

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

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In re : Chapter 11
MF GLOBAL HOLDINGS LTD., *et al.*, : Case No. 11-15059 (MG)
Debtors. : (Jointly Administered)
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**DECLARATION OF LAURIE R. FERBER IN SUPPORT OF MOTION FOR
ORDER UNDER 11 U.S.C. §§ 105(a), 363, AND 365(a) AND FED. R. BANKR. P.
6006 AND 9014 AND LOCAL BANKRUPTCY RULE 6006-1 (I) AUTHORIZING
REJECTION OF CERTAIN EXECUTORY CONTRACTS AND (II) APPROVING
PROCEDURES REGARDING THE FUTURE REJECTION OF EXECUTORY
CONTRACTS**

Pursuant to 28 U.S.C. § 1746, I, Laurie R. Ferber, hereby declare as follows:

1. I am the general counsel and executive vice president of MF Global Holdings Ltd. (“MF Ltd.”) and executive vice president and a director of MF Global Finance USA Inc. (“MF Finance,” collectively with MF Ltd., the “Initial Debtors”). MF Ltd. is the ultimate parent of the jointly administered debtors MF Global Capital LLC, MF Global FX Clear LLC, and MF Global Market Services, LLC (the “Additional Debtors,” and collectively, with the Initial Debtors, the “Debtors”). I am also an executive vice president and a member of the Additional Debtors.

2. Louis J. Freeh, the duly appointed Chapter 11 Trustee of the Debtors (the “Trustee”), has duly authorized me to make and submit this declaration (the “Declaration”) in support of the *Motion for Order under 11 U.S.C. §§ 105(a), 363, and 365(a) and Fed. R. Bankr. P. 6006 and 9014 and Local Bankruptcy Rule 6006-1 (I) Authorizing Rejection of Certain Executory Contracts and (II) Approving Procedures Regarding the Future Rejection of Executory Contracts* (the “Motion”) (Docket No. 454).

Capitalized terms used herein but not otherwise defined have the meanings given them in the Motion.

3. The facts set forth in this Declaration are based upon my personal knowledge, information provided to me by employees of the Debtors and various professionals of the Debtors' estates, upon information and belief (where indicated), upon records of the Debtors kept in the ordinary course of business that were reviewed by employees of the Debtors, or my opinion based upon prior information concerning the operations of the Debtors experience, knowledge, and information concerning the operations of the Company. If called upon and sworn as a witness, I could and would testify competently to the matters set forth herein.

4. As part of the discontinuation of the Debtors' operations and the orderly wind-down of their affairs, the Trustee and his professionals are evaluating which of the Debtors' contracts have ongoing value to the estate, and which are valueless or burdensome. Through this analysis, the Trustee has determined that the contracts listed on Exhibit A to the Motion (the "Rejected Contracts") are burdensome to the Debtors' estates, and are no longer needed for the wind-down of the Debtors' business operations. Because the Debtors are no longer engaged in the operations that are the subject of the Rejected Contracts, I believe that the Rejected Contracts are not conferring any benefit upon the Debtors' estates. Absent rejection, the Debtors may continue to be obligated to make payments or satisfy other obligations under the Rejected Contracts, even though they have no continuing business purpose for the Debtors' estates. As such, I believe that it is no longer desirable for the Debtors to continue to be bound by the obligations under

the Rejected Contracts and that elimination of such obligations constitutes a valid exercise of business judgment.

5. The Rejected Contracts include, but are not limited to, agreements for marketing services, IT consulting services, media monitoring services, office supplies, and a host of other agreements related to the Debtors' former operations no longer required by the Debtors. The Trustee and his professionals are continuing to review and evaluate other executory contracts that are not the subject of this Motion. As this process continues, I expect that additional contracts will be identified to be rejected.

6. By rejecting the Rejected Contracts at this time, the Debtors will avoid incurring unnecessary costs in connection with agreements that provide no tangible benefit to the Debtors' estates. The resulting savings from the rejection of the Rejected Contracts will preserve cash for the Debtors and assist the Trustee in managing the Debtors' estates. I believe that, in order to minimize unnecessary potential costs to the Debtors' estates, the Rejected Contracts should be rejected as of the date of the entry of an order granting the Motion.

7. Based on the foregoing, I believe that rejection of the Rejected Contracts is in the best interests of the Debtors' estates, their creditors and other parties-in-interest.

8. Additionally, I believe that establishing streamlined procedures for rejecting any or all of remaining executory contracts not identified as Rejected Contracts will save the estates the significant time and administrative expense of filing a motion for each contract to be rejected, and that the proposed Rejection Procedures provide an appropriate system to efficiently manage the rejection of additional contracts while

protecting the counterparties of such contracts with appropriate notice of a proposed rejection.

9. I believe that the counterparties to the Rejected Contracts will not be prejudiced by the Rejection Procedures because, upon receipt of a Rejection Notice, such counterparties will have received advance notice of the Trustee's intent to reject their respective contract and of the effective date of the rejection. I believe that the proposed Rejection Procedures, with the goal of conserving judicial resources, balance the need for an expeditious reduction of burdensome costs to the Debtors' estates while providing due notice of the proposed rejection to the contract counterparties.

10. The proposed rejection of the Rejected Contracts is tailored to minimize administrative expenses and to maximize distributions to creditors in these chapter 11 cases. Further, I believe that the establishment of procedures to govern the rejection of additional contracts is necessary to minimize the administrative burden on the Trustee and the Trustee's professionals and conserve judicial resources. I believe that the rejection of the Rejected Contracts and the proposed Rejection Procedures should be approved because they are in the best interests of the Debtors' estates and represent a proper exercise of business judgment.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: March 2, 2012

Respectfully submitted,

/s/ Laurie R. Ferber
Laurie R. Ferber