  
APPROVING RELATED AGREEMENT**

Upon consideration of the Application (the "Application")<sup>1</sup> of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), seeking entry of an order pursuant to 28 U.S.C. § 156(c) and Rule 5075-1(a) of the Local Rules for the Southern District of New York, authorizing the retention of GCG, Inc. ("GCG"), as its claims and noticing agent; and upon the Abelow Declaration and the Ferrante Declaration ; and due and sufficient notice of the Application having been given under the particular circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application.

Application is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that GCG is disinterested pursuant to section 101(14) of the Bankruptcy Code and that the terms of the Retention Agreement are reasonable and appropriate; and after due deliberation thereon; and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED;
2. The Debtors are authorized to employ and retain GCG as their Claims Agent on the terms and for the purposes, and to provide the services, as set forth in the Retention Agreement;
3. The terms of the Retention Agreement are hereby approved;
4. GCG will assist the Debtors with, among other things, preparing and mailing notices and customized proofs of claims to creditors, claims processing, solicitation of votes on any plan, tabulation of ballots and such other services as may be requested by the Debtors or the Clerk's Office from time to time;
5. The Clerk's Office shall release all filed claims directly to GCG, and GCG will provide the Clerk's Office with the necessary labels and boxes for shipping the claims to GCG;
6. In connection with its appointment as claims and noticing agent in these cases, GCG:
  - (a) is not and will not be employed by any federal or state agency (the "Government") and will not seek any compensation from the Government;
  - (b) by accepting employment in these cases, waives any right to receive compensation from the Government;

- (c) is not an agent of the Government and is not acting on behalf of the Government;
- (d) will not misrepresent any fact to the public; and
- (e) will not employ any past or present employees of the Debtors for work involving these cases;

7. If these cases convert to cases under chapter 7 of the Bankruptcy Code, GCG will continue to be paid for its services until the claims filed in the chapter 11 cases have been completely processed. If claims agent representation is necessary in the converted chapter 7 case, GCG will continue to be paid in accordance with 28 U.S.C. § 156(c) under the terms set forth in the Retention Agreement and this Order;

8. Prior to the close of these cases, an Order dismissing GCG shall be submitted terminating the services of GCG upon completion of its duties and responsibilities;

9. Upon the close of these cases, GCG shall box and transport all original documents in proper format, as provided by the Clerk's Office, to the Federal Records Administration;

10. The Debtors and GCG are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application;

11. Notwithstanding the possible applicability of Rule 6004(h) of the Bankruptcy Rules or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and

12. This Court shall retain jurisdiction with respect to all matters, claims, rights or disputes arising from or related to the implementation of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2011

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

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Proposed Counsel for Debtors and  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11  
MF GLOBAL HOLDINGS LTD., et al., : Case No. 11-15059 (SMB)  
: (Joint Administration Pending)  
Debtors. :  
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**DECLARATION OF ANGELA FERRANTE IN SUPPORT OF THE  
DEBTORS' APPLICATION FOR AN ORDER UNDER 28 U.S.C. § 156(c)  
AUTHORIZING THE RETENTION OF GCG, INC. AS THE  
CLAIMS AND NOTICING AGENT AND APPROVING RELATED AGREEMENT**

Angela Ferrante, being duly sworn, deposes and states:

1. I am an Assistant Vice President of GCG, Inc. ("GCG"), and I am authorized to make and submit this declaration on behalf of GCG. This declaration is submitted in support of the application (the "Section 156 (c) Application") of MF Global Holdings Ltd. and MF Global Finance USA Inc., debtors and debtors-in-possession in the above-captioned cases (collectively the "Debtors"), for authorization to retain GCG as the official claims and noticing agent ("Claims Agent") for the above-captioned Chapter 11 cases (the "Cases") pursuant to 28

U.S.C. § 156(c) and to approve the assumption of a related agreement. The statements contained herein are based upon personal knowledge.

2. GCG is one of the country's leading Chapter 11 administrators with expertise in noticing, claims processing, balloting administration and distribution. GCG is well-qualified to provide experienced claims and noticing services in connection with these Cases. GCG is or was retained as the claims and noticing agent in a number of large Chapter 11 cases in this jurisdiction, the most recent of which include: In re ArchBrook Laguna Holdings LLC, et al, case no. 11-13292 (SCC) (Bankr. S.D.N.Y. July 8, 2011); In re Borders Group, Inc., et al, case no. 11-10614 (MG) (Bankr. S.D.N.Y. Feb. 16, 2011); In re Partsearch Technologies, Inc., case no. 11-10282 (MG) (Bankr. S.D.N.Y. Jan. 25, 2011); In re TerreStar Corporation, et al., case no. 11-10612 (SHL) (Bankr. S.D.N.Y. Feb. 16, 2011); In re TerreStar Networks Inc., et al., case no. 10-15446 (SHL) (Bankr. S.D.N.Y. Oct. 19, 2010).

3. The Debtors selected GCG to serve as the Claims Agent for the Debtors' estates, as set forth in more detail in the Section 156(c) Application filed contemporaneously herewith. To the best of my knowledge, neither GCG, nor any of its professional personnel, have any relationship with the Debtors that would impair GCG's ability to serve as Claims Agent. GCG does have relationships with some of the Debtors' creditors, but they are in matters completely unrelated to these Cases, either as vendors or in cases where GCG serves in a neutral capacity as a class action settlement claims administrator or bankruptcy administrator. GCG's assistance in the cases where GCG acts as a class action settlement claims administrator has been primarily related to the design and dissemination of legal notice and other administrative functions in class actions. I have been advised that Brian Karpuk, an Assistant Director at GCG, Denise Kaloudis, a Senior Consultant at GCG, and Mark Brown, a Bankruptcy Consultant at

GCG, are attorneys formerly associated with the Debtors' bankruptcy counsel, Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), and that Jeffrey Demma, a Project Manager at GCG, also was formerly associated with Skadden. Mr. Karpuk, Ms. Kaloudis, Mr. Brown and Mr. Demma were employed by Skadden from October 2000 through June 2006, October 2004 through April 2009, April 2001 through March 2004 and February 1998 through March 2009, respectively. I have also been advised that while associated with Skadden, Mr. Karpuk, Ms. Kaloudis, Mr. Brown and Mr. Demma did not work on any matters involving the Debtors. In fact, Mr. Karpuk, Ms. Kaloudis, Mr. Brown and Mr. Demma were no longer associated with Skadden when these Cases were filed. In addition, GCG personnel may have relationships with some of the Debtors' creditors; however, such relationships are of a personal, financial nature and completely unrelated to these Cases. GCG has working relationships with certain of the professionals retained by the Debtors and other parties herein but such relationships are completely unrelated to these Cases. GCG has and will continue to represent clients in matters unrelated to these Cases and has had and will continue to have relationships in the ordinary course of its business with certain vendors and professionals in connection with matters unrelated to these Cases.

4. Since 1999, GCG has been a wholly owned subsidiary of Crawford & Company. I am advised that Crawford & Company has no material relationship with the Debtors, and while it may have rendered services to certain creditors, received services from certain creditors or have a vendor relationship with some creditors, such relationships were (or are) in no way connected to GCG's retention by the Debtors in these Cases.

5. GCG is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, in that GCG and its professional personnel:



- (a) are not creditors, equity security holders or insiders of the Debtors;
- (b) are not and were not, within two years before the date of the filing of these Cases, directors, officers or employees of the Debtors; and
- (c) do not have an interest materially adverse to the interests of the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors.

6. GCG has not been retained to assist any entity or person other than the Debtors on matters relating to, or in connection with, these Cases. If GCG's proposed retention is approved by this Court, GCG will not accept any engagement or perform any service for any entity or person other than the Debtors in these Cases without the expressed consent and authority of the Debtors; provided however, that contemporaneous with the filing of the Section 156(c) Application or shortly thereafter, the Debtors intend to file a separate application to retain GCG pursuant to section 327 of the Bankruptcy Code to provide additional services outside the scope of 28 U.S.C. §156(c). In addition, GCG may provide professional services to entities or persons that may be creditors or parties in interest in these Cases, which services do not relate to, or have any direct connection with, these Cases or the Debtors.

7. GCG represents, among other things, that:

- (a) It will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as Claims Agent;
- (b) By accepting employment in these Cases, GCG waives any right to receive compensation from the United States government;

(c) In its capacity as Claims Agent, GCG will not be an agent of the United States and will not act on behalf of the United States; and

(d) GCG will not employ any past or present employees of the Debtors in connection with its work as Claims Agent.

8. Subject to the Court's approval, the Debtors have agreed to compensate GCG for professional services rendered pursuant to 28 U.S.C. §156(c) in connection with these Cases according to the terms and conditions of the retention agreement by and between the Debtors and GCG, a true and correct copy of which is attached as Exhibit A. Payments are to be based upon the submission to the Debtors by GCG of a billing statement, which includes a listing of services and expenses, at the end of each calendar month.

9. GCG will comply with all requests of the Clerk of the Court and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).



Angela Ferrante

**EXHIBIT A**  
**RETENTION AGREEMENT**



## BANKRUPTCY ADMINISTRATION AGREEMENT

This Bankruptcy Administration Agreement, dated as of October 30, 2011, is between GCG, Inc., a Delaware corporation (the "Company"), and MF Global Holdings Ltd., on behalf of its subsidiaries and affiliates that would be debtors in the proposed bankruptcy filing (the "Clients").

The Clients desire to retain the Company to perform certain noticing, claims processing, solicitation, and other administrative services for the Clients in their Chapter 11 cases anticipated to be filed in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and the Company desires to be so retained, in accordance with the terms and conditions of this Agreement.

The Clients shall file one or more applications with the Bankruptcy Court seeking approval of this Agreement (each, an "Application"). If an order or orders is or are entered approving the Application (each, an "Order"), any discrepancies between the Agreement, Application and Order shall be controlled by the Order.

In consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Services. The Company agrees to provide the services necessary to perform the tasks specified in the pricing schedule that has been supplied to the Clients and is attached hereto as Exhibit A. Such services are hereinafter referred to as "Services." The Clients agree and understand that none of the Services constitute legal advice.

2. Payment for Services; Expenses.

2.1 Compensation. As full compensation for the Services to be provided by the Company, the Clients agree to pay the Company its fees as outlined in the pricing schedule that has been supplied to the Clients and is attached hereto as Exhibit A (subject to Bankruptcy Court approval in the event of an unresolved dispute). Billing rates may be adjusted from time to time by the Company in its reasonable discretion, although billing rates generally are changed on an annual basis.

2.2 Expenses. In addition to the compensation set forth in Section 2.1, the Clients shall reimburse the Company for all out-of-pocket expenses reasonably incurred by the Company in connection with the performance of the Services (subject to Bankruptcy Court determination in the event of an unresolved dispute). The out-of-pocket expenses will be billed on the expense (non-fee) portion of the Company's invoice to the Clients and may include, but are not limited to, postage, banking fees, brokerage fees, costs of messenger and delivery service, travel, filing fees, staff overtime meal expenses and other similar expenses. In some cases, the Company may receive a rebate at the end of a year from a vendor.

2.3 Billing and Payment. Except as provided in Section 2.2, the Company shall bill the Clients for its fees and expenses for services performed under section 156(c) of title 28 of the United States Code on a monthly basis, and the Clients shall pay the Company within thirty (30) days of its receipt of each such bill in the ordinary course of business (subject to Bankruptcy Court approval in the event of an unresolved dispute). For services performed outside the scope of section 156(c) of title 28 of

the United States Code, the Company shall apply for compensation and reimbursement of expenses in accordance with the procedures set forth in sections 330 and 331 of title 11 of the United States Code, the applicable Federal Rules of Bankruptcy Procedures, the Local Bankruptcy Rules for the Southern District of New York, any applicable orders of the Bankruptcy Court, the guidelines established by the United States Trustee for the Southern District of New York, and such other procedures that have been or may be fixed by order of the Bankruptcy Court. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses such as postage must be paid at least three (3) business days in advance of those fees and expenses being incurred. Each of the Clients is jointly and severally liable for the Company's fees and expenses.

3. Term and Termination.

3.1 Term. The term of this Agreement shall commence on the date hereof and shall continue until performance in full of the Services, unless earlier terminated as set forth herein.

3.2 Termination.

(a) In the event of any material breach of this Agreement by either party hereto, either party may apply to the Bankruptcy Court for an order allowing termination of the Agreement. Grounds for termination include: (i) failure to cure a material breach within thirty (30) days after receipt of the notice by the non-breaching party or (ii) in the case of any breach which requires more than thirty (30) days to effect a cure, failure to commence and continue in good faith efforts to cure such breach, provided that such cure shall be effected no later than ninety (90) days after receipt of such notice of such breach. Waiver of any such default or material breach by either party hereto shall not be construed as limiting any right of termination for a subsequent default or material breach.

(b) The Company shall be entitled to an administrative claim for all fees and expenses outstanding at the time of termination (subject to Bankruptcy Court approval in the event of an unresolved dispute).

(c) In accordance with the Bankruptcy Court's Local Rules, procedures and/or directives, or in the absence thereof, as soon as practicable (1) following the entry of a final decree closing the case, or (2) following the conversion of the case to Chapter 7, the Company shall forward to the Federal Archives Record Administration all original proofs of claim. For all other documents in the Company's actual or constructive possession (including, but not limited to letters, e-mails, facsimiles, other correspondence, and all undeliverable and/or returned mail), the Company shall retain paper copies and electronic copies for one (1) year (1) following the entry of a final decree closing the case, or (2) following the conversion of the case to Chapter 7. Following the one (1) year retention period, the Company shall have the right to destroy all such documents. This provision shall not affect the Company's normal course business processes for archives and back-up tapes.

4. Independent Contractor. It is understood and agreed that the Company, through itself or any of its agents, shall perform the Services as an independent contractor. Neither the Company nor any of its employees shall be deemed to be an employee of the Clients. Neither the Company nor any of its employees shall be entitled to any benefits provided by the Clients to their employees, and the Clients will make no deductions from any of the payments due to the Company hereunder for state or federal tax purposes. The Company agrees that the Company shall be responsible for any and all taxes and other payments due on payments received hereunder by the Company from the Clients. Nothing in this Agreement requires the Clients to use the Company for any future work relating to the Services, and, in

the event the Clients decide to use another party for such future work, the Company agrees to cooperate fully with the Clients to ensure a smooth transition to the new party.

5. Accuracy of Client Supplied Information. The Clients are responsible for the accuracy of all programs, data and other information they submit to the Company (including all information for schedule and statement preparation) and for the output of such information. The Company may undertake to place that data and information into certain systems and programs, including in connection with the generation of Schedules of Assets and Liabilities ("Schedules") and Statements of Financial Affairs ("Statements"). The Company does not verify information provided by the Clients and, with respect to Schedules and Statements preparation, all decisions are at the sole discretion and direction of the Clients. All Schedules and Statements filed on behalf of, or by, the Clients are reviewed and ultimately approved by the Clients, and the Company bears no responsibility for the accuracy or contents therein.

6. Confidential Information.

6.1 Confidentiality. In connection with this Agreement, each of the Clients and the Company (as the case may be, the "Disclosing Party") may disclose to the Company or the Clients (as the case may be, the "Receiving Party") certain information (a) that is marked or otherwise identified in writing as confidential or proprietary information of the Disclosing Party ("Confidential Information") prior to or upon receipt by the Receiving Party; or (b) which the Receiving Party reasonably should recognize from the circumstances surrounding the disclosure to be Confidential Information. The Receiving Party (x) shall hold all Confidential Information in confidence and will use such information only for the purposes of fulfilling the Receiving Party's obligations hereunder and for no other purpose, and (y) shall not disclose, provide, disseminate or otherwise make available any Confidential Information to any third party other than for the purposes of fulfilling the Receiving Party's obligations hereunder, in either case without the express prior written permission of the Disclosing Party. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information pursuant to a validly issued subpoena or order of a court of competent jurisdiction, provided, however, that Receiving Party must provide the Disclosing Party with prompt written notice of such subpoena or court order so that Disclosing Party may seek a protective order or other appropriate remedy, and Receiving Party shall reasonably cooperate with Disclosing Party's efforts to obtain same.

6.2 Protection of Intellectual Property. The Clients acknowledge that the Company's intellectual property, including, without limitation, the Company's inventions (whether or not patentable), processes, trade secrets and know how are of ultimate importance to the Company. Accordingly, the Clients agree to use their best efforts to protect such intellectual property, and shall not, either during the term of this Agreement or subsequent to its termination, utilize, reveal or disclose any of such intellectual property. The Clients understand that the software programs and other materials furnished by the Company pursuant to this Agreement and/or developed during the course of this Agreement by the Company are the sole property of the Company. The term "program" shall include, without limitation, data processing programs, check printing programs, specifications, applications, routines, sub-routines, procedural manuals, and documentation. The Clients further agree that any ideas, concepts, know-how or techniques relating to the claims management software used or developed by the Company during the course of this Agreement shall be the exclusive property of the Company.

6.3 Scope. The foregoing obligations in Sections 6.1 and 6.2 shall not apply to (a) information that is or becomes generally known or available by publication, commercial use or otherwise through no fault of the Receiving Party; (b) information that is known by the Receiving Party prior to the time of disclosure by the Disclosing Party to the Receiving Party; (c) information that is obtained from a third party who, to the Receiving Party's knowledge, has the right to make such disclosure without

restriction; (d) any disclosure required by applicable law; or (e) information that is released for publication by the Disclosing Party in writing. The obligations set forth under Sections 6.1 and 6.2 shall survive the termination of this Agreement.

7. Jurisdiction. This Agreement is subject to the approval of the Bankruptcy Court, and such Court shall retain jurisdiction over all matters regarding this Agreement.

8. Force Majeure. Whenever performance by the Company of any of its obligations hereunder is substantially prevented by reason of any act of God, strike, lock-out or other industrial or transportational disturbance, fire, lack of materials, law, regulation or ordinance, war or war conditions, or by reason of any other matter beyond the Company's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

9. Notice. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier. Any such notice shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in the United States mail, or, if sent by overnight courier, one business day after delivery to such courier, as follows: if to the Company, to GCG, Inc., 1985 Marcus Avenue, Suite 200, Lake Success, New York 11042, Attention: David Isaac, Chief Executive Officer; and if to the Clients, to Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, Attention: J. Gregory Milmo, Esq.

10. Governing Law. This contract will be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws provisions).

11. Severability. All clauses and covenants contained in this Agreement are severable and in the event any of them are held to be invalid by any court, such clause or covenant shall be valid and enforced to the maximum extent as to which it may be valid and enforceable, and this Agreement will be interpreted as if such invalid clauses or covenants were not contained herein.

12. Assignment. This Agreement and the rights and obligations of the Company and the Clients hereunder shall bind and inure to the benefit of any successors or assigns thereto.

13. General. This Agreement supersedes and replaces any existing agreement entered into by the Company and the Clients relating generally to the same subject matter, and may be modified only in a writing signed by the Company and the Clients. The paragraph headings in this Agreement are included only for convenience, do not in any manner modify or limit any of the provisions of this Agreement and may not be used in the interpretation of this Agreement. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

*MF Global Holdings Ltd., on behalf of its GCG, INC.  
subsidiaries and affiliates that would be debtors in  
the proposed bankruptcy filing.*

By: *Laurie R. Fisher*  
Name:  
Title:

By: *Karen Khan*  
Name:  
Title:





## GCG Pricing

### Set-Up Creditor File

Set-up fee .....	Waived
Electronic import of creditor data .....	No per creditor charge
Assist with production of Schedules and Statements of Financial Affairs .....	Standard hourly rates

### Noticing

Laser printing (includes folding, insertion, and envelopes) .....	\$0.10 per page (volume discounts apply)
Electronic noticing (e-mail) .....	\$50 per 1,000
Facsimile noticing (domestic facsimile) .....	\$0.10 per page
Personalization/labels.....	\$0.05 each
Legal publication of notice.....	Quote
Processing undeliverables .....	\$0.25 each

### Document Management

Sort and prep mail (including handling remains).....	Standard hourly rates
Document scanning.....	\$0.12 per image
Document monthly storage (paper) .....	\$1.50 per box
(electronic).....	\$0.02 per creditor/image (waived for first three months)

### Claims Administration

Association of claimant name and address to database.....	\$0.15 per claim
Processing of claims, including non-conforming claims, supervisory review, and application of message codes .....	Standard hourly rates

### Balloting

Balloting (including coordination with nominees and Broadridge and processing of master ballots, tabulation, verification and certification of vote) .....	Standard hourly rates
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### GCG's Proprietary Electronic Database

License fee .....	No charge
Remote access/Permitted users	\$250 per month/unlimited users



**Web Site**

Creating customized, interactive web site (including e-mail box for creditors) ..... Standard hourly rates  
Monthly maintenance fee..... \$200 per month

**Contact Services**

Casc-specific voice-mail box for creditors..... No charge  
Interactive Voice Response ("IVR")..... \$1,900 set up  
\$0.39 per minute  
Monthly maintenance charge ..... \$100 per month  
Management of Call Center (including handling of claimant  
communications, call backs, e-mails, and other correspondences)..... Standard hourly rates

**Disbursements**

Disbursements ..... Quote prior to distribution

**Miscellaneous Expenses**

Travel ..... Waived  
Postage, courier, etc ..... At cost  
Copying, facsimile ..... \$0.10 per page

**Hourly Billing Rates\***

Title	Standard Hourly Rates	Discounted Rates
Administrative & Data Entry	\$45-\$55	\$28 - \$43
Mailroom and Claims Control	\$55	\$43
Customer Service Representatives	\$57	\$48
Project Administrators	\$70-\$85	\$57 - \$72
Quality Assurance Staff	\$80-\$125	\$57 - \$100
Project Supervisors	\$95-\$110	\$57 - \$90
Systems & Technology Staff	\$100-\$200	\$72 - \$144
Graphic Support for web site	\$125	\$105
Project Managers	\$125-\$175	\$90 - \$144
Directors, Sr. Consultants and Asst VP	\$200-\$295	\$162 - \$198
Vice President and above	\$295*	\$212*

\* For this engagement, GCG agrees to discount its Standard Hourly Rates as reflected in the chart above. Expert services provided by Vice President Jeff Stein in connection with solicitation (including of public securities) and tabulation will be at a rate of \$310 per hour. Any additional professional services not covered by this proposal will be charged at GCG hourly rates including any outsourced data input performed under GCG supervision and controls. GCG does not charge a premium or overtime charge for any of the services it performs.