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January 3, 2012

Via Federal Express  
Mr. James W. Giddens  
Hughes Hubbard & Reed LLP  
One Battery Park Plaza  
New York, New York 10004-1482

In re. MF Global Bankruptcy – Request for Release of IB Commission Runs

Dear Mr. Giddens:

I write on behalf of my client, the National Introducing Brokers Association (NIBA). The NIBA is a membership organization which has represented the interests of Introducing Brokers (IBs), Commodity Trading Advisors (CTAs) and other registered futures industry professionals for over 20 years.

Many NIBA members cleared customer's transactions through MF Global (MFG), and earned commissions as a result. The commission amounts earned were tracked on a daily basis by MFG on documents known as 'commission runs.' These commission runs have always been routinely provided to IBs on a monthly basis as standard business records. We know that the commission runs already exist, so their production would not require any additional work. Thus, it perplexes us why your attorneys have stated they will not release these vital documents. Despite requests, no explanation for this refusal has been provided and we find that posture both perplexing and concerning. I am writing to demand the release of the commission runs generated for the month of October 2011 to NIBA members who earned those documented commissions.

NIBA members have been classified as general creditors in the MFG bankruptcy. They have been told to 'estimate' their income for October 2011 for purposes of filing a proof of claim form, and refused the commission run information. The data contained on the runs is necessary in order to file those claims accurately. Moreover, it would seem obvious that the processing of the claim forms would proceed more expeditiously if the those IB's filing claims submitted accurate numbers, otherwise the Trustee would have to scrutinize each claim for accuracy, presumably by comparing the estimates against the very commission runs we are requesting. If true, this seems very inefficient if not pointless.

The import of the data on the commission runs is not limited to just the filing of claim forms. This data is essential for the preparation of certain filings required by regulatory agencies such as the National Futures Association (NFA) and the Commodity Futures Trading Commission (CFTC), associations our members are required to be part of, and to which they report. Indeed, some IB's are being pressured to file a 1-FR form which, without access to accurate commission runs, is a difficult and expensive task to undertake.

NIBA members and other IB's also need accurate income information in order to file state and local tax returns for their businesses. It is year-end and tax filings will be due shortly. While you as Trustee may be willing to work with estimated income for purposes of processing claims, we doubt the IRS will be as forgiving. In addition, we are seeing some members confronting problems when filing other forms such as requests for loan documents and divorce filings where, absent income verification, those processes lay dead in the water. So as you see, depriving IBs of their commission runs has far reaching effects, well beyond just the bankruptcy proceeding.

NIBA members and other IB's who cleared through MF Global have lost significant amounts of income in the form of commissions revenue, in some instances threatening their ongoing viability as a business. Nonetheless, they have been patient during the court and bankruptcy proceedings because they acknowledged that issues surrounding the customers' funds and positions in the markets took precedence. However, these IB's, many of them small businesses, have been hit hard by the lost commission revenue. As such, on behalf of our members, we must now demand the commission run documents be released. Releasing the commission runs will not harm the customer proceedings and will not require the pay-out of any funds which might leave any deficiencies. It will provide the necessary information for NIBA members to file accurate claim forms, stay in compliance with industry regulations currently in place, meet reporting responsibilities to regulatory agencies and others who require accurate data, and to continue everyday business operations. Further, said documents should be readily available and not require any additional expenditure of resources to produce.

If you cannot or will not release the commission runs, we want to know why they are being withheld and when the release is anticipated. Clearly this matter has disrupted many peoples' lives, but since the final true-up of customer funds has been made, it is the IB community's turn for some relief. We want to get back to business.

Very truly yours,



Steven P. Pherson

On Behalf of The National Introducing Brokers Association

Mr. James Giddens – Trustee  
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cc: **Via Federal Express**

Dustin Smith – attorney to the Trustee

The Honorable Judge Martin Glenn

**Via US Mail**

The Commodity Futures Trading Commission (“CFTC”)  
Jill Sommers / Bart Chilton / Gary Gensler

The Chicago Mercantile Exchange (“CME”) – Terry Duffy / Ann Shuman

The National Futures Association (“NFA”) –Dan Roth / Dan Driscoll

The Futures Industry Association (“FIA”) –Mary Ann Burns

The International Commodity Exchange (“ICE”) Ray MacKenzie