Exhibit 1
SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into on March 19, 2013, by and among the following parties acting by and through their respective undersigned counsel: (1) James W. Giddens, as Trustee (the "SIPA Trustee") in the Securities Investor Protection Act ("SIPA") liquidation of MF Global Inc. ("MFGI") (the "SIPA Proceeding"), in his capacity as SIPA Trustee and on behalf of the MFGI estate; (2) the Customer Representative Plaintiffs (as defined below) appointed to represent the proposed class of former customers of MFGI in the Customer Class Action (as defined below), on behalf of themselves and the proposed class; and (3) JPMorgan Chase Bank, N.A., and its parents, subsidiaries, and affiliates ("JPMorgan") (collectively, the "Parties," or singularly, "Party").

In addition, JPMorgan, in its capacity as administrative agent ("Agent") under the $300,000,000 Revolving Credit Facility, dated as of June 29, 2011, among MFGI, as borrower, MF Global Finance USA Inc. and MF Global Holdings Ltd. ("MFGH"), and the lenders thereunder (the "Facility"), is a signatory hereto solely for purposes of certain specified aspects of this Agreement.

BACKGROUND

WHEREAS, on October 31, 2011 (the "Petition Date") the SIPA Trustee was appointed Trustee for the liquidation of the business of MFGI in the SIPA Proceeding captioned In re MF Global Inc., No. 11-2790 (MG), pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, on November 4, 2011, the Bankruptcy Court issued orders authorizing the SIPA Trustee to issue subpoenas for the production of documents and the examination of witnesses relevant to his investigation of the acts, conduct, property, and liabilities of MFGI, the operation of MFGI's business, and any other matter relevant to the liquidation proceeding;
WHEREAS, beginning in November 2011 and from time to time thereafter, the SIPA Trustee issued requests for certain documents and other information to JPMorgan, which had certain banking and other business relationships with MFGI and its affiliates, and at which MFGI maintained certain of its proprietary and customer segregated accounts;

WHEREAS, JPMorgan, in cooperation with the SIPA Trustee’s investigation and in response to such requests, produced relevant data, documents and other information;

WHEREAS, JPMorgan, in cooperation with and at the request of the SIPA Trustee, remitted on several occasions to the SIPA Trustee a total of approximately $340 million in securities and funds from MFGI accounts, and retained certain liens, security interests, setoff rights and other interests in certain of such securities and funds, including pursuant to the Letter Agreement regarding Preservation of Rights with Respect to Proprietary Accounts dated November 14, 2011 (the “November 14, 2011 Letter Agreement”) and the Letter Agreement With Respect to Turnover of Funds dated May 15, 2012 (the “May 15, 2012 Letter Agreement,” and along with the November 14, 2011 Letter Agreement, the “Letter Agreements”);

WHEREAS, Agent, in cooperation with and at the request of the SIPA Trustee, remitted to the SIPA Trustee approximately $76 million in collateral held in connection with the Facility, and retained certain liens, security interests, setoff rights and other interests in such remitted collateral;

WHEREAS, on June 4, 2012, the SIPA Trustee submitted to the Bankruptcy Court his Report of the Trustee’s Investigation and Recommendations (ECF No. 1865) (“SIPA Trustee Report”), which identified certain transfers from MFGI customer segregated accounts that the SIPA Trustee has asserted he believes may be voidable or otherwise recoverable from JPMorgan, although subject to various defenses that might be asserted by JPMorgan;
WHEREAS, JPMorgan expressly denies any fault, liability, or wrongdoing whatsoever in connection with the transfers from MFGI customer segregated accounts identified in the SIPA Trustee Report;

WHEREAS, the Customer Representative Plaintiffs and other customer plaintiffs have brought several purported class action and individual lawsuits in federal district courts in New York, Illinois, and Montana against certain former officers, directors, and other employees of MFGI and/or MFGH (together, with any affiliates, “MF Global”), JPMorgan, and other third parties, including for example: Kay P. Tee LLC v. Corzine, No. 12-cv-00195 (VM) (S.D.N.Y. filed Jan. 10, 2012) and Paradigm Global Fund I Ltd. v. Corzine, No. 12-cv-0740 (VM) (S.D.N.Y. filed Jan. 30, 2012) (the “Representative Complaints”);

WHEREAS, the Representative Complaints generally alleged that JPMorgan aided and abetted MF Global’s misuse of customer money and breaches of fiduciary duty and was unjustly enriched by the transfer of customer segregated funds by MF Global;

WHEREAS, JPMorgan expressly denies any fault, liability, or wrongdoing whatsoever in connection with the allegations made in the Representative Complaints;

WHEREAS, by orders dated April 23, 2012, May 7, 2012, May 15, 2012, and July 3, 2012, the United States Judicial Panel on Multidistrict Litigation ordered that these and other related actions be centralized in and if necessary transferred to the United States District Court for the Southern District of New York (the “District Court”) for coordinated or consolidated pretrial proceedings;

WHEREAS, the District Court has issued orders consolidating all such related actions for all pretrial purposes under the captions Deangelis v. Corzine, No. 11-cv-7866 (S.D.N.Y.) (VM), and In re MF Global Holdings Ltd. Investment Litigation, No. 12-md-2338 (VM);
WHEREAS, by order dated May 21, 2012, the District Court appointed the Customer Representative Plaintiffs as interim lead plaintiffs, and Plaintiffs’ Co-Lead Counsel as interim co-lead counsel in the Customer Class Action, responsible for the tactical management and coordination of all legal work done on behalf of the proposed class and having joint authority to render final determinations as to strategic decisions on behalf of the proposed class;

WHEREAS, the SIPA Trustee, the Customer Representative Plaintiffs, and JPMorgan have engaged in extensive arm’s-length negotiations in an attempt to achieve a resolution of any and all asserted or potential claims against JPMorgan in the SIPA Proceeding and the Customer Class Action;

WHEREAS, in October 2012, in order to avoid the cost of litigation at that time and to allow further opportunity for appropriate dialogue and analysis, the Customer Representative Plaintiffs and JPMorgan, through their respective counsel, entered into a tolling agreement with respect to any potential claims that had been or could have been asserted against JPMorgan in the Customer Class Action;

WHEREAS, on November 5, 2012, the Customer Representative Plaintiffs filed, pursuant to a schedule set by the District Court in the Customer Class Action, their Consolidated Amended Class Action Complaint For Violations of the Commodity Exchange Act and Common Law (the “Consolidated Amended Class Action Complaint”), which, in view of the tolling agreement referenced herein, did not assert any claims against JPMorgan;

WHEREAS, on December 22, 2012, the SIPA Trustee entered into a settlement agreement with the Joint Special Administrators of MF Global UK Limited (“MFGUK”) resolving certain issues and disputes between their respective estates (the “JSA Agreement”), and which would allow, following its effective date, the influx of several hundreds of millions of
dollars to the MFGI estate, primarily for the benefit of MFGI's former commodities customers who traded on foreign exchanges;

WHEREAS, on January 31, 2013, the Bankruptcy Court granted the SIPA Trustee’s motion for entry of an order approving the JSA Agreement;

WHEREAS, the Parties recognize that a key remaining condition to the effectiveness of the JSA Agreement is the entry into a mutual release agreement between JPMorgan and MFGUK, which release agreement is addressed in Paragraph 12 below;

WHEREAS, the SIPA Trustee has concluded, after careful consideration and an extensive investigation, that the Settlement on the terms set forth herein is an appropriate and reasonable exercise of his business judgment and is in the best interests of the MFGI estate, its customers and creditors;

WHEREAS, the Customer Representative Plaintiffs, through Plaintiffs’ Co-Lead Counsel, have thoroughly investigated the claims that have been or could have been asserted against JPMorgan in the Customer Class Action, including by reviewing documents and other materials JPMorgan previously produced to the SIPA Trustee pursuant to his examination authority, interviewing certain JPMorgan witnesses, analyzing the relevant evidence, and researching the applicable law with respect to such claims and the potential defenses thereto;

WHEREAS, based upon their investigation, the Customer Representative Plaintiffs and Plaintiffs’ Co-Lead Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable and adequate, and in the best interests of the Customer Representative Plaintiffs and the other members of the Settlement Class;

WHEREAS, based on the Customer Representative Plaintiffs’ oversight of the prosecution of this matter along with the input of Plaintiffs’ Co-Lead Counsel, the Customer
Representative Plaintiffs have agreed to settle the claims of the Settlement Class on the terms set forth in this Agreement, after considering (a) the substantial benefits that the members of the Settlement Class will receive from the Settlement, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Agreement;

WHEREAS, this Agreement shall in no event be construed as or deemed to be evidence of or an admission or concession by the SIPA Trustee or the Customer Representative Plaintiffs of any infirmity in the Released Plaintiffs' Claims or the merit of any potential defenses thereto;

WHEREAS, this Agreement shall in no event be construed as or deemed to be evidence of an admission or concession on the part of JPMorgan or any of the Released Defendant Persons with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, and JPMorgan expressly denies any fault, liability, or wrongdoing in connection with the Released Plaintiffs' Claims;

WHEREAS, notwithstanding the foregoing, the Parties have agreed to enter into this Settlement to avoid the costs and uncertainty of potentially burdensome and protracted litigation in the SIPA Proceeding and in the Customer Class Action;

NOW THEREFORE, in consideration of the mutual promises, covenants, agreements, and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

DEFINITIONS

1. In addition to the defined terms above, the following capitalized terms (and those defined hereafter), as used in this Agreement, shall have the meanings specified below:

   a. "Bankruptcy Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Bankruptcy Court approving the Settlement
and authorizing the execution, delivery and performance of this Agreement by the SIPA Trustee, or an alternative order entered by the Bankruptcy Court approving the Settlement that is not substantially in the form of Exhibit A but does not result in any Party terminating the Settlement pursuant to Paragraph 32 of this Agreement.

b. “Claims” means any and all manner of claims, demands, rights, actions, potential actions, causes of action, liabilities, duties, damages, losses, diminutions in value, obligations, judgments, decrees, matters, issues, suits and controversies of any kind or nature whatsoever, whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured or not matured, which now exist, or heretofore or previously existed, or may hereafter exist, including, but not limited to, any claims arising under federal, state or foreign law, common law, bankruptcy law, statute, rule or regulation, or agreement, whether individual, class, direct, derivative, representative, on behalf of others, legal, equitable, regulatory, governmental or of any other type or in any other capacity.

c. “Collateral Agreement” means that certain Collateral Agreement, dated as of March 19, 2010, between MFGI, as Pledgor, and JPMorgan, as Bank, to secure reimbursement obligations of MFGI.

d. “Customer Class Action” means all actions brought, or that in the future may be brought, by or on behalf of former customers of MFGI, which have been, or in the future may be, consolidated under the captions Deangelis v. Corzine, No. 11-cv-7866 (S.D.N.Y.) (VM), and In re MF Global Holdings Ltd. Investment Litigation, No. 12-md-2338 (VM).
e. “Customer Representative Administration Costs” means the costs, fees and expenses incurred in connection with the administration of the Customer Representative Attorneys’ Fees Escrow Account.

f. “Customer Representative Plaintiffs” means Augustus International Master Fund L.P., Bearing Fund LP, Kay P. Tee, LLC, Mark Kennedy, Robert Marcin, Thomas G. Moran, Paradigm Global Fund I Ltd., Paradigm Equities Ltd., Paradigm Asia Fund Ltd., PS Energy Group, Inc., Summit Trust Company, Henry Rogers Varner, Jr., and Thomas S. Wacker, as well as any additional class representative plaintiffs as are appointed or may be appointed in the future by the District Court in the Customer Class Action.

g. “Customer Representative Plaintiffs Attorneys’ Fees Payment” means the sum of seven million five hundred thousand dollars ($7,500,000) in cash to be paid by JPMorgan to fund any award of attorneys’ fees, costs, or expenses in the Customer Class Action, in accordance with and subject to the terms and conditions of this Agreement.

h. “Customer Representative Plaintiffs Attorneys’ Fees Fund” means the Customer Representative Plaintiffs Attorneys’ Fees Payment plus any interest earned thereon.

i. “Customer Representative Plaintiffs Escrow Account” means an interest-bearing escrow account maintained at JPMorgan to hold the Customer Representative Plaintiffs Attorneys’ Fees Payment, which account shall be under the control of the Customer Representative Plaintiffs and JPMorgan prior to the Effective Date.

j. “Customer Representative Taxes” means (i) all federal, state and/or local taxes of any kind on any income earned by the Customer Representative Plaintiffs Attorneys’ Fees Fund; and (ii) the expenses and costs incurred by Plaintiffs’ Co-Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Customer Representative
Plaintiffs' Attorneys' Fees Fund (including, without limitation, expenses of tax attorneys and accountants).

k. "Distribution Cash Payment" means the sum of one hundred million dollars ($100,000,000) in cash to be paid by JPMorgan for distribution in the SIPA proceeding, in accordance with and subject to the terms and conditions of this Agreement.

l. "Distribution Fund" means the Distribution Cash Payment plus any interest earned thereon.

m. "Distribution Taxes" means: (i) all federal, state and/or local taxes of any kind on any income earned by the Distribution Fund; and (ii) the expenses and costs incurred by the SIPA Trustee in connection with determining the amount of, and paying, any taxes owed by the Distribution Fund (including, without limitation, expenses of tax attorneys and accountants).

n. "Effective Date" means the tenth day following the date on which all the events specified in Paragraph 31 of this Agreement have occurred or, where applicable, been waived.

o. "Escrow Accounts" means the SIPA Trustee Escrow Account and the Customer Representative Plaintiffs Escrow Account.

p. "Filed Claim Notice" means the "Notice of Proposed Partial Settlement of Class Action," which is to be sent to Settlement Class Members who filed an approved claim in the SIPA Proceeding substantially in the form attached hereto as Exhibit D or as directed by the District Court.

q. "Final," with respect to any order or judgment, including the Judgment, means: (a) if no appeal is filed, the expiration date of the time provided for filing or giving notice of any appeal; or (b) if there is an appeal from the order or judgment, the date of (i) final
dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise
to review the order or judgment, or (ii) the date the order or judgment is finally affirmed on an
appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review,
or the denial of a writ of certiorari or other form of review of the order or judgment, and, if
certiorari or other form of review is granted, the date of final affirmance of the order or judgment
following review pursuant to that grant. Neither the provisions of Rule 60 of the Federal Rules
of Civil Procedure nor the All Writs Act, 28 U.S.C. § 1651, shall be taken into account in
determining the above-stated times. Notwithstanding the foregoing, any appeal or proceeding
seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys’
fees, costs, or expenses, or the Plan of Allocation, shall not in any way delay or preclude the
 Judgment from becoming Final.

r. “Judgment” means the final judgment, substantially in the form attached
hereto as Exhibit C, to be entered by the District Court approving the Settlement, or an
alternative judgment entered by the District Court approving the Settlement that is not
substantially in the form of Exhibit C but does not result in any Party terminating the Settlement
pursuant to Paragraph 32 of this Agreement.

s. “MFGI Accounts” means all accounts of any kind or nature maintained by
JPMorgan or any of its subcustodians for MFGI or MFGI customers, including without
limitation any and all proprietary accounts, clearance accounts, trust accounts, and customer
segregation accounts.

t. “Net Customer Representative Attorneys’ Fees Fund” means the Customer
Representative Attorneys’ Fees Fund less: (i) any Customer Representative Taxes; and (ii) any
Customer Representative Administration Costs.
u. "Net Distribution Fund" means the Distribution Fund less: (i) any Distribution Taxes and (ii) any Notice and Administration Costs.

v. "Notice and Administration Costs" means the costs, fees and expenses that are incurred in connection with (i) providing notice to the Settlement Class, and (ii) administering the Claims Process, as well as the costs, fees and expenses incurred in connection with administering the SIPA Trustee Escrow Account (which together shall in no event exceed $300,000.00, unless good cause is shown).

w. "Park Avenue Plaza Letter of Credit" means that certain Application and Agreement for Irrevocable Standby Letter of Credit, dated March 22, 2010, under which JPMorgan issued that certain Letter of Credit Number CPCS-809707 for the benefit of Park Avenue Plaza Owner LLC, which was drawn on December 16, 2011.

x. "Plaintiffs’ Co-Lead Counsel" means the law firms Entwistle & Cappucci LLP and Berger & Montague, P.C., which have been appointed by the District Court to serve as Interim Co-Lead Counsel for the Customer Representative Plaintiffs and the proposed customer class.


z. "Preliminary Approval Order" means the order, substantially in the form attached hereto as Exhibit B, to be entered by the District Court preliminarily approving the Settlement and directing notice be provided to the Settlement Class, which order shall: (i) stay, pending final determination of whether the Settlement should be approved by or further order of the District Court, all litigation of claims and related discovery between the Customer Representative Plaintiffs and members of the Settlement Class on the one hand and the Released
Defendant Persons on the other, and (ii) enjoin, pending final determination of whether the Settlement should be approved or further order of the District Court, any potential member of the Settlement Class, whether or not such person or entity has appeared in the consolidated action, from commencing, prosecuting, or continuing to prosecute in any court or forum any action or proceeding involving the subject matter of any of the Released Plaintiffs’ Claims against any of the Released Defendant Persons.

aa. “Released Claims” means the Released SIPA Trustee Claims, the Released Customer Claims, and the Claims released by JPMorgan pursuant to Paragraph 21 below.

bb. “Released Customer Claims” means any and all Claims, including Unknown Claims, that have been, could have been, or in the future can or might be asserted by, through, or on behalf of the Customer Representative Plaintiffs, each and every member of the Settlement Class, and each of their respective predecessors, successors, affiliates, assigns, purchasers or other transferees, attorneys, heirs, representatives, administrators, executors, devisees, legatees, and estates, against any one or more of the Released Defendant Persons, arising out of, relating to, or in connection with, in any way or manner, MFGI, its affiliates, or related parties, including but not limited to any claims asserted in the Customer Class Action and any claims related to alleged fraud, including any avoidance actions arising under Chapter 5 of Title 11 of the United States Code, breach of any duty, negligence, unjust enrichment, or the aiding and abetting of such conduct (including but not limited to MF Global’s alleged misuse of customer money, securities, and/or property), but excluding claims that have been or could be asserted under the federal securities laws by such persons or entities against J.P. Morgan Securities LLC on account of their having purchased or otherwise acquired MFGH stock or
bonds. The Claims being pursued in the Customer Class Action against defendants named in the Consolidated Amended Class Action Complaint or who may be added in the future in the District Court (other than the Released Defendant Persons) are excluded from the definition of “Released Customer Claims” and are not being released by the Settlement Class as part of this Settlement.

cc. “Released Defendant Persons” means JPMorgan, Agent, and each of their past or present affiliates, parents, members, and subsidiaries, and each and all of their current and former, officers, directors, employees, managers, indirect or direct shareholders, partners, principals, attorneys, agents, insurers, representatives, accountants, predecessors, successors and assigns.

dd. “Released Plaintiffs’ Claims” means both the Released Customer Claims and the Released SIPA Trustee Claims.

ee. “Released SIPA Trustee Claims” means any and all Claims, including Unknown Claims, that have been, could have been, or in the future can or might be asserted by, through, or on behalf of the SIPA Trustee, in all his capacities, including on behalf of the MFGI estate or its creditors and on behalf of MFGI’s customers as assignee, bailee, subrogree, or otherwise, against any one or more of the Released Defendant Persons, including but not limited to any claims related to any of the matters discussed in the SIPA Trustee Report (including but not limited MF Global’s alleged misuse of customer property), any agreements, any accounts, the return of collateral and/or the turnover of customer money, securities, and/or property (including in or from any account heretofore identified), whether for the avoidance of any transfer under Chapter 5 of Title 11 of the United States Code or otherwise, with the exception of any claim that the SIPA Trustee may have for the turnover of customer property held at
JPMorgan in any newly discovered account identified after the date of execution of this Agreement or for the turnover of customer property received by JPMorgan after the date of execution of this Agreement. For the avoidance of doubt, Released SIPA Trustee Claims includes any claims that could or in the future might be asserted by the MFGI general estate or its creditors on account of any claims to which it or they are subrogated as a result of the allocation of general estate property to remedy any shortfall in the available pool of customer property.

ff. “Remitted Collateral” means all securities and funds heretofore remitted by JPMorgan to the SIPA Trustee from MFGI Accounts over which it has or may have a retained interest.

gg. “Settlement” means the settlement contemplated by this Agreement.

hh. “Settlement Amount” means the sum of one hundred seven million five hundred thousand dollars ($107,500,000) in cash, which is the sum of the one hundred million dollar ($100,000,000) Distribution Cash Payment and the seven million five hundred thousand dollar ($7,500,000) Customer Representative Plaintiffs Attorneys’ Fees Payment.

ii. “Settlement Class” means all persons or entities who held money, property, and/or securities at MFGI as of the bankruptcy of MFGI on October 31, 2011. For the avoidance of doubt, the Settlement Class is intended to include all commodities and securities customers of MFGI, including but not limited to each of the customer account classes identified in 17 C.F.R. § 190.01(a) (i.e., futures, foreign futures, leverage, delivery, and cleared swaps accounts) and any customer for whose benefit MFGI was required by law to maintain segregated, secured, or other dedicated accounts or funds, including without limitation under 17 C.F.R. §§ 1.20, 30.7, and/or 240.15c3-3. Excluded from the Settlement Class are: (i) any person
or entity named as a defendant in the Consolidated Amended Class Action Complaint (including any immediate family members of such defendant and any parent, subsidiary or affiliate of any defendant) that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; (ii) any parent, subsidiary or affiliate of MFGI that held money, securities, or property at MFGI and that could otherwise be deemed to be a member of the Settlement Class; and (iii) any persons or entities that exclude themselves from the Settlement Class by filing a request for exclusion that is accepted by the District Court.

jj. "Settlement Class Member" means any one of, and "Settlement Class Members" means all of, the members of the Settlement Class.

kk. "Settlement Hearing" means the hearing to be set by the District Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

ll. "Settlement Fund" means the Distribution Fund together with the Customer Representative Plaintiffs' Attorneys' Fees Fund.

mm. "Settlement Notice" or "Notice of Settlement" means the notices to be provided to Settlement Class Members of the proposed Settlement, including the Filed Claim Notice, the Unfiled Claim Notice, and the Summary Notice.

nn. "SIPA Trustee Escrow Account" means an interest-bearing escrow account maintained at JPMorgan to hold the Distribution Cash Payment, which account shall be under the control of the SIPA Trustee and JPMorgan prior to the Effective Date.

oo. "SIPA Trustee Releasees" means the SIPA Trustee and MFGI and (in each case, solely in their capacities as such) all of their respective property, current and former officers, directors, employees, divisions, branches, attorneys, financial advisors, accountants,
investment bankers, investment advisors, actuaries, professionals, agents, successors, predecessors and representatives. For the avoidance of doubt, SIPA Trustee Releasees does not include MFGH or any other parent or affiliate of MFGI.

pp. “Summary Notice” means the summary notice which is to be published substantially in the form attached hereto as Exhibit F or as directed by the District Court.

qq. “Swiss Re Financial Services Letter of Credit” means that certain Application and Agreement for Irrevocable Standby Letter of Credit, dated March 22, 2010, under which JPM issued that certain Letter of Credit Number CKCS-809717 for the benefit of Swiss Re Financial Services Corporation, which was drawn on January 5, 2012.


ss. “Unfiled Claim Notice” means the “Notice of Proposed Partial Settlement of Class Action” and “Claim Form,” which are to be sent to Settlement Class Members who did not file a claim in the SIPA Proceeding substantially in the form attached hereto as Exhibit E or as directed by the District Court.

tt. “Unknown Claims” means any Released Claims which the SIPA Trustee, Customer Representative Plaintiffs, any other Settlement Class Members, or JPMorgan (including in its capacity as Agent) does not know or suspect to exist in his, her or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. The Parties agree that, upon the Effective Date, the SIPA Trustee, the Customer Representative Plaintiffs, and JPMorgan (including in its capacity as Agent) shall have expressly waived, and each of the other Settlement Class Members shall be deemed to have waived, any and all provisions, rights, and benefits conferred by any law
of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The SIPA Trustee, the Customer Representative Plaintiffs, and JPMorgan (including in its capacity as Agent), acknowledge, and the other Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

CLASS CERTIFICATION

2. Solely for purposes of the Settlement and for no other purpose, the Parties shall consent to: (a) appointment of the Customer Representative Plaintiffs as class representatives for the Settlement Class; (b) appointment of Plaintiffs’ Co-Lead Counsel as class counsel for the Settlement Class; and (c) certification of the Settlement Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure.

APPROVAL OF SETTLEMENT

3. Promptly after the execution of this Agreement, the SIPA Trustee shall submit to the Bankruptcy Court a motion for approval of the Settlement and the entry of a Bankruptcy Approval Order. The SIPA Trustee shall consult in good faith with JPMorgan and the Customer Representative Plaintiffs (who will join in the submission as appropriate) as to the language of the motion and related pleadings seeking such Bankruptcy Approval Order.

4. Promptly after the execution of this Agreement, the Customer Representative Plaintiffs shall submit to the District Court a motion for preliminary approval of the Settlement, including entry of a Preliminary Approval Order substantially in the form attached hereto as
Exhibit B. The Customer Representatives shall consult in good faith with the SIPA Trustee and JPMorgan as to the language of the motion and related pleadings seeking such Preliminary Approval Order.

5. If the Settlement contemplated by this Agreement is finally approved by the District Court following a Settlement Hearing, then the Customer Representative Plaintiffs shall request, with the consent of JPMorgan, that the Court enter a Judgment, substantially in the form attached hereto as Exhibit C.

SETTLEMENT CONSIDERATION

6. In consideration for the promises and obligations contained herein, including the full and final release, settlement and discharge of all Released Plaintiffs’ Claims against the Released Defendant Persons, JPMorgan shall pay or cause to be paid the Settlement Amount of $107,500,000 in accordance with and subject to the terms and conditions of this Agreement.

REMITTANCE OF FUNDS; ALLOWED CLAIMS

7. On the Effective Date, JPMorgan shall be deemed by operation of law to have released, waived, and discharged any liens, security interests, setoff rights and other interests it may have in the Remitted Collateral, including but not limited to the approximately $340 million in assets previously remitted to the SIPA Trustee.

8. Within ten (10) days after the Effective Date, Agent shall remit to the SIPA Trustee by wire transfer of immediately available funds the sum of $26,586,517, representing the amount withheld by Agent from the proceeds of the sale of the collateral for the Facility (the “Collateral Proceeds”), less $106,157.68 (the “Facility Expense Reimbursement”) for the payment or reimbursement of unpaid or unreimbursed attorneys’ fees, costs, and expenses in respect of the Facility (the “Facility Expenses”) (the amount to be remitted pursuant to this clause referred to as the “Remitted RCF Collateral”), and at such time, be deemed by operation
of law to have released, waived, and discharged all liens, security interests, setoff rights and
other interests in (a) the Remitted RCF Collateral, (b) the approximately $76 million in collateral
held in connection with the Facility that Agent previously returned to the SIPA Trustee (the
"Previously Remitted RCF Collateral"), and (c) any other securities and funds heretofore
remitted by the Agent to the SIPA Trustee from MFGI accounts. Agent shall be entitled to retain
the Facility Expense Reimbursement to pay, or to reimburse itself and those entities for whom it
is acting as agent in respect of, the Facility Expenses. The Facility Expense Reimbursement
shall be deemed allowed but not entitled to any additional distributions in the SIPA Proceeding.

9. The Parties agree that JPMorgan shall be entitled to retain $11,450,331.23 (the
"Permitted Claim Amount") of the $15,000,000.00 of collateral ("Retained Clearance
Collateral") withheld by it from an MFGI proprietary account pursuant to the May 15, 2012
Letter Agreement to satisfy a like amount of unpaid JPMorgan claims against MFGI that were
then unpaid (the "Permitted Allowed Claims"). Within ten (10) days after the Effective Date,
JPMorgan shall remit to the SIPA Trustee by wire transfer of immediately available funds the
remaining $3,549,668.77 of Retained Clearance Collateral (the "Remitted Clearance
Collateral"). The Permitted Allowable Claims shall be deemed allowed but not entitled to any
additional distributions in the SIPA Proceeding.

10. On the Effective Date, there shall be allowed in the SIPA Proceeding in
JPMorgan’s favor a $60,000,000.00 general unsecured (non-customer) claim against MFGI,
pursuant to which JPMorgan shall be entitled to receive its proportionate share of distributions
made in the SIPA Proceeding to the holders of general unsecured claims (the "Allowed General
Creditor Claim"). The SIPA Trustee shall cause his claims agent to reflect the Allowed General
Creditor Claim on the official MFGI general creditor claims registry within ten (10) days of the Effective Date.

11. The SIPA Trustee shall consent to the modification of the automatic stay imposed under 11 U.S.C. § 362 to permit: (i) the application of the sum of $3,050,000.00 pledged to JPMorgan under the Collateral Agreement to secure the reimbursement obligations of MFGI under the Park Avenue Plaza Letter of Credit and the Swiss Re Financial Services Letter of Credit; (ii) the application of the Facility Expense Reimbursement amount of the Collateral Proceeds in satisfaction of the Facility Expenses; and (iii) application of the Permitted Claim Amount of the Retained Clearance Collateral in satisfaction of the Permitted Allowed Claims. The Bankruptcy Approval Order shall modify the automatic stay imposed under 11 U.S.C. § 362 and any other applicable stay to the extent necessary to permit the application of the funds described in the immediately preceding sentence, and all other applications of amounts by JPMorgan and Agent contemplated or referred to hereunder.

12. Within ten (10) days after the Effective Date, at the request of the SIPA Trustee, JPMorgan shall enter into a mutual release agreement with the Special Administrators of MFGUK, in a form substantially similar to Exhibit G (the “MFGUK-JPMorgan Mutual Release”), providing for, among other things, the withdrawal of certain claims filed by JPMorgan against MFGUK and the turnover of certain specified amounts held by JPMorgan in MFGUK accounts or otherwise due to the estate of MFGUK.

ESCROW ACCOUNTS; MAINTENANCE OF SETTLEMENT FUND

13. The Distribution Cash Payment shall be deposited into the SIPA Trustee Escrow Account no later than fourteen (14) days after both the District Court has entered the Preliminary Approval Order and the Bankruptcy Court has entered the Bankruptcy Approval Order, provided that the SIPA Trustee shall have submitted at least ten (10) days before the end of such period
appropriate payment transfer instructions for the Distribution Cash Payment to JPMorgan, including the bank name and address, ABA routing number, account name and number, a signed letter from the payee on the payee’s letterhead including such payment transfer instructions, and a signed Form W-9 reflecting the taxpayer identification number.

a. The Distribution Fund (the Distribution Cash Payment plus any interest earned thereon) shall be used to pay any (i) Distribution Taxes, and (ii) any Notice and Administration Costs. The balance remaining in the Distribution Fund, after making the deductions for the items referred to in the preceding sentence, shall be referred to as the “Net Distribution Fund.” The Net Distribution Fund shall be distributed, subject to court approval, as provided in Paragraph 15 below and the Plan of Allocation. Except as otherwise provided herein, the Net Distribution Fund shall remain in the SIPA Trustee Escrow Account prior to the Effective Date.

b. The Distribution Fund shall be considered at all times a Qualified Settlement Fund under Internal Revenue Code § 468B. The SIPA Trustee shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate for the Distribution Fund, and for causing payment to be made from the Distribution Fund any taxes owed with respect to the Distribution Fund. For the avoidance of doubt, JPMorgan shall have no obligation to pay, or any responsibility or liability for, any taxes on any income earned by the Distribution Fund.

c. On the Effective Date, pursuant to the escrow agreement, the SIPA Trustee shall have the right to direct the disposition of funds on deposit in the SIPA Trustee Escrow Account.
14. The Customer Representative Plaintiffs' Attorneys' Fees Payment shall be deposited into the Customer Representative Plaintiffs' Escrow Account no later than fourteen (14) days after both the District Court has entered the Preliminary Approval Order and the Bankruptcy Court has entered the Bankruptcy Approval Order, provided that the Customer Representative Plaintiffs shall have submitted at least ten (10) days before the end of such period appropriate payment transfer instructions for the Customer Representative Plaintiffs' Attorneys' Fees Payment to JPMorgan, including the bank name and address, ABA routing number, account name and number, a signed letter from the payee on the payee's letterhead including such payment transfer instructions, and a signed Form W-9 reflecting the taxpayer identification number.

a. The Customer Representative Plaintiffs' Attorneys' Fees Fund (the Customer Representative Plaintiffs' Attorneys' Fees Payment plus any interest earned thereon) shall be used to pay any (i) Customer Representative Taxes, and (ii) any Customer Representative Administration Costs. The balance remaining in the Customer Representative Plaintiffs' Attorneys' Fees Fund, after making the deductions for the items referred to in the preceding sentence, shall be referred to as the "Net Customer Representative Plaintiffs' Attorneys' Fees Fund."

b. The Customer Representative Plaintiffs' Attorneys' Fees Fund shall be considered at all times a Qualified Settlement Fund under Internal Revenue Code § 468B. Plaintiffs' Co-Lead Counsel shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate for the Customer Representative Plaintiffs' Attorneys' Fees Fund, and for causing payment to be made from the Customer Representative Plaintiffs' Attorneys' Fees Fund any taxes owed with respect to the
Customer Representative Plaintiffs’ Attorneys’ Fees Fund. For the avoidance of doubt, JPMorgan shall have no obligation to pay, or any responsibility or liability for, any taxes on any income earned by the Customer Representative Plaintiffs’ Attorneys’ Fees Fund.

c. On the Effective Date, pursuant to the escrow agreement, the Customer Representative Plaintiffs shall have the right to direct the disposition of funds on deposit in the Customer Representative Plaintiffs Escrow Account.

**DISTRIBUTION OF SETTLEMENT FUNDS**

15. The Parties agree that, subject to any additional requirements of Federal Rule of Civil Procedure 23 (or any requirements that may be imposed by either the Bankruptcy Court or the District Court in connection with the approval process), the Net Distribution Fund shall be allocated as appropriate to the customer estates in the SIPA proceeding and processed for distribution through the claims process established in the SIPA Proceeding, after the Effective Date, to the appropriate members of the Settlement Class, and, to any extent ordered by the Bankruptcy Court, other MFGI customers and creditors, except that no member of the Settlement Class that delivers a valid and timely request for exclusion from the Settlement Class shall receive any portion of the Settlement Fund. The Parties will seek both District Court and Bankruptcy Court approval for such method of allocation and distribution.

16. The Parties agree that the Net Customer Representative Plaintiffs’ Attorneys’ Fees Fund shall be distributed in accordance with Paragraphs 26 through 30 below.

17. This is not a claims-made settlement, and JPMorgan shall not have any right to the return of the Settlement Fund or any portion thereof upon the occurrence of the Effective Date. The Parties agree that any obligation of JPMorgan to make payments under the Settlement is limited to the amounts and items set forth herein, and that JPMorgan shall have no further monetary obligation to the SIPA Trustee, Plaintiffs’ Co-Lead Counsel, the Customer
Representative Plaintiffs or any Settlement Class Member, arising from or related to MFGI, notwithstanding any objection to or appeal from any Plan of Allocation or the award, if any, of attorneys’ fees, costs, or expenses in connection with the Settlement.

**RELEASE OF CLAIMS**

18. The obligations incurred pursuant to this Agreement shall be in full and final disposition of any and all Released Plaintiffs’ Claims as against all Released Defendant Persons.

19. Upon the Effective Date, the SIPA Trustee, in all his capacities, including on behalf of the MFGI estate or its creditors and on behalf of MFGI’s customers as assignee, bailee, subrogee, or otherwise, shall be deemed by operation of law to have released, waived, discharged, and dismissed each and every Released SIPA Trustee Claim against each and every Released Defendant Person and shall forever be enjoined from commencing or prosecuting in any forum any or all of the Released SIPA Trustee Claims against each and every Released Defendant Person, except that the foregoing release, waiver and discharge shall not release, waive or discharge the SIPA Trustee’s right to enforce this Settlement Agreement.

20. Upon the Effective Date, the Customer Representative Plaintiffs, each and every Settlement Class Member, and each of their respective predecessors, successors, affiliates, assigns, purchasers or other transferees, attorneys, heirs, representatives, administrators, executors, devisees, legatees, and estates, shall be deemed by operation of law to have, and by operation of the Judgment shall have, released, waived, discharged, and dismissed each and every Released Customer Claim against each and every Released Defendant Person and shall forever be enjoined from commencing or prosecuting in any forum any or all of the Released Customer Claims against each and every Released Defendant Person, except that the foregoing release, waiver and discharge shall not release, waive or discharge the Customer Representative Plaintiffs’ right to enforce this Settlement Agreement.
21. Upon the Effective Date, JPMorgan, its affiliates, and their respective predecessors, successors (including any trustee in bankruptcy), successors-in-interest, assigns and agents, each on behalf of itself and any other person or entity claiming under or through it, including JPMorgan in its capacity as Agent, shall be deemed by operation of law to have released, waived and discharged the SIPA Trustee Releasees from and in respect of all Claims, including Unknown Claims (and including, without limitation, any administrative expense claims pursuant to 11 U.S.C. § 503, and any customer claim pursuant to 15 U.S.C. § 78fff-2(a)(2)), which JPMorgan may have ever had, may now have or hereafter can, shall or may have against the SIPA Trustee Releasees for, upon or by reason of any matter, cause or thing whatsoever from the beginning of time to the date of this Settlement Agreement arising out of, related to, or in connection with MFGI or its affiliates, except that the foregoing release, waiver and discharge shall not release, waive or discharge (i) the Permitted Allowed Claims, (ii) the Allowed General Creditor Claim, (iii) any other claims against MFGI for which JPMorgan has heretofore applied collateral (or property in which JPMorgan asserted an interest) in payment thereof, (iv) the claim identified in the proof of claim numbered 50194 filed by J.P. Morgan Securities LLC and the claim identified in the proof of claim numbered 5271 filed by JPMorgan Yield Yield Fund, (v) any claim that JPMorgan filed as trustee or in another fiduciary capacity; and (vi) the right of JPMorgan to enforce this Settlement Agreement. In addition, upon the Effective Date, the Released Defendant Persons shall be deemed by operation of law to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of the Customer Representative Plaintiffs, other Settlement Class Members, Plaintiffs’ Co-Lead Counsel and the Executive Committee from all claims arising out
of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Customer Class Action or the Released Plaintiffs’ Claims.

22. To the fullest extent permitted by law, by the terms of the Judgment, all persons or entities, including any person or entity that is, was ever, or could have been named as a defendant in the Customer Class Action, shall be permanently enjoined, barred and restrained from bringing, commencing, prosecuting or asserting any claims, actions, or causes of action for contribution or indemnification, however styled, against each and every of the Released Defendant Persons for any costs, liability, judgment or settlement which they pay or are obligated to pay or agree to pay to the SIPA Trustee, the MFGI estate, the Settlement Class or any member of the Settlement Class, arising out of, relating to, or in connection with, in any way or manner, the Released Plaintiffs’ Claims or any claim that has been or could have been or could be in the future asserted in the SIPA Proceeding or the Customer Class Action, whether arising under federal, state, or foreign law as claims, cross-claims, counterclaims, third-party claims or otherwise, in the Bankruptcy Court, the District Court, or any other federal, state, or foreign court, or in any arbitration proceeding, administrative agency proceeding, tribunal, or any other proceeding or forum ("Contribution Claims"). The proposed Judgment will include a reciprocal order equal in scope to that contemplated in this Paragraph 22 enjoining any Released Defendant Person from bringing Contribution Claims against any person or entity barred from seeking contribution pursuant to the Settlement and Judgment ("Barred Defendant Person").

23. Any monetary award or judgment obtained by the SIPA Trustee (or any person or entity claiming through him or the MFGI estate or to whom or which such claim is assigned), the Customer Representative Plaintiffs, or one or more of the Settlement Class Members, from or against any Barred Defendant Person, for which contribution or common law indemnification is
available from any Released Defendant Person, shall be reduced by the lowest amount necessary under applicable law to effect a complete bar against contribution or common law indemnity claims, however styled, against all Released Defendant Persons.

**REPRESENTATIONS AND WARRANTIES**

24. JPMorgan represents and warrants that, to the best of its knowledge, as of the execution of this Agreement, it has returned to the SIPA Trustee all assets maintained by MFGI at JPMorgan in segregated accounts, secured accounts, reserve accounts, or any other such account for the benefit of the customers of MFGI and any other customer property as defined by SIPA or 17 C.F.R. § 190.01, and all assets maintained by MFGI at JPMorgan and at Agent in proprietary accounts less reductions for outstanding obligations, fees, expenses, and other appropriate offsets owed to JPMorgan. JPMorgan agrees to remit to the SIPA Trustee any customer property held at JPMorgan in any newly discovered account identified after the date of execution of this Agreement or any customer property received by JPMorgan after the date of execution of this Agreement.

25. Each Party represents and warrants that it has not sold, assigned, transferred or otherwise disposed of (other than by the releases contemplated by this Agreement), and will not sell, assign, transfer or otherwise dispose of (other than by the releases contemplated by this Agreement), any Claim purported to be released by such Party pursuant to Paragraphs 19 through 21 above. Without limitation of the foregoing, Customer Representative Plaintiffs and Plaintiffs’ Co-Lead Counsel represent and warrant that the Customer Representative Plaintiffs are members of the Settlement Class and that neither the Customer Representative Plaintiffs’ potential claims against JPMorgan nor any right of the Customer Representative Plaintiffs to receive a potential further distribution in the SIPA Proceeding has been assigned, encumbered or in any manner transferred in whole or in part.
ATTORNEYS' FEES AND EXPENSES

26. Plaintiffs' Co-Lead Counsel may apply to the District Court for an award of attorneys' fees, costs, and expenses ("Fees and Expenses") up to a maximum of $7,500,000, to be paid solely out of the Customer Representative Plaintiffs' Attorneys' Fees Fund. JPMorgan will take no position with respect to any application for Fees and Expenses filed by Plaintiffs' Co-Lead Counsel, provided that such application is in accordance with the terms of this Agreement. For the avoidance of doubt, JPMorgan shall have no obligation to pay or reimburse separately any Fees and Expenses incurred by or on behalf of the Customer Representatives, any other Settlement Class Member, the SIPA Trustee, any other party, or any of their respective counsel.

27. The Fees and Expenses, as awarded by the District Court, shall be paid (together with any interest accrued thereon) to Plaintiffs' Co-Lead Counsel from the Customer Representative Plaintiffs' Attorneys' Fees Fund, as ordered, immediately after the District Court enters orders finally approving the Settlement (after the Settlement Hearing) and awarding any such Fees and Expenses. Plaintiffs' Co-Lead Counsel shall thereafter allocate the Fees and Expenses awarded among other counsel who have participated in the Customer Class Action in a manner that Plaintiffs' Co-Lead Counsel in good faith believe reflects the contributions of such counsel to the prosecution of the Customer Class Action and the Settlement, subject to such terms or security for repayment as Plaintiffs' Co-Lead Counsel in their sole discretion deem appropriate.

28. In the event that the amount of the Fees and Expenses finally awarded by the District Court to Plaintiffs' Co-Lead Counsel is less than $7,500,000.00, any difference between (i) $7,500,000.00, and (ii) the total amount of Fees and Expenses awarded by the District Court, shall become part of the Distribution Fund and shall be distributed by the SIPA Trustee in
accordance with the Plan of Allocation in the manner approved by the Bankruptcy Court and the District Court.

29. Notwithstanding anything to the contrary in Paragraphs 26 through 28 above, the proceedings for the District Court to determine the amount of Fees and Expenses to award, and the District Court's award of any such Fees and Expenses, are not conditions of the Settlement and are to be considered by the District Court separately from the District Court’s consideration of the fairness, reasonableness, and adequacy of the Settlement. The Fees and Expenses awarded shall be set forth in a fee and expense award separate from the Judgment entered by the District Court such that any appeal of either order shall not constitute an appeal of the other. Any order or proceedings relating to the application of Plaintiffs' Co-Lead Counsel for Fees and Expenses, or any appeal from any order related thereto, or reversal or modification thereof, will not operate, and will not provide any basis, to modify, cancel, or terminate the Settlement, or affect or delay the finality of the Judgment or any other orders entered pursuant to this Agreement.

30. In the event that the District Court’s order or judgment awarding Fees and Expenses to Plaintiffs’ Co-Lead Counsel is reversed or modified (for any reason other than termination of the Settlement), then Plaintiffs’ Co-Lead Counsel shall, in an amount consistent with such reversal or modification, refund such Fees and Expenses, plus interest earned thereon, to the SIPA Trustee within ten (10) days from receiving notice of such reversal or modification from the SIPA Trustee, JPMorgan, their respective counsel, or a court of appropriate jurisdiction. Any refunds paid to the SIPA Trustee pursuant to this paragraph shall become part of the Distribution Fund and be distributed by the SIPA Trustee in accordance with the Plan of Allocation. In the event that the Settlement is terminated for any reason, then Plaintiffs’ Co-Lead Counsel shall refund the full amount of any Fees and Expenses paid out from the Customer
Representative Plaintiffs Attorneys’ Fees Fund, plus any interest earned thereon, to JPMorgan in accordance with Paragraph 34 below. Any refunds required pursuant to this paragraph shall be the joint and several obligation of all counsel to the Settlement Class who have received a fee and/or expense award pursuant to this Settlement, such that the failure of any such counsel to make a required refund shall be the responsibility and obligation of any and all such counsel.

**CONDITIONS OF SETTLEMENT AND EFFECT OF TERMINATION**

31. The Effective Date of the Settlement shall be conditioned on the occurrence or waiver (where appropriate) of all of the following events:

   a. The Bankruptcy Court has entered the Bankruptcy Approval Order, substantially in the form attached hereto as Exhibit A, and such Bankruptcy Approval Order has become Final;

   b. JPMorgan has not exercised its right to terminate the Settlement pursuant to Paragraph 33 below;

   c. The District Court has entered the Judgment, substantially in the form attached hereto as Exhibit C, and such Judgment has become Final.

32. Each of the Parties shall have the right to terminate the Settlement by delivering written notice of its election to do so (“Termination Notice”) to all other Parties within thirty (30) days of: (a) the Bankruptcy Court declining to enter the Bankruptcy Approval Order in any material respect; (b) the District Court declining to enter the Preliminary Approval Order in any material respect; (c) the District Court declining to enter the Judgment in any material respect; or (d) entry of an order by which the order of the Bankruptcy Court approving the Settlement or the Judgment is modified or reversed in any material respect by the District Court, the Court of Appeals, or the Supreme Court of the United States, which notice shall become effective upon delivery. However, the Parties agree that any decision with respect to any application for Fees
and Expenses, or with respect to any Plan of Allocation, shall not be considered material to the Settlement, shall not be a condition to the effectiveness of the Settlement, shall not affect the finality of the Judgment, and shall not be grounds for termination.

33. Simultaneously herewith, the Parties, by and through their respective counsel, are executing a supplemental confidential agreement, which gives JPMorgan the right, but not the obligation, to terminate the Settlement in the event that a certain portion of the Settlement Class delivers timely and valid requests for exclusion from the Settlement Class (the “Opt-Out Contingency Agreement”). The Opt-Out Contingency Agreement will be identified to, but not filed with, the Bankruptcy Court and the District Court, except that the substantive contents of the Opt-Out Contingency Agreement may be disclosed to either Court, in camera, if so requested or as otherwise ordered to do so. The Parties will keep the terms of the Opt-Out Contingency Agreement confidential, except if compelled by judicial process to disclose them.

34. Except as otherwise provided herein, in the event that the Settlement is terminated or does not become effective (as set forth in Paragraphs 31 through 33), the Settlement shall be null and void and without prejudice to any claim, defense or position that has been, or may be, asserted by any party in the SIPA Proceeding, the Customer Class Action, or any other action or proceeding; none of its terms shall be effective or enforceable; the fact and terms of the Settlement and all related negotiations shall not be admissible in any trial or used for any other purpose in the SIPA Proceeding, Customer Class Action, or any other action or proceeding; the Parties shall revert to their respective statuses and litigation positions immediately prior to February 19, 2013; and any portion of the Settlement Amount previously paid or caused to be paid by JPMorgan (together with any interest earned thereon, but less any Taxes paid or due with respect to such interest income, and less any Notice and Administration Costs or Customer
Representative Administration Costs actually incurred and paid or payable) shall be returned to JPMorgan within ten (10) days of the date of termination in accordance with instructions to be provided by JPMorgan. The foregoing provision requiring return of the settlement funds to JPMorgan shall survive termination of the Settlement.

**NO ADMISSION; DENIAL OF LIABILITY**

35. Neither this Agreement nor any negotiations or proceedings connected with it shall be deemed or construed to be an admission by any party to this Agreement or any Released Defendant Person or evidence of any fact or matter alleged or that could have been alleged in the SIPA Proceeding, the Customer Class Action, or in any other actions or proceedings, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, except in a proceeding to interpret or enforce the terms of the Settlement.

36. Without limitation of the preceding paragraph, JPMorgan is entering into this Settlement for settlement purposes only, without any admission of liability, and denies any and all liability in both the SIPA Proceeding and the Customer Class Action.

**MISCELLANEOUS**

37. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

38. All Parties and their counsel agree to use their best efforts to consummate the Settlement in accordance with the terms of this Agreement.

39. Each of the attorneys executing this Stipulation, any of its exhibits, or any related settlement documents on behalf of any Party or Parties hereto hereby warrants and represents that he or she has been duly empowered and authorized to do so by the Party or Parties he or she represents. Without limitation of the foregoing, Plaintiffs' Co-Lead Counsel represent that they
are fully authorized to act on behalf of the Customer Representative Plaintiffs with respect to entering into this Settlement and taking any actions necessary to effectuate the Settlement.

40. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

41. This Agreement, together with the exhibits attached hereto and the Opt-Out Contingency Agreement, constitutes the entire agreement between the Parties and supersedes any prior agreements or understandings, whether written or oral, including that certain Memorandum of Understanding dated February 19, 2013 and the Letter Agreements.

42. No representations, warranties or inducements have been made to or relied upon by any Party concerning this Stipulation, other than the representations, warranties and covenants expressly set forth herein and in the Opt-Out Contingency Agreement.

43. The SIPA Trustee acknowledges and agrees that he and his counsel and advisors have had reasonable and adequate access to JPMorgan’s books and records in connection with his statutorily charged investigation. Nothing in this Settlement Agreement shall affect either the SIPA Trustee’s right to seek information from JPMorgan by formal or informal means in pursuit of his investigatory duties in accordance with the terms of the Order of the Bankruptcy Court, and pursuant to § 78fff-1(d) of SIPA, 15 U.S.C. § 78fff-(1)d, 17 C.F.R. 190.08, or any rights of JPMorgan to object to or oppose providing such information, provided that, prior to the issuance of any formal or informal process, demand or request, counsel for the SIPA Trustee and JPMorgan shall consult in good faith with respect to any information sought by the SIPA Trustee and JPMorgan shall provide cooperation and assistance to the SIPA Trustee to the extent reasonable as agreed in such consultations.
44. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective agents, successors, executors, heirs, and assigns.

45. This Agreement may be executed in any number of counterparts by any of the signatories hereto, and the transmission of an original signature page electronically (including by facsimile or portable document format) shall constitute valid execution of the Agreement as if all signatories hereto had executed the same document. Copies of this Agreement executed in counterpart shall constitute one and the same agreement.

46. This Agreement and the Settlement, and any all disputes arising out of or relating in any way to this Agreement or the Settlement, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles.

47. The Bankruptcy Court and the District Court, as appropriate, shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Agreement, and all Parties hereto submit to the jurisdiction of the Bankruptcy Court and the District Court, as the case may be, for purposes of implementing and enforcing the Settlement embodied in this Agreement.

48. This Agreement may not be modified or amended, in whole or in part, nor may any of its provisions be waived, in whole or in part, except by a writing signed by all Parties or their counsel or their respective successors in interest.

49. This Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm’s-length negotiations.
between the Parties, and all Parties have contributed substantially and materially to the
preparation of this Agreement and the exhibits incorporated herein.

50. All agreements by, between or among the Parties, their counsel and their other
advisors as to confidentiality, including the confidentiality of information exchanged between or
among them, shall remain in full force and effect and shall survive the execution of and any
termination of this Agreement and the final consummation of the Settlement, if finally
consummated, without regard to any of the conditions of the Settlement.

51. The Parties agree to give each other Party the opportunity to review and approve
in advance any press release, statements to the media or other public communications regarding
the Settlement to be made in connection with the filing of the Settlement Agreement or other pre-
filng public disclosure, such approval not to be unreasonably withheld. The preceding sentence
is not intended to require review and approval of statements made by the Parties in court filings
or in court. The Parties further agree to refrain from making disparaging statements about the
other in any press release, statements to the media, or other public communications (including
statements made in court filings or in court) relating to the Settlement, including the claims to be
released pursuant to the Settlement, prior to the Effective Date.

52. Upon the Effective Date, counsel for all Parties shall endeavor to make suitable
arrangements for return or destruction of all confidential discovery materials in accordance with
the Confidentiality Agreements signed by counsel for each of the SIPA Trustee and the
Customer Representatives, respectively. The Parties agree to engage in good-faith discussions
regarding the retention of certain confidential discovery materials solely for use in ongoing
litigation against defendants in the Customer Class Action.
53. The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

[Remainder of Page Intentionally Left Blank]
DATED: March 19, 2013

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BY: ____________________________

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as Agent for the Facility
DATED: March 19, 2013

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