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January 23, 2017

To creditors of MF Global Canada Co. (“**MFGC**”),

On January 12, 2017 the Inspectors of the MFGC Estate approved a second distribution to Proven Creditors (the “**Second Distribution**”). The Second Distribution payments were issued on January 23, 2017 to non-employee creditors. Please note that distributions to former employee creditors are subject to review by Service Canada and therefore distributions will issued once Service Canada completes its review. Please see the attached notice to the creditors of MFGC which outlines the details of the Second Distribution.

Notice to creditors of MF Global Canada Co.

On November 4, 2011 KPMG Inc. was appointed Trustee (the “Trustee”) in bankruptcy of MF Global Canada Co. (“MFGC”) pursuant to an Order of the Ontario Superior Court of Justice (in Bankruptcy and Insolvency).

On July 23, 2015, the Inspectors of the bankrupt estate of MFGC (the “MFGC Estate”) approved a first distribution to unsecured creditors (the “First Distribution”) that filed claims with the Trustee and whose claims were admitted (“Proven Creditors”). The First Distribution was 30% of Proven Creditors’ claim amount, the amount being paid to creditors less a levy payable pursuant to s. 147 of the *Bankruptcy and Insolvency Act* (the “levy”), was issued on or about August 13, 2015.

On January 12, 2017, the Inspectors of the MFGC Estate approved a second distribution (the “Second Distribution”) to Proven Creditors. This notice provides details of the Second Distribution.

The MFGC Estate is in a surplus position and in accordance with the *Bankruptcy and Insolvency Act* (the “BIA”), Proven Creditors are entitled to statutory interest at a rate of 5.0% per annum from the date of bankruptcy to the date of distribution. The First Distribution did not include any interest as it was unclear at that time if the MFGC Estate would be in a surplus position. As a result, the Trustee has retrospectively allocated funds distributed at the First Distribution between principal and interest. The Second Distribution represents substantially all of the remaining unpaid claim balance of Proven Creditors’ claims including statutory interest thereon from the date of the First Distribution to the Second Distribution.

The Second Distribution is also subject to the levy. In addition, the Trustee is obligated in law to provide the details of any distributions to creditors that are former employees of MFGC to Service Canada so that it can determine if over-payments of Employment Insurance have occurred and recover such amounts, if any. As such, distributions to employee creditors will be made after Service Canada completes its review of the distribution amounts, which the Trustee anticipates will be in early March 2017.

By way of example, a creditor with a \$100 proven and admitted unsecured claim can expect their Second Distribution to be approximately as follows:

First Distribution						Second Distribution			
Date of Claim	Admitted Claim	Date of First Distribution	Claim Balance	Interest ⁽¹⁾	Net First Distribution ⁽²⁾	Date of Second Distribution ⁽³⁾	Claim Balance	Interest	Net Second Distribution ⁽⁴⁾
4-Nov-11	\$100.00	13-Aug-15	11.14	18.86	\$28.91	23-Jan-17	\$88.86	\$6.46	\$95.39

Notes:
⁽¹⁾ As the MFGC Estate is now in a surplus position, the Trustee has calculated the interest earned up to the First Distribution in order to determine the undistributed claim balance and interest thereon applicable to the Second Distribution.
⁽²⁾ Net of levy of approximately 3.64%.
⁽³⁾ Second Distribution made on January 23, 2017 to non-employee creditors. Employee creditors will receive their Second Distribution amounts following Service Canada's review of the employee's distributions.
⁽⁴⁾ Includes levy

Please contact the Trustee if you have any questions about the Second Distribution.

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