

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

TRUSTEE'S MOTION RECORD

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in bankruptcy of MF Global Canada Co.*

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NOTICE OF MOTION

KPMG Inc., in its capacity as trustee in bankruptcy (the "**Trustee**") of MF Global Canada Co. ("**MF Global Canada**") will make a motion, without notice, to a judge presiding over the Commercial List on Friday, November 23, 2012 at 9:00 o'clock a.m. or soon thereafter as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. an order substantially in the form of order attached as Schedule "A" hereto:
 - (a) appointing Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP as independent counsel for the purpose of reviewing the fees and disbursements of the Trustee and its counsel and reporting to the Honourable Court with respect to the fairness and reasonableness of such fees and disbursements;and
 - (b) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. on November 4, 2011, KPMG Inc. was appointed as Trustee by Order of the Honourable Mr. Justice Colin Campbell (the "**Bankruptcy Order**");

2. MF Global Canada was, prior to the making of the Bankruptcy Order, a securities firm within the meaning of Part XII of the Bankruptcy and Insolvency Act (the “BIA”);
3. Pursuant to the BIA, the Trustee and its legal counsel, BLG, are required to pass their accounts before a taxing officer (which includes a registrar or a judge) of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency).
4. Given the quantity and amount of the accounts rendered by the Trustee and BLG during the course of the MF Canada Bankruptcy Proceedings, and given that the relevant invoices contain a substantial amount of confidential and/or privileged information in relation to, among other things, the administration of the estate on certain litigation matters and consultation with Canadian Investor Protection Fund (“CIPF”), the Trustee proposes to have this Honourable Court appoint Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP as independent counsel for the purpose of reviewing the invoices of the Trustee and BLG with a view to having Mr. Wigley provide this Honourable Court with a report and assessment of the fairness and reasonableness of the relevant fees and disbursements.
5. Mr. Wigley has advised the Trustee that his firm does not act for any stakeholders in the MF Canada Bankruptcy Proceedings. Mr. Wigley has previously been appointed by this Honourable Court as independent counsel for the purpose of reviewing the invoices of insolvency professionals and their counsel and providing an assessment to this Honourable Court of the fairness and reasonableness of the relevant fees and disbursements, including, without limitation, the Portus Group insolvency proceedings and the Asset Backed Commercial Paper restructuring under the *Companies’ Creditors Arrangement Act*. the;
6. sections 192(1), 192(2), of the BIA;
7. rule 11 of the *Bankruptcy and Insolvency Rules*; and
8. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Seventh Report of the Trustee dated November 23, 2012; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

DATE: November 22, 2012

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PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION

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Schedule "A"

Court File Number 31-OR-207854-T

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE) FRIDAY, THE 23RD DAY
)
MR. JUSTICE CAMPBELL) OF NOVEMBER, 2012

IN THE MATTER OF THE BANKRUPTCY OF
MF GLOBAL CANADA CO., OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION made without notice by KPMG Inc., in its capacity as trustee in bankruptcy in the within proceedings (the "**Trustee**"), for an Order:

- (a) abridging the time for service of this Notice of Motion and the Motion Record and directing that any further service of this Notice of Motion and the Motion Record be dispensed with such that this motion is properly returnable on ●, 2012;
- (b) appointing Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP (the "**Firm**") as independent counsel for the purpose of reviewing the fees and disbursements of the Trustee and its counsel, Borden Ladner Gervais LLP ("**BLG**") and reporting to the Honourable Court with respect to the fairness and reasonableness of such fees and disbursements; and
- (c) such further and other relief as counsel may advise and this Honourable Court may permit;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Trustee's Seventh Report, and on hearing the submissions of counsel to the Trustee, no other counsel appearing:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Seventh Report is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Seventh Report.

Appointment of Independent Counsel

2. **THIS COURT ORDERS** that Mr. Jonathan Wigley of the law firm of Gardiner, Roberts LLP (the "**Firm**") be and he is hereby appointed as Independent Counsel (the "**Independent Counsel**") to review the fees and disbursements of the Trustee and its counsel, BLG (collectively the "**Professional Fees**") and to make submissions to this Honourable Court with respect to the fairness and reasonableness of the Professional Fees and whether the Professional Fees ought to be assessed and allowed as filed upon the hearing of a motion to be brought by the Trustee to have the Professional Fees assessed and allowed by this Honourable Court.

3. **THIS COURT ORDERS** that, on the motion to be brought for approval of the Professional Fees, the Trustee and BLG shall each file with the Court an affidavit attesting as to the accuracy of the Exhibits attached which exhibits shall consist of (a) a summary of the amounts of the Bills of Cost in form suitable for approval by this Court and (b) a computer disk or disks containing the relevant Bills of Costs in electronic form readable by the current version of Acrobat Reader.

4. **THIS COURT ORDERS** that all documents and materials as may be reasonably requested by the Independent Counsel, in paper or electronic format, including, without limitation, time records and dockets, in order for the Independent Counsel to fulfil his duties hereunder, shall be made available to the Independent Counsel.

5. **THIS COURT ORDERS** that the Trustee and BLG shall, at the request of the Independent Counsel, meet with the Independent Counsel as necessary and answer any inquiries the Independent Counsel may reasonably pose in order to fulfil his duties hereunder.

6. **THIS COURT ORDERS** that the Independent Counsel be and he is hereby permitted to delegate his duties hereunder to members of the Firm, to enable and assist the Independent Counsel in fulfilling his duties hereunder which members of the Firm shall be entitled to rely upon the provisions of this Order as if they were the Independent Counsel.

7. **THIS COURT ORDERS** that the Independent Counsel be and he is hereby given leave to apply to the Court for advice and direction with respect to carrying out his duties as the Independent Counsel upon notice to the Trustee and the Service List.

8. **THIS COURT ORDERS** that the Independent Counsel shall, in considering whether the Professional Fees are fair and reasonable and whether they ought to be assessed and allowed as filed, consider the following factors amongst any other factors the Independent Counsel considers to be reasonable:

- (a) the overall complexity and significance of the proceedings;
- (b) the nature of the proceedings;
- (c) any fee agreements;
- (d) the amounts involved;
- (e) the results achieved;
- (f) the number of parties and stakeholders; and
- (g) the general requirements for communication with customers and creditors.

9. **THIS COURT ORDERS** that any expenditure or liability which shall be properly made or incurred by the Independent Counsel, including the fees and disbursements of the Independent Counsel incurred at the rates and charges agreed to between the Independent Counsel and the Trustee, shall be allowed to him in passing his accounts and shall be forthwith paid by the Trustee out of the funds in its hands.

10. **THIS COURT ORDERS** that the Independent Counsel shall pass his accounts from time to time and, for this purpose, the accounts of the Independent Counsel are referred to the Judge of the Commercial List of the Superior Court of Justice seized of this proceeding.

11. **THIS COURT ORDERS** that, prior to the passing of the accounts of the Independent Counsel, the Trustee, shall, subject to inspector approval, be at liberty from time to time to pay reasonable amounts to the Independent Counsel on account of his fees and disbursements and such amounts shall constitute advances against his remuneration and disbursements when and as approved by this Court.

Seventh Report and Activities of the Trustee

12. **THIS COURT ORDERS AND DECLARES** that the activities of the Trustee, as described in the Seventh Report, be and are hereby approved.

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ORDER

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IN THE MATTER OF THE BANKRUPTCY OF
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**SEVENTH REPORT OF THE TRUSTEE
(NOVEMBER 22, 2012)**

THE BANKRUPTCY

1. On November 2, 2011 an Application for Bankruptcy Order was issued by the Canadian Investor Protection Fund (“**CIPF**”) against MF Global Canada Co. (“**MF Canada**”). CIPF is a customer compensation body within the meaning of section 253 of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

2. On November 4, 2011, MF Canada consented to the immediate making of a Bankruptcy Order and KPMG Inc. was appointed as trustee in bankruptcy of MF Canada (the “**Trustee**”). As a result, the Trustee has a mandate to administer the estate of MF Canada in accordance with the BIA, including Part XII thereof (the “**MF Canada Bankruptcy Proceedings**”). The Trustee has retained Borden Ladner Gervais LLP (“**BLG**”) as its counsel in the MF Canada Bankruptcy Proceedings.

PURPOSE OF THE REPORT

3. The purpose of this Report is to provide an evidentiary basis upon which this Honourable Court can make an Order appointing Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP as independent counsel for the purpose of reviewing the fees and disbursements of the Trustee and its counsel and reporting to the Honourable Court with respect to the fairness and reasonableness of such fees and disbursements.

APPOINTMENT OF INDEPENDENT COUNSEL

4. Pursuant to the BIA, the Trustee and its legal counsel, BLG, are required to pass their accounts before a taxing officer (which includes a registrar or a judge) of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency).

5. Given the quantity and amount of the accounts rendered by the Trustee and BLG during the course of the MF Canada Bankruptcy Proceedings, and given that the relevant invoices contain a substantial amount of confidential and/or privileged information in relation to, among

other things, the administration of the estate on certain litigation matters and consultation with Canadian Investor Protection Fund (“CIPF”), the Trustee proposes to have this Honourable Court appoint Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP as independent counsel for the purpose of reviewing the invoices of the Trustee and BLG with a view to having Mr. Wigley provide this Honourable Court with a report and assessment of the fairness and reasonableness of the relevant fees and disbursements.

6. Mr. Wigley has advised the Trustee that his firm does not act for any stakeholders in the MF Canada Bankruptcy Proceedings. Mr. Wigley has previously been appointed by this Honourable Court as independent counsel for the purpose of reviewing the invoices of insolvency professionals and their counsel and providing an assessment to this Honourable Court of the fairness and reasonableness of the relevant fees and disbursements, including, without limitation, the Portus Group insolvency proceedings and the Asset Backed Commercial Paper restructuring under the *Companies' Creditors Arrangement Act*.

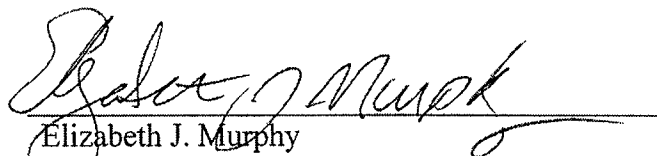
RELIEF SOUGHT

7. The Trustee requests that the Court make an Order in the form attached as Schedule “A” to the Trustee’s Notice of Motion, *inter alia*, appointing Mr. Jonathan Wigley of the law firm of Gardiner Roberts LLP as independent counsel for the purpose of reviewing the fees and disbursements of the Trustee and its counsel and reporting to the Honourable Court with respect to the fairness and reasonableness of such fees and disbursements.

[SIGNATURE PAGE TO FOLLOW]

ALL OF WHICH IS RESPECTIVELY SUBMITTED this 22nd day of November, 2012.

KPMG INC., in is capacity as trustee in
bankruptcy of MF GLOBAL CANADA CO.



Elizabeth J. Murphy
Vice President

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