

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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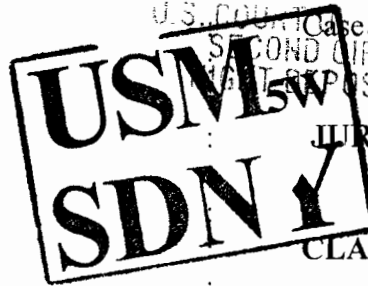
MICHAEL RUBIN,

Plaintiff,

v.

MF GLOBAL, LTD., ET AL.,

Defendants.



U.S. COURT Case No. 08 Civ. 02233 (VM)

SECOND CIRCUIT
NAT. REPOSITORY

JURY TRIAL DEMANDED

CLASS ACTION

CORRECTED CONSOLIDATED CLASS ACTION COMPLAINT

The MF Global Institutional Investors Group, consisting of the Iowa Public Employees' Retirement System, the Policemen's Annuity & Benefit Fund of Chicago, the Central States, Southeast and Southwest Areas Pension Fund, and the State-Boston Retirement System, as Court-appointed Lead Plaintiffs (collectively "Lead Plaintiffs"), brings this federal securities law class action on behalf of all purchasers of common stock of MF Global, Ltd. ("MF Global" or the "Company") pursuant or traceable to the Registration Statement and Prospectus issued in connection with the Company's Initial Public Offering (the "IPO") on or about July 19, 2007 (the "Class"). The allegations herein are based upon the investigation of Lead Plaintiffs' counsel, which included, among other things, a review of United States Securities and Exchange Commission ("SEC") filings, securities analysts' reports, public statements and media reports.

NATURE OF THE ACTION

1. Lead Plaintiffs bring this securities class action individually and on behalf of all members of the Class seeking redress under the strict liability provisions of the federal securities

laws.

2. The Registration Statement and Prospectus issued in connection with the IPO contained untrue statements of material facts or omitted material information required to be stated therein or necessary to make the statements made therein not misleading. In asserting the claims set forth herein, Lead Plaintiffs are not contending, and expressly disclaim any suggestion that these allegations sound in fraud.

3. On March 30, 2007, defendant Man Group, PLC (“Man Group”) announced that it intended to spin-off its brokerage business, then known as “Man Financial.” The separation, subject to approval of Man Group’s shareholders, would be effected by an initial public offering on the New York Stock Exchange (“NYSE”) of a majority interest in the new company, which would be known as “MF Global.” The spin-off was targeted for the third quarter of 2007, and the initial registration statement for the MF Global IPO was filed thereafter on May 31, 2007.

4. On July 18, 2007, MF Global announced that the IPO of at least 97.4 million shares of its common stock had been priced at \$30 per share - for anticipated gross proceeds of more than \$2.92 billion - and that the shares would begin trading the following day, July 19, 2007. Prior to the IPO, no public market existed for trading of the Company’s securities.

5. On July 20, 2007, defendants filed the Company’s IPO prospectus (“Prospectus”) with the SEC pursuant to Form 424(b)4. (The IPO Prospectus and the amended registration statement (“Registration Statement”) which became effective as of the offering are substantively identical and are referred to herein as the “Registration Statement and Prospectus.”)

6. The Registration Statement and Prospectus purported to describe MF Global’s operations and its pro forma financial results and also elaborated on the nature of the spin-off transaction and the relationship, both past and ongoing, that existed between MF Global and its

former parent, Man Group.

7. Key to the potential success of the Company was its need to manage the enormous potential risks attendant to its high volume brokerage and clearing operations. Accordingly, the Registration Statement and Prospectus sought to assure prospective shareholders and the investing public that the Company had in place and rigorously and consistently applied “a robust, globally integrated risk-management” system. This “Risk Management System” purportedly included elaborate and time tested systems and procedures, including continuous oversight and monitoring on a real time basis.

8. Specifically, the Risk Management System at MF Global was billed as a “Disciplined Approach to Risk” and the Company was lauded in the Registration Statement and Prospectus as heir to the 200 year old tradition of excellence and accomplished risk management employed by MF Global’s former corporate parent, Man Group. Defendants touted that the Company had entered into a “Group Risk Services Agreement” with its former corporate parent to ensure the continuity of that tradition of risk control and risk aversion.

9. In addition, the Registration Statement and Prospectus pointed to other factors designed to assure the market of the Company’s conservatism and caution applied to minimize risk, including providing an elaborate description of the offsetting trading methodology employed by the Company in its operations, and highlighting the Company’s claimed aversion to trading for its own account, as key factors in the Company’s ability to avoid losses from risks arising from trading operations.

10. The Registration Statement and Prospectus described or referenced potential risks with statements suggesting that the risks were already effectively addressed by extant procedures, and that any residual risks, if and when realized, would result in liabilities that were insubstantial

and immaterial to the Company's operations, its ability to do business or its profitability.

11. The Registration Statement and Prospectus also painted a picture of a Risk Management System and procedures purportedly employed at MF Global that were more than adequate to allow the Company to operate in a predictable manner with controlled risk. In fact, the Registration Statement and Prospectus repeatedly emphasized that a "core" value of the Company's management was careful and thorough attention to risk management.

12. In truth, the actual risk management procedures employed in the Company's day-to-day operations at the time of the IPO and thereafter bore little or no resemblance to the highly touted Risk Management System described in the Registration Statement and Prospectus. In particular:

- a. the Company's traders in various branch offices did, in fact, trade for their own accounts;
- b. traders were not required, in practice, to offset their buy and sell trades according to the Company's purported methodology that was supposedly designed to minimize risk from holding open positions; and
- c. most importantly, traders were able to trade in disregard of the Company's highly touted automated Risk Management controls for trading because the controls were simply "turned off" or could be easily ignored or overridden, whether, for the ostensible purpose of facilitating greater trading speed or otherwise.

13. As a result, MF Global's Risk Management System for open trading positions was deficient by design and in practice at the time of the IPO and continuing thereafter because it was a commonplace occurrence for some traders to actually trade in their clients' accounts, for their own profit, and without the prior knowledge or approval of the clients or the management of

the Company, and because controls could be and were “turned off,” overridden or ignored while brokers continued to trade.

14. The glaring flaws in the Company’s Risk Management System, which should have been apparent to management of the Company and anyone who engaged in meaningful due diligence, first began to be publicly disclosed on February 28, 2008 when the Company announced that one of its employee traders, working from a computer at home, had traded in wheat futures for his own account, without offsetting trades and without any practical ability to pay for even a small fraction of his purchases. This MF Global employee, after simply turning off the Company’s touted automated Risk Management controls on his computer, had run up an astounding trading loss amounting to some **\$141.5 million** reportedly in the brief span of a few hours early in the morning before the commodities markets officially opened. Upon disclosure that the unauthorized trading would have to be cleared by the Company itself and that the \$141.5 million loss would have to be absorbed by the Company, the stock market, predictably, reacted sharply to the significance of these revelations. The Company’s stock declined dramatically from **\$29.28** at the close the day before to a low of **\$20.70** that day.

15. In response to the February 28, 2008 unauthorized trading incident and the spectacular failure of risk management it exposed, the Company’s management initially sought to deflect criticism by characterizing the matter as a fluke and even stating that the Company’s Risk Management System had not, in fact, “failed” but that it had simply been “turned off” on a few computers.

16. In the days and months that followed, however, further revelations made it clear that despite the purported elaborate risk management safeguards employed by the Company and management’s purported dedication and commitment to managing risk in the Company’s

operations as described in the Registration Statement and Prospectus, the Company simply was not anywhere near as safe from foreseeable material operating risks as the Registration Statement and Prospectus had represented.

17. This action was filed on March 7, 2008. On that date, the Company's share price hit a low of \$17.90 before closing at \$18.50. This was dramatically lower than the Company's IPO price of \$30.00 per share.

JURISDICTION AND VENUE

18. The claims asserted herein arise under and pursuant to Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended (the "Securities Act"), 15 U.S.C. §§ 77k, 77l, and 77o.

19. This Court has jurisdiction over the subject matter of this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a).

20. Venue is proper in this judicial district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a). Pursuant to 28 U.S.C. § 1391(d), MF Global and Man Group may properly be sued in any District in the United States, including the Southern District of New York. Moreover, MF Global's principal executive offices are located in New York City and its common stock trades on the NYSE, which is located in this District. Thus, venue is proper in this District.

21. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the United States mails, interstate telephone communications and the facilities of a national securities exchange.

PARTIES

Plaintiffs

22. Lead Plaintiff, the Iowa Public Employees' Retirement System ("IPERS") was founded on July 4, 1953, to provide a dependable and economical retirement plan for Iowa's public employees. IPERS manages over \$23 billion in assets for the benefit of over 250,000 active members and retirees and is the 62nd largest pension fund in the United States. As set forth in the attached certification, IPERS purchased shares of MF Global pursuant and/or traceable to the false and misleading Registration Statement and Prospectus and was damaged thereby.

23. Lead Plaintiff, the Policemen's Annuity & Benefit Fund of Chicago ("PABF"), was established in 1921 with the mission of providing retirement benefits to the members of the Chicago Police Department and their spouses. As of December 31, 2006, PABF serviced 26,370 members, including active employees and retirees. In 2006, PABF's net asset base was \$4.19 billion. As set forth in the attached certification, PABF purchased shares of MF Global pursuant and/or traceable to the false and misleading Registration Statement and Prospectus and was damaged thereby.

24. Lead Plaintiff, the Central States, Southeast and Southwest Areas Pension Fund ("Central States") is a multiemployer, collectively bargained pension fund, established in 1955, which administers benefits for hundreds of thousands of participants, dependents and retirees. Most of the labor agreements under which contributions are paid to Central States are negotiated by affiliates of the International Brotherhood of Teamsters. Central States has approximately 100,000 active participants and makes benefit payments to more than 200,000 retirees and surviving spouses each month. Benefit payments in 2007 exceeded \$2.63 billion. The Central

States' assets as of December 31, 2007 were in excess of \$26 billion. As set forth in the attached certification, Central States purchased shares of MF Global pursuant and/or traceable to the false and misleading Registration Statement and Prospectus and was damaged thereby.

25. Lead Plaintiff, The State-Boston Retirement System ("State-Boston") provides retirement benefits for the employees of the City of Boston, Massachusetts. It has more than 34,000 active and retired members, representing 106 mandatory retirement systems, and more than \$3.1 billion in assets. As set forth in the attached certification, State-Boston purchased shares of MF Global pursuant and/or traceable to the false and misleading Registration Statement and Prospectus and was damaged thereby.

The Company and Individual Defendants

26. Defendant MF Global is a Hamilton, Bermuda registered company with its principal executive offices located at 717 Fifth Avenue, New York, New York 10022. The Company was formerly known as Man Financial, the brokerage arm of Man Group, a British hedge fund, and was spun-off to form its own publicly-traded company via the IPO. MF Global, through its wholly owned subsidiaries, is reportedly the world's leading broker of exchange-listed futures and options. It provides execution and clearing services for exchange-traded and over-the-counter ("OTC") derivative products, as well as for non-derivative foreign exchange products and securities in the cash market. MF Global is a "specialty" broker, whose focus is on providing both brokerage execution and clearing services to its clients. It does not engage in non-brokerage businesses, such as investment banking, asset management or principal investments. MF Global's common stock trades on the NYSE under the ticker symbol "MF."

27. Defendant Man Group is the former parent of MF Global. Man Group received almost \$3 billion in proceeds from the IPO and still retains an 18.6% stake in the Company.

Through its ownership and control of the Company, Man Group is a controlling person of MF Global within the meaning of the Securities Act.

28. Defendant Kevin R. Davis (“Davis”) was at all relevant times herein the Company’s Chief Executive Officer and a Director and in such capacity signed or authorized the signing of the Registration Statement and thereby approved issuance of the Prospectus.

29. Defendant Amy S. Butte (“Butte”) was the Company’s Chief Financial Officer and a Director at the time of the IPO, and in such capacity signed or authorized the signing of the Registration Statement and thereby approved issuance of the Prospectus. Defendant Butte resigned her positions with the Company effective January 3, 2008.

30. Defendant Alison J. Carnwath (“Carnwath”) was at all relevant times herein the Company’s Non-Executive Chairman of the Board of Directors and in such capacity signed or authorized the signing of the Registration Statement and thereby approved issuance of the Prospectus.

31. Defendant Christopher J. Smith (“Smith”) was at all relevant times herein the Company’s Chief Operating Officer, Deputy Chief Executive Officer and a Director and in such capacity signed or authorized the signing of the Registration Statement and thereby approved issuance of the Prospectus.

32. Defendant Christopher Bates (“Bates”) was at all relevant times herein the Company’s Group Controller and in such capacity signed or authorized the signing of the Registration Statement and thereby approved issuance of the Prospectus.

33. Defendant Henri J. Steenkamp (“Steenkamp”) was at all relevant times herein the Company’s Vice President of Corporate Financial Reporting – MF Global’s Principal Accounting Officer – and in such capacity signed or authorized the signing of the Registration Statement and

thereby approved issuance of the Prospectus.

34. Defendant Edward L. Goldberg (“Goldberg”) was at all relevant times herein a member of the Company’s Board of Directors and signed the Registration Statement in that capacity via delegation of authority to defendants Davis and Butte and thereby approved issuance of the Prospectus.

35. Davis, Butte, Carnwath, Smith, Bates, Steenkamp and Goldberg are collectively referred to hereinafter as the “Individual Defendants.”

The Underwriter Defendants

36. The following defendants were underwriters for the MF Global IPO and are listed with their principal business addresses and the number of shares of MF Global they obtained and sold in the IPO:

<u>LEAD BOOK-RUNNING UNDERWRITER DEFENDANTS</u>	<u>Number of Shares</u>
Citigroup Global Markets Inc. 388 Greenwich Street New York, NY 10013	12,827,962
J.P. Morgan Securities Inc. 277 Park Avenue New York, NY 10172	12,827,959
Lehman Brothers Inc. 745 Seventh Avenue New York, NY 10019	12,827,959
Merrill Lynch, Pierce, Fenner & Smith Inc. 4 World Financial Center New York, NY 10080	12,827,959
UBS Securities LLC 299 Park Avenue New York, NY 10171	12,827,959

ADDITIONAL LEAD
UNDERWRITER DEFENDANTS

Number
of Shares

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

4,581,414

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005

4,581,414

Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004

4,581,414

Morgan Stanley & Co. Inc.
1585 Broadway
New York, NY 10036

4,581,414

ABN AMRO Rothschild LLC
6th Floor, Park Avenue Plaza
55 East 52nd Street
New York, NY 10055

4,581,414

Banc of America Securities LLC
9 West 57th Street
New York, NY 10019

1,308,975

BMO Capital Markets Corp.
3 Times Square
New York, NY 10036

1,308,975

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, NY 10018

1,308,975

Keefe, Bruyette & Woods, Inc.
787 Seventh Avenue
New York, NY 10019

1,308,975

Sandler O'Neill & Partners, L.P.
919 Third Avenue
6th Floor
New York, NY 10022

1,308,975

Wachovia Capital Markets, LLC 375 Park Avenue New York, NY 10152	1,308,975
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Total for Lead Underwriter Defendants	83,774,429
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<u>ADDITIONAL UNDERWRITER DEFENDANTS</u>	<u>Number of Shares</u>
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Blaylock & Co., Inc. 399 Park Avenue #F15 New York, NY 10022	213,018
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Calyon Securities (USA) Inc. 1301 Avenue of the Americas New York, NY 10019	213,018
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Chatsworth Securities LLC 95 East Putnam Avenue Greenwich, CT 06830	213,018
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CL King & Associates, Inc. 551 Madison Avenue, 8 th Floor New York, NY 10022	213,018
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Dowling & Partners Securities, LLC 190 Farmington Avenue Farmington, CT 06032-1713	213,018
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E*TRADE Securities LLC 135 E. 57 th Street 31 st Floor New York, NY 10022	213,018
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Fortis Securities LLC 520 Madison Avenue, 3 rd Floor New York, NY 10022	213,018
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Guzman & Co. One Guzman Plaza 101 Aragon Avenue Coral Gables, FL 33134	213,018
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ING Financial Markets, LLC 1235 Avenue of the Americas New York, NY 10019	213,018
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Jefferies & Co., Inc. 520 Madison Avenue, 12 th Floor New York, NY 10022	213,018
Lazard Capital Markets LLC 30 Rockefeller Plaza New York, NY 10020	213,018
M.R. Beal & Co. 110 Wall Street, 6 th Floor New York, NY 10005	213,018
Mizuho Securities USA Inc. 1251 Avenue of the Americas, 33 rd Floor New York, NY 10020	213,018
Muriel Siebert & Co., Inc. 885 Third Avenue, 17 th Floor New York, NY 10022	213,018
Oppenheimer & Co. Inc. 125 Broad Street 14 th Floor New York, NY 10004	213,018
Piper Jaffray & Co. 800 Nicollet Mall, Suite 800 Minneapolis, MN 55402	213,018
Raymond James & Associates, Inc. 880 Carillon Parkway St. Petersburg, FL 33716	213,018
RBC Capital Markets Corp. One Liberty Plaza 165 Broadway New York, NY 10006	213,018
Robert W. Baird & Co. Inc. 777 East Wisconsin Avenue P.O. Box 0672 Milwaukee, WI 53201	213,018

Samuel A. Ramirez & Co., Inc. 61 Broadway, 29 th Floor New York, NY 10006	213,018
SMH Capital Inc. 527 Madison Ave, #14 New York, NY 10022	213,018
Stifel, Nicolaus & Co., Inc. One Financial Plaza 501 North Broadway St. Louis, MO 63102	213,018
Sun Trust Capital Markets, Inc. 3333 Peachtree Street NE Atlanta, GA 30326	213,018
The Williams Capital Group, L.P. 650 5 th Avenue, 11 th Floor New York, NY 10019	213,018
Utendahl Capital Partners, L.P. 30 Broad Street, 21 st Floor New York, NY 10004	213,018
Wells Fargo Securities, LLC 600 California Street, Suite 1600 San Francisco, CA 94108	213,018
William Blair & Co., LLC 222 West Adams Street Chicago, IL 60606	213,018
Total for Additional Underwriter Defendants	13,605,336
TOTAL FOR ALL UNDERWRITER DEFENDANTS	97,379,765

37. The Underwriter Defendants were at all times entities engaged in the business of investment banking, underwriting and selling securities to the investing public.

38. In connection with the MF Global IPO in July 2007, the Underwriter Defendants were paid over \$96,405,000 in gross fees – paid indirectly by purchasers of the Company’s shares. The Underwriter Defendants were paid at least \$0.90 per share in connection with the sale of

107.116 million shares (including 97,379,765 shares and additional shares sold pursuant to the exercise of the underwriter's over-subscription option) as follows:

	<u>Per Share</u>	<u>Without Option</u>	<u>With Option</u>
Public offering price	\$ 30.00	\$ 2,921,392,950.00	\$ 3,213,532,260.00
Underwriting discount	\$ 0.90	\$ 87,641,788.50	\$ 96,405,967.80
Proceeds before expenses	\$ 29.10	\$ 2,833,751,161.50	\$ 3,117,126,292.20

(*Prospectus*, p. 208)

39. Shareholders paid over \$96.40 million in combined fees to compensate the Underwriter Defendants for conducting their "due diligence" investigation into MF Global in connection with the IPO. The Underwriter Defendants' due diligence investigation was a critical component of the IPO that was supposed to provide investors with important safeguards and protections.

40. The due diligence investigation that the Underwriter Defendants performed should have encompassed a detailed investigation into MF Global sales, accounting, controls and procedures and also required the Underwriter Defendants to test the Company's assumptions to the extent a reasonable investor with access to such confidential corporate information would. A reasonable due diligence investigation should have extended well beyond a cursory review of MF Global's books and records, and its accounting, financial reports, operational, financial and risk management controls. The Underwriter Defendants, however, failed to conduct an adequate due diligence investigation prior to the IPO. The failure of the Underwriter Defendants to conduct an adequate due diligence investigation was a substantial contributing factor leading to the harm complained of herein.

CLASS ACTION ALLEGATIONS

41. Lead Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons who purchased shares of MF Global common stock pursuant or traceable to the Registration Statement and Prospectus issued in connection with MF Global's IPO. Excluded from the Class are defendants, the officers and directors of the Company, of Man Group and of the Underwriter Defendants at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which any defendant has or had a controlling interest.

42. The members of the Class are so numerous that joinder of all members is impracticable. After the IPO, MF Global's shares were actively traded on the NYSE. While the exact number of Class members is unknown to Lead Plaintiffs at this time and can only be ascertained through appropriate discovery, Lead Plaintiffs believe that there are thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by MF Global or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

43. Lead Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' violation of the securities laws as complained of herein.

44. Lead Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

45. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the

questions of law and fact common to the Class are:

- a. whether the defendants violated the federal securities laws as alleged herein;
- b. whether the Registration Statement and Prospectus contained untrue statements of material facts about MF Global and its risk management policies, procedures and systems or failed to include facts necessary to make the statements made not misleading;
- c. whether Man Group and the Individual Defendants are controlling persons of MF Global within the meaning of § 15 of the Securities Act;
- d. whether defendants performed appropriate due diligence in advance of the IPO; and
- e. to what extent the members of the Class have sustained damages and the proper measure of damages.

46. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS

The Historical and Continuing Relationship Between Man Group and MF Global

47. The historical and continuing relationship between the Man Group and MF Global was described in the Registration Statement and Prospectus in part as follows:

The Reorganization and Separation Transactions

The Reorganization

Prior to the Reorganization, Man Group conducted our business – its brokerage division – and its asset management business through numerous direct and indirect subsidiaries, and each division operated autonomously from one another. In recent months, through a series of transactions, Man Group reorganized its corporate structure to separate its brokerage division from its asset management division. The brokerage division, which

Man Group historically operated under the name Man Financial, consists of all of our business, comprised of execution and clearing services for derivatives and cash products in financial markets throughout Europe, North America and the Asia/Pacific region.

(Prospectus, p. 47)

48. The Registration Statement and Prospectus further described “The Separation” of MF Global from its parent, Man Group, in part, as follows:

The Separation

* * *

. . . we and several of our subsidiaries have entered into several transitional services agreement and other agreements with Man Group, which govern. . . the ongoing business relationships between us. The principal agreements include the following. . . .
Group Risk Services Agreement

(Prospectus pgs. 47-48) [Emphasis added.]

49. In describing MF Global’s separation from the Man Group, defendants represented that MF Global had secured adequate and effective corporate-level support services from its former parent which purportedly provided MF Global with enhanced “Risk Management” controls and procedures. The Registration Statement and Prospectus described the purported benefits of these procedures as follows:

Group Risk Service Agreement

We have historically relied on Man Group to provide us with enterprise-level oversight of our global risk-management operations. Following this offering, we intend to manage our global risk-management activities on stand-alone basis with our own personnel. To this end, *we have entered into a group risk services agreement with Man Group pursuant to which Man Group has agreed to provide us with a license to use its global risk-management systems and processes it has used historically to provide us with these services.* These systems and processes will allow us, among other things to:

calculate the economic capital required for various risk categories associated with our business at specified confidence levels, as well as the overall level of economic capital of our business;

carry out and produce a report relating to stress-testing of our business as

part of the Internal Capital Adequacy Assessment Process documentation requirements;

prepare reports supporting Internal Capital Adequacy Assessment Process;

prepare annual liquidity scenarios and test our liquidity contingency plan;
and

provide training in respect of credit aggregation and limit monitoring systems.

Pursuant to the group risk services agreement, *Man Group will also agree to provide ongoing risk-management support and consulting services to us for a period of 12 months* following this offering. We have agreed to pay Man Group an annual fee of \$120,000 plus an aggregate fee of \$160,000 per month, plus any interest for late payments, for the group risk services. In fiscal 2007, we paid Man Group approximately \$3.5 million in the aggregate for global risk management services provided to us.

(Prospectus p. 183) [Emphasis added.]

Additional Substantive Allegations

50. By improperly portraying the Company's risk management and trading control procedures in the Registration Statement and Prospectus, the defendants presented a materially misleading image of the safety and quality of MF Global's business. The Registration Statement and Prospectus repeatedly emphasized the ability of the Company to monitor and apply its Risk Management protocols to control its diverse trading positions. It also represented that the Company had already established, installed, and *was adhering to* the systems and procedures necessary to accomplish these important tasks. The Registration Statement and Prospectus also represented that as a former operating unit within Man Group, MF Global had experienced minimal costs and expenses resulting from potential risks in its operations. These misrepresentations in the Registration Statement and Prospectus caused the price of MF Global's common stock to be overvalued at the time of the IPO and continued to be overvalued until the truth about the Company began to become public on February 28, 2008. On that date, investors

first began to learn that the Company did not have an adequate risk management system or procedures in place, allowing at least one trader to take massive, unhedged and undercapitalized trading positions while trading for his own account.

51. As investors and the market ultimately learned, the problems at MF Global went far beyond a lone rogue trader, and rather than an isolated incident, the problems were systemic. In their actual day-to-day operations at many of MF Global's facilities, the Risk Management System and trading control procedures described in the Registration Statement and Prospectus were, in reality, ineffective and/or nonexistent. As a result, the Registration Statement and Prospectus contained numerous statements that were materially false and/or materially misleading in that they omitted to state material facts that rendered the statements made misleading. The web of specific material untrue statements and omissions woven throughout the Registration Statement and Prospectus includes those set forth herein at paragraphs 52-56 following:

52. In addition to purporting to describe the Company's Internal Risk Management environment as the beneficiary of the Man Group's tradition of solid management and historical aversion to risk as set forth above in paragraphs 47-49, the Registration Statement and Prospectus repeatedly described the Company's own purportedly effective and comprehensive attention to potential risk related to its operations and represented in pertinent part:

Overall, we believe that our exposure to market risk is substantially lower than it would be if we took positions for our own account primarily for directional purposes rather than primarily to facilitate client trades on a matched basis and to hedge and manage our corporate assets.

(Prospectus p. 27) [Emphasis added.]

* * *

Our risk-management methods focus on monitoring each client's potential exposure at default - that is, our potential exposure to loss in the event that the client defaults - and adjusting that client's margin requirements accordingly in an effort to ensure that their collateral is sufficient to secure their performance obligations on their open positions. This function requires, among other things, that we properly record and verify hundreds of thousands of transactions and events each day, and that *we continuously monitor and evaluate the size and nature of our clients' positions and the associated risks* Our risk-management methods are based on internally developed controls, observed historical market behavior and what we believe to be industry practices.

(Prospectus p. 28) [Emphasis added.]

* * *

We could be harmed by employee or introducing broker misconduct or errors that are difficult to detect and deter.

There have been a number of highly publicized cases involving fraud or other misconduct by employees of financial services firms in recent years. *Unlike other firms that have incurred significant, well publicized losses of this kind in recent years, when we take positions for our own account, we do so primarily to execute client orders and not for directional purposes – i.e., not for the purpose of profiting from anticipated changes in market prices. We also take positions for our own account, when hedging our exposure in foreign currency and interest rates. We believe that limiting trades for our own account to matched-principal and hedging trades reduces the risk that our employees may execute trades for our account in excess of our exposure limits.* Nevertheless, we are exposed to risks relating to employee misconduct. Among other things, our employees could execute unauthorized transactions for our clients or for their own or any of our accounts, use client assets improperly or without authorization, carry out improper activities on behalf of clients or use confidential client or company information for personal or other improper purposes, as well as misrecord or otherwise try to hide improper activities from us.

(Prospectus p. 31) [Emphasis added.]

* * *

Employee or introducing broker misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. *We have an active program for monitoring and verifying that our employees and introducing brokers comply with specified procedures.* . . .

(Prospectus p. 32) [Emphasis added.]

* * *

We are exposed to numerous risks in the ordinary course of our business. Management believes that effective risk management is critical to the success of our business. *We have a comprehensive risk management structure and processes to monitor, evaluate and manage the principal risks we assume in conducting our business.*

(Prospectus p. 94) [Emphasis added.]

53. Indeed, according to defendants, paramount among the Company's strengths was its ability to manage and control the risks encountered in its business operations, and under a separate heading, the Registration Statement and Prospectus touted the Company's purportedly active and adequate risk control environment and represented:

Disciplined Approach to Risk

We actively manage risk on a global basis with a centralized, hands-on approach. Our senior executives play a leading role in managing our risk exposure on a day-to-day basis. *We monitor our clients' open positions --- which represent our principal risk exposure --- and margin levels on a real-time basis, with both sophisticated technical systems as well as continuous oversight from our highly experienced risk managers.* Client positions are reviewed and margin levels adjusted both during and at the end of each trading day. We do not rely primarily on conventional value at-risk methodology to test our clients' exposures, as that methodology attempts to measure risk under relatively "normal" market conditions during a relatively brief period and may not always reflect significant "shock" events that may have occurred over a longer time frame. Rather, we stress-test client positions under hypothetical "worst-case" conditions that reflect actual historical data from periods extending back a decade or longer. We believe this approach enables us to measure risk in light of a broader range of historical experience that includes more extreme conditions. Equally important, *we believe that effective risk-management requires a willingness to be selective about our clients, in particular in terms of credit and risk analysis, and in some cases to limit our clients' trading activities.* We believe that our value-added services and deep liquidity enable us to exercise a more disciplined approach to risk-management than would otherwise been the case if our client services were not as attractive to the market. We also believe that our primary focus on brokerage services and standardized products, and the fact that our trading markets tend to be relatively liquid with readily available pricing information, enable us to effectively evaluate and manage the risk posed by our clients' positions. *In each of our last four fiscal years, our losses due to trading errors and client defaults have represented less than 2.0% of our revenues, net of interest and transaction-based expenses, with losses due solely to client defaults representing less than 0.5%.*

(Prospectus p. 117; see also Prospectus p. 4) [Emphasis added.]

54. The Registration Statement and Prospectus further represented that MF Global's *clients* are required to maintain margin accounts with collateral sufficient to support their open trading positions. (*See Prospectus p. 127*)

55. Similarly, the Registration Statement and Prospectus emphasized the importance of its purportedly robust and effective risk management system to the Company's business strategy:

Risk Management

We believe that effective risk-management is critical to the success of our business. Consequently, we devote significant resources (including investments in employees and technology) to the measurement, analysis and management of risk. We employ 125 professionals in our compliance, risk management and credit risk operations worldwide.

We have established a robust, globally integrated risk-management infrastructure to monitor, evaluate and manage the principal risks we assume in conducting our business around the world. While Man Group has historically provided us with corporate-level oversight of our global risk-management operations, following this offering, we intend to manage our global risk-management activities on stand-alone basis with our own personnel. . . .

As part of this transition, we employ a dedicated Chief Risk Officer who is responsible for overseeing all aspects of our risk-management infrastructure and who reports directly to our Chief Operating Officer and Deputy CEO. On a day to day basis, he manages and oversees specialist teams that continuously monitor our risk exposures around the world The Key Risk Indicator reporting process, together with our other reporting processes, are designed to enable us to assess the levels of risk present throughout our operating environment on a real-time basis and to take any necessary remedial action in a timely manner.

(*Prospectus p. 136*) [Emphasis added.]

56. In addition to specific statements and representations concerning the Company's vaunted safeguard systems, protocols and overall ability to effectively manage risk from its operations, the Registration Statement and Prospectus also made more general reference to many safeguards implicit in MF Global's business methodology and mode of operation purportedly

intended to limit risk. Moreover, the Registration Statement and Prospectus repeatedly represented that MF Global further managed risk because, other than limited circumstances, *it did not trade for its own account*. These features of MF Global's business operations were represented to be strengths and advantages enjoyed by the Company as a result of MF Global's prior association with Man Group and were described, in part, as follows:

Our Competitive Strengths

The derivatives and cash brokerage industry is fragmented and highly competitive. Our competitors include hundreds of brokers and banks around the world. . . . We compete in trade execution primarily with other brokers. In addition, in recent years several major exchanges have increasingly permitted clients to execute derivatives trades directly on exchanges by electronic means. We compete in clearing with many other clearing firms, primarily commercial banks and other financial institutions with ready access to capital and large lending operations. In addition, major exchanges provide clearing services to brokers and directly to some large financial institutions for derivatives trades.

We have maintained our leadership in the derivatives and cash brokerage industry due to our principal strengths, which include:

Leading Specialty Broker

We believe that we are the leading specialty broker operating in most of the trading markets around the world in which we operate. We believe that our focus on providing superior brokerage execution and clearing services attracts clients and enables us to develop strong, broad relationships with them. *As a specialty broker, we generally do not trade for our own account*, except to facilitate client trades on a matched-principal basis and to hedge the foreign currency and interest rate risk inherent in our global operations, and we do not maintain an inventory of financial products. *When we trade on a matched-principal basis, we execute a client's order by entering into the requested trade with the client and contemporaneously (often within minutes and generally on the same trading day) entering into an offsetting trade with another party, thereby minimizing our exposure to market-price movement. We generally do not engage in directional trading, meaning that we do not take positions for our own account in order to profit from anticipated changes in market prices.* (In addition to matched-principal trades for clients, we engage in principal transactions to hedge our exposure to changes in foreign currency exchange rates and interest rate risk.) *Limiting our principal trading in this manner help us to avoid conflicts of interest with our clients and promotes financial stability in our operations.*

(Prospectus p. 115) [Emphasis added.]

* * *

Experienced Management Team

Our management team has led our business through a sustained period of growth and we expect them to remain with us after our separation from Man Group. *Although we recently separated from Man Group, we are an established company with seasoned management and a long history of strong performance.* We are also accustomed to operating in a public-company environment as a division of Man Group, which is listed on the London Stock Exchange, and our operations have been subject for many years to regulatory oversight by the principal governmental and self-regulatory bodies that oversee the world's major financial markets.

(Prospectus p. 119) [Emphasis added.]

57. Unbeknownst to investors, however, the Registration Statement and Prospectus issued in connection with the IPO were materially false and misleading because, among other things they:

- a. failed to disclose the material fact that MF Global's Risk Management System was deficient in that it allowed elimination of credit and risk analysis and buying power limits and controls from its systems, effectively allowing MF Global employees to place orders without regard to the account's satisfaction of margin requirements, collateral or ability to pay;
- b. failed to disclose the material fact that in an effort to speed trades and be "efficient," MF Global suspended or eliminated its own internal risk management technical and human controls and supervision;
- c. failed to disclose the material fact that the Company's Risk Management System protocols and procedures as described with respect to trading activities for its clients did not apply to the Company's employees who were permitted to be and functioned as clients by trading for their own accounts;
- d. failed to disclose the material fact that Company employees were able to and did trade for their own individual accounts which exposed the Company to the very risks the Company's Risk Management protocols sought to prevent by curtailing trades for the Company's own account;
- e. failed to disclose the material fact that the failure of the Company's Risk Management System to control unsupported open positions taken by employees trading for their own accounts contrasted with its representations that the Company's clients are required to maintain margin accounts with collateral sufficient to support their open trading positions and thereby posed a material risk to the Company;

- f. falsely represented that MF Global's Risk Management System, policies and procedures were disciplined, comprehensive and effective;
- g. falsely represented that MF Global managed its exposure to risk with a centralized, hands-on approach when this was not the case. In truth, employees in branch offices were capable of trading independently by turning off Risk Management System controls without approval or notification of corporate management;
- h. failed to disclose the material fact that the Company's Risk Management System was not adequately monitoring employee trading positions while instead touting that the Company monitored all of its *clients'* open positions and margin levels on a real-time basis, with both sophisticated technical systems as well as continuous oversight by highly experienced risk managers;
- i. falsely represented that the Company's Risk Management System conformed to industry practices;
- j. failed to disclose that the ability of its employee traders to trade for their own accounts without risk management controls presented a material risk to the Company's profitability, business and reputation;
- k. misled investors by touting that the Company was "selective about our clients" in terms of the Company's credit and risk analysis (*Prospectus*, p. 117) while failing to disclose that the Company was not adequately "selective" about its own employees who were able to trade via the Company's facilities without the same controls supposedly applied to clients' trading and that this posed a material risk;
- l. misled investors by touting that the Company's clients were required to maintain margin accounts with collateral to support their open trading positions (*Prospectus*, p. 127) while failing to disclose that in reality, some MF Global employee brokers were able to trade freely as functional "clients" for their own accounts without any need to post collateral sufficient to support their open trading positions;
- m. mislead investors by touting that the Company's 125 employees and Risk Control Officer, purportedly engaged in the Company's compliance, Risk Management and credit risk operations worldwide represented part of a "robust, globally integrated risk-management infrastructure" because these employees were unequal to the task of providing adequate Risk Management for the Company's operations especially with respect to monitoring trading in real time outside usual business hours;
- n. misled investors by stating that MF Global did not trade for its own account (except in limited hedging circumstances) while failing to disclose that employees

were able to trade freely for their own account with any trading losses having to be cleared and covered by the Company;

- o. failed to disclose that the Company had inadequate screening for its employee brokers, including, in particular, brokers employed by the Company as a result of the acquisition of Refco in November 2005;
- p. failed to disclose that despite acquiring Refco and thus increasing the volume of trading that cleared through the Company, the Company had not increased its facilities or staffing to allow its Risk Management System to handle the demands of the increased trading;
- q. failed to disclose that when margin limits were encountered by MF Global traders while executing trades in client accounts, the only control was a computer-generated “Red Flag” which did not prevent the broker from making the trade despite violation of the Company’s supposed margin requirements;
- r. failed to disclose that the Company’s retail brokers who dealt with clients by telephone did not have any limits when trading for clients; and
- s. failed to disclose that at any time of the day or night, anyone with the password could access client accounts containing millions of dollars and trade at will therein.

THE TRUTH BEGINS TO BE REVEALED

58. On February 28, 2008, MF Global issued a press release before the market opened announcing that a “failure” in one of the Company’s retail order entry systems permitted an employee-representative to establish significant positions in his own account that were liquidated by the Company later that morning. The reportedly “unauthorized” activity resulted in the employee-trader incurring ***a loss of \$141.5 million***, which the Company, as a clearing member, was responsible to settle. As a result, the Company was required to record a bad debt provision for the full amount of the employee trader’s loss. The loss represented approximately six percent of the Company’s equity.

59. The trader who caused the loss was a registered representative and was later identified as Evan “Brent” Dooley. He was quoted by *The Wall Street Journal* on February 28,

2008 criticizing the Company's risk management procedures saying that "The computer system failed on a lot of things," adding that it had problems in "setting limits."

60. The Company hosted an investor conference call later that day. On the call, defendant Davis provided more details explaining that the Company was taking a ***\$141.5 million*** allowance for bad debts explaining that in a period of only six or seven hours in the previous morning, a day-trading MF Global broker logged onto his personal computer at home in Olive Branch, Mississippi and speculated in wheat futures in his personal account at the Company, buying approximately 15,000 to 20,000 futures contracts (the equivalent of approximately 10% of the market for these contracts for any given month), in violation of his authorized trading limit and without having the necessary collateral or capital "to support even a fraction of his positions." The lack of adequate and effective risk management, technical controls and human oversight, as well as the elimination of credit and risk analysis and buying power limits and controls that were supposed to be part of the Company's order entry system enabled the broker to make more than 100 trades and place a massive bet on more than \$800 million to \$1 billion worth of wheat, "significant positions in his own account which were liquidated later that morning. The unauthorized activity resulted in him incurring a loss of \$141.5 million, which the Company, as a clearing member, is responsible to settle at the clearinghouse."

61. As reported by *The Wall Street Journal* on February 29, 2008 and reflected in the February 28, 2008 conference call transcript, defendant Davis ***"acknowledged that existing internal controls could have stopped Mr. Dooley's trades from being processed – but were turned off in a few cases to allow for speedier transactions by brokers at the firm who traded for themselves or took customer orders by phone."*** In other words, he claimed that the internal controls did not fail; rather, they were ***deactivated***. During the call, Davis further stated that

Dooley had just one “historic customer,” who had not done any trading business in “some time.” Accordingly, the fact that the controls were deactivated could not be excused on the spurious ground that Dooley had responsibility for executing numerous customer trading orders or required speedier transactions.

62. Davis, who observed that “this is an absolutely awful event,” acknowledged that *“Dooley had not circumvented any risk management procedures . . . [and] that in order to speed trades the Company had allowed some internal terminals to not have the buying power control.”* He went on to say that the policy clearly was “a mistake.” MF Global had sacrificed security for efficiency and in so doing placed all of MF Global’s assets at risk.

63. Following the Company’s announcement, Fitch Ratings issued a “Rating Watch Negative” on MF Global, stating that the \$141.5 million “loss questions the robustness of risk measurement systems and represents a substantial portion of net income level.” Eileen Fahey, a managing director at Fitch Ratings, observed: “This does open the view that their customers are taking more risk than we thought.” Similarly, Standard & Poor’s also lowered its long term counter party credit rating for MF Global and placed its rating on “Credit Watch Negative” stating, “We expect the bad debt provision to result in a material reduction in the Company’s capital position.” In addition, numerous analysts also expressed reservations and concerns regarding the Company’s Risk Management practices, with Banc of America’s analyst stating “the questions raised around the company’s risk-management practices are likely to keep the stock depressed for quite some time,” and a Credit Suisse analyst stating that the “magnitude of the loss is clearly disconcerting to us and calls into question the degree of risk taking and risk management at the franchise.”

64. MF Global's stock closed down 28% that day from previous trading levels.

However, the very next day, Friday, February 29, 2008, MF Global's shares sank an additional 17%, to close at \$17.55, after trading as low as \$14.27 per share, completing *a two-day plunge of approximately 40%*, and representing a loss to shareholders of more than \$1,142,000,000.

65. The repercussions of MF Global's surprise revelations about its lack of adequate risk management controls continued to reverberate. As reported by *The Wall Street Journal* on March 1, 2008:

The stock's two day plunge of 40% showed that many investors are worried that plugging holes in MF Global's risk management procedures won't be enough to restore customer confidence.

Clients who make trades through MF Global because of its longtime reputation as a savvy player in the topsy-turvy futures industry might take that business elsewhere, though there is no sign of a customer exodus

Analysts and investors are concerned that more bad trades could surface at MF Global, further depleting the firm's capital The trading loss also could complicate MF Global's plans to borrow money later this year. Standard & Poor's lowered its long-term counter-party credit rating on MF Global to triple-B, down one notch from triple-B-plus, noting that the brokerage firm had borrowed \$150 million under its \$1.5 billion, five-year, revolving credit facility to bolster its regulatory capital.

66. On March 2, 2008, MF Global wrote a letter to its clients concerning the "disappointing and embarrassing development in the history of MF Global." The letter, written by Davis, said "We have always prided ourselves on our strong risk management approach, as it is at the heart of our business model. An occurrence such as this is not acceptable."

67. On March 5, 2008, *The Wall Street Journal* reported that federal law-enforcement authorities had commenced investigating the futures trades made by the MF Global employee, Dooley. An investigation is also being conducted by the Chicago Mercantile Exchange and the Commodities Futures Trading Commission.

68. The market continued to react to disclosure of MF Global's spectacular risk management failures and concerns about the ramifications of the attendant loss of reputation. On March 17, 2008, shares of MF Global began trading at \$15.79 and, by noon, traded as low as \$3.64 per share, nearly 80% below the previous day's closing price of \$17.35. Commenting on this steep decline, *The Wall Street Journal* again observed that "analysts and investors are concerned that more bad trades could surface at MF Global, further depleting its capital."

70. On April 18, 2008, MF Global announced its Fourth Quarter 2008 results and reported that "The company expects a pre-tax loss on a GAAP basis for the fourth fiscal quarter to range from \$55 million to \$65 million primarily attributable to the recently expected bad debt provision." The Company's press release also announced that the Company launched two separate reviews into its risk management controls:

Review of Unauthorized Trading and Risk Controls

Following MF Global's announcement on February 28 that it was taking a bad debt provision of \$141.5 million as a result of unauthorized trading by a broker operating out of a branch office in Memphis, Tenn., MF Global's Nominating and Corporate Governance Committee commissioned ***two independent reviews by outside firms*** highly regarded in their fields of expertise.

The first of these reviews, conducted by FTI Consulting, a technology specialist firm, assessed the proprietary order entry system used by the broker, Order Express, as well as the technology involved in the risk monitoring system employed to monitor trading activity and analyze the risk in customer accounts. The second review, conducted by Promontory Financial Group, a risk management specialist firm, is examining MF Global's overall risk management and control infrastructure.

Both independent reviews are continuing and will include a thorough evaluation of other appropriate order entry systems used by MF Global, the vast majority of which are off-the-shelf third party vendor systems used throughout the industry. In addition, a thorough evaluation of risk management policies and procedures and trading operations globally is underway to assure MF Global utilizes industry best practices.

FTI and Promontory have provided MF Global with preliminary results and recommendations.

Order Entry Systems

Since February 28, MF Global has learned that *an aspect of the Order Express entry system . . . was not configured properly and therefore permitted the broker to trade through the system in excess of applicable limits*. MF Global has remedied this by imposing buying power controls for brokers using this system. . . .

“FTI conducted an in-depth analysis and rigorous testing of the trading controls in the Order Express system at MF Global. We are highly confident that *the buying power controls. . . are now being applied to all. . . brokers trading through the system*,” said Robert L. Brunner, senior managing director, FTI Consulting.

Risk Monitoring Process

To enhance its risk management policies and procedures, including those in the risk monitoring area, MF Global engaged Promontory to review firm-wide practices and to benchmark the company against industry best practices. Promontory has provided a list of preliminary recommendations to strengthen MF Global’s existing risk management monitoring and staffing, which the company has adopted and begun to implement.

Since the incident, the company had increased access, improved information and otherwise upgraded its risk monitoring systems and its alert notification systems. Additionally, MF Global has increased the number of on-site risk specialists in every company center around the world, assigning additional staff to duty in each center overnight and ensuring that all centers operating in daytime hours back up nighttime centers.

In addition, the risk management department at MF Global will be restructured. The company is actively recruiting a new chief risk officer to be in charge of all risk areas of the company and to report directly to MF Global’s CEO.

[Emphasis added.]

71. On May 20, 2008, the Company held a teleconference with analysts and media during which the Company reported the status of its attempts to correct its risk management failures which, according to *The Wall Street Journal*, included the news that:

MF Global Ltd. is shutting the branch-office network that left the futures brokerage vulnerable to a trading scandal in February.

Kevin Davis, the firm’s chief executive, is expected to announce the move and an update in its capital-raising plans when the firm reports earnings Tuesday. In addition, *MF is close to hiring a global chief risk officer, he said . . .*

The Memphis office already has been closed, along with roughly half of the other U.S. branches. MF Global said the closing would have a minimal impact on revenue and make it easier to manage risk at its main U.S. offices. MF Global also has hired two teams of consultants to review its risk management systems. The company is continuing to pursue the sale of \$200 million or more in capital, likely through convertible securities that blend characteristics of stocks and bonds.

[Emphasis added.]

72. On June 12, 2008, MF Global filed its annual report on Form 10-K for its fiscal year 2008 (ended March 31, 2008) (the “2008 10-K”) with the SEC. The 2008 10-K repeated the previously reported fourth quarter and fiscal 2008 year end financial results and also described various Legal Proceedings involving the Company and disclosed that the Company had “established an *accrual of \$10.0 million to cover potential CFTC cited monthly penalties*” in the matter of the unauthorized wheat futures trades by the now former MF Global trader as well as for two other matters that were subject to CFTC investigations, including a CFTC “potential” action previously disclosed in the Registration Statement and Prospectus concerning two trades executed by the Company in 2004 that were misreported to NYME and which “falsely represented the dates on which the trades in question occurred.” [Emphasis added.] The Company, also disclosed, for the first time:

CFTC Natural Gas Price Information Investigation

We have been cooperating in an investigation conducted by a New York County Grand Jury in conjunction with the U.S. Attorney’s Office in the Southern District of New York. The CFTC and the SEC have also been involved in the investigation. The investigation centers around trading by a market making energy trader at ***Bank of Montreal (BMO) who allegedly mismarked his book***. One of our brokers did business with the BMO trader, and used bid and offer prices for forward OTC trades the BMO trader sent to him as a basis for prices which our broker disseminated to our customers, including BMO, as price indications that reflected a consensus.

[Emphasis added.]

73. On June 13, 2008, the Bloomberg News Service summarized the disclosures of CFTC investigations in the 2008 10-K as follows:

The company today disclosed two investigations into natural-gas trades it helped facilitate. The U.S. Attorney's Office in New York is probing over-the-counter gas trades of a customer, the Bank of Montreal. In addition, the Commodity Futures Trading Commission sent a so-called Wells notice in May, saying it may recommend legal action over two natural-gas trades in 2004, according to MF Global's regulatory filing.

74. Further, the Bloomberg Newswire article reported the reaction of Prof. Bruce Weber, a finance professor at the London Business School, who underscored that the problems MF Global was continuing to experience were due to its failure to maintain adequate controls:

"It seems like MF Global didn't have good control systems, they're getting burned more than once. It wasn't just the wheat trades . . . [the \$10 million set aside] is a material amount. They're not a giant broker that can absorb something like that easily."

[Emphasis added.]

FIRST CLAIM
Violation of Section 11 of
The Securities Act Against All Defendants

75. Lead Plaintiffs repeat and reallege each and every allegation of paragraphs 1-74 as if fully set forth herein.

76. Defendant MF Global, as issuer of its shares in the IPO, is strictly liable to the purchasers and holders of the shares obtained in the IPO for the misstatements and omissions in the Registration Statement and Prospectus. MF Global owed to the purchasers and holders of the shares obtained through the Registration Statement and Prospectus the duty to make a reasonable and diligent investigation of the statements contained there to ensure that such statements were true and correct, and that there were no omissions of material facts required to be stated in order to make the statements contained therein not misleading.

77. Defendant Man Group, as the former corporate parent of MF Global, a controlling shareholder thereof, and the principal beneficiary of the IPO, receiving almost \$3 billion of

proceeds there from, constitutes an underwriter and/or issuer of the shares and is strictly liable to the purchasers and holders of the shares obtained in the IPO for the misstatements and omissions in the Registration Statement and Prospectus. Man Group owed to the purchasers and holders of the shares obtained through the Registration Statement and Prospectus the duty to make a reasonable and diligent investigation of the statements contained in the Registration Statement to ensure that such statements were true and correct, and that there were no omissions of material facts required to be stated in order to make the statements contained therein not misleading.

78. The Individual Defendants as signatories of the Registration Statement, directors and/or officers of MF Global, and controlling persons of the issuer, are strictly liable to and owed to the purchasers and holders of the shares obtained through the Registration Statement and Prospectus the duty to make a reasonable and diligent investigation of the statements contained therein to ensure that such statements were true and correct, and that there were no omissions of material facts required to be stated in order to make the statements contained therein not misleading.

79. The Underwriter Defendants acted as underwriters for the IPO. As such, the Underwriter Defendants were responsible for the contents of the Registration Statement and Prospectus and they are strictly liable to and owed to the purchasers and holders of the shares obtained through the Registration Statement and Prospectus the duty to make a reasonable and diligent investigation of the statements contained therein to ensure that such statements were true and correct, and that there were no omissions of material facts required to be stated in order to make the statements contained therein not misleading.

80. None of the defendants conducted a reasonable investigation or possessed reasonable grounds for the belief that the challenged statements contained in the Registration

Statement and Prospectus were true or that there were no omissions of material facts necessary to make the challenged statements made therein not misleading.

81. Had defendants exercised reasonable care, they would have known of the material misstatements and omissions contained in or omitted from the Registration Statement and Prospectus as set forth herein. As such, defendants are liable to the Class.

82. Defendants issued and disseminated, caused to be issued and disseminated, and participated in the issuance and dissemination of material misstatements to the investing public which were contained in the Registration Statement and Prospectus, which misrepresented or failed to disclose, *inter alia*, the facts set forth above. By reason of the conduct herein alleged, each defendant violated and/or controlled a person who violated Section 11 of the Securities Act.

83. As a direct and proximate result of defendants' acts and omissions in violation of the Securities Act, the market price of MF Global's shares sold in the IPO was artificially inflated, and Lead Plaintiffs and the Class suffered substantial damage in connection with their ownership of MF Global's shares purchased pursuant to and/or traceable to the Registration Statement and Prospectus.

84. At the times they obtained their shares of MF Global, Lead Plaintiffs and members of the Class did so without knowledge of the facts concerning the misstatements or omissions alleged herein.

85. This action is brought within one year after discovery of the untrue statements and omissions in and from the Registration Statement which should have been made through the exercise of reasonable diligence, and within three years of the effective date of the Prospectus.

86. By virtue of the foregoing, Lead Plaintiffs and the Class are entitled to damages under Section 11 as measured by the provisions of Section 11(e), from all defendants, and each of

them, jointly and severally.

SECOND CLAIM
Violation of Section 12(a)(2) of
The Securities Act Against All Defendants

87. Lead Plaintiffs repeat and reallege each and every allegation of paragraphs 1-86 as if fully set forth herein.

88. This Count is brought pursuant to Section 12(a)(2) of the Securities Act on behalf of Lead Plaintiffs and the Class, against all defendants.

89. Defendants were sellers, offerors and/or solicitors of purchasers of the shares offered pursuant to the MF Global IPO Registration Statement and Prospectus.

90. The MF Global IPO Registration Statement and Prospectus contained untrue statements of material facts, omitted to state other material facts necessary to make the statements made not misleading, and concealed and failed to disclose material facts. The Individual Defendants' actions of solicitation included participating in the preparation of the false the misleading Registration Statement and Prospectus.

91. Defendants owed to the purchasers of MF Global's shares, including Lead Plaintiffs and other members of the Class, the duty to conduct a reasonable and diligent investigation of the statements contained in the IPO materials, including the Registration Statement and Prospectus, to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Had defendants conducted a reasonable and diligent investigation, they would have known of the misstatements and omissions contained in the IPO materials as set forth above.

92. Lead Plaintiffs and other members of the Class purchased or otherwise acquired MF Global's shares pursuant to and/or traceable to the defective Registration Statement and Prospectus. Lead Plaintiffs did not know, or in the exercise of reasonable diligence could not

have known, of the untruths and omissions contained in the Registration Statement and Prospectus.

93. Lead Plaintiffs, individually and representatively each hereby offer to tender to defendants those shares which Lead Plaintiffs and other Class members continue to own, on behalf of all members of the Class who continue to own such shares, in return for the consideration paid for those shares together with interest thereon. Class members who have sold their MF Global shares are entitled to rescissory damages.

94. By reason of the conduct alleged herein, defendants have violated Section 12(a)(2) of the Securities Act. Accordingly, Lead Plaintiffs and members of the Class who hold MF Global's shares purchased in the IPO have the right to rescind and recover the consideration paid for their MF Global shares, and hereby elect to rescind and tender their MF Global shares to defendants sued herein. Lead Plaintiffs and Class members who have sold their MF Global shares are entitled to rescissory damages.

95. This action is brought within three years from the time that the shares upon which this Count is brought were sold to the public, and within one year from the time when Lead Plaintiffs discovered or reasonably could have discovered the facts upon which this Count is based.

THIRD CLAIM
Violation of Section 15 of The Securities Act
Against Man Group and the Individual Defendants for
Violation of Section 11 of the Securities Action

96. Lead Plaintiffs repeat and reallege each and every allegation of paragraphs 1-95 as if fully set forth herein.

97. This count is asserted against Man Group and the Individual Defendants and is based upon Section 15 of the Securities Act arising from the Company's liability under Section 11

of the Securities Act.

98. The Man Group, by reason of its 18.6% ownership of shares of the Company and the Individual Defendants, by virtue of their offices, directorships and specific acts were, at the time of the IPO as set forth herein, controlling persons of MF Global within the meaning of Section 15 of the Securities Act. The Man Group and the Individual Defendants had the power and influence and exercised the same to cause MF Global to engage in the acts described herein which give rise to defendant MF Global's liability under Section 11 of the Securities Act as alleged herein.

99. By virtue of the conduct alleged herein, the Man Group and the Individual Defendants are liable for the aforesaid wrongful conduct and are liable to Lead Plaintiffs and the Class for damages suffered.

FOURTH CLAIM
Violation of Section 15 of The Securities Act
Against Man Group and the Individual Defendants Arising From
Violations of Section 12(a)(2) of The Securities Act

100. Lead Plaintiffs repeat and reallege each and every allegation of paragraphs 1-99 as if fully set forth herein.

101. This count is asserted against Man Group and the Individual Defendants based upon Section 15 of the Securities Act arising from the liability of the Company under Section 12(a)(2) of the Securities Act as alleged herein.

102. Man Group, by reason of its 18.6% ownership of shares of the Company and the Individual Defendants, by virtue of their offices, directorships and specific acts were, at the time of the IPO, controlling persons of MF Global within the meaning of Section 15 of the Securities Act. Man Group and the Individual Defendants had the power and influence and exercised the same to cause MF Global to engage in the acts described herein as giving rise to defendant MF

Global's liability under Section 12(a)(2) of the Securities Act as alleged herein.

103. By virtue of the conduct alleged herein, Man Group and the Individual Defendants are liable for the aforesaid wrongful conduct and are liable to Lead Plaintiffs and the Class for damages suffered under Section 12(a)(2).

WHEREFORE, Lead Plaintiffs, on behalf of themselves and the Class, pray for judgment as follows:

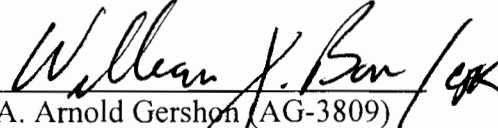
- A. Declaring this action to be a plaintiff class action properly maintained pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure;
- B. Appointing Lead Plaintiffs as class representative and its counsel as lead class counsel;
- C. Awarding Lead Plaintiffs and other members of the Class damages together with pre-judgment interest thereon;
- D. Awarding Lead Plaintiffs and other members of the Class rescission or rescissory damages and their costs and expenses of this litigation, including reasonable attorneys' fees, accountants' fees and experts' fees and other costs and disbursements; and
- E. Awarding Lead Plaintiffs and other members of the Class such additional or different relief as the interests of justice or equity may require under the circumstances.

JURY DEMAND

Lead Plaintiffs demand a trial by jury.

Dated: September 12, 2008

BARRACK, RODOS & BACINE


A. Arnold Gershon (AG-3809)
William J. Ban (WB-0382)
Regina M. Calcaterra (RC-3858)
1350 Broadway
Suite 1001
New York, NY 10018
Phone: (212) 688-0782
Fax: (212) 688-0783

Leonard Barrack
Daniel E. Bacine
Mark R. Rosen (*admitted pro hac vice*)
BARRACK RODOS & BACINE
3300 Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
Phone: (215) 963-0600
Fax: (215) 963-0838

**COHEN, MILSTEIN, HAUSFELD
& TOLL, P.L.L.C.**


Carol V. Gilden (*admitted pro hac vice*)
190 S. LaSalle Street, Suite 1705
Chicago, IL 60603
Phone: (312) 357-0370
Fax: (312) 357-0369

**COHEN, MILSTEIN, HAUSFELD
& TOLL, P.L.L.C.**

Steven J. Toll
Daniel S. Sommers
Jason Leviton
1100 New York Avenue, N.W.
Suite 500 West Tower
Washington, DC 20005-3964
Phone: (202) 408-4600
Fax: (202) 408-4699

Co-lead Counsel for Lead Plaintiffs and the Class

Christopher J. Keller (CK-2347)
Jonathan Gardner (JG-8512)
Andrei V. Rado (AR-3724)
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
Phone: (212) 907-0700
Fax: (212) 818-0477

*Additional Counsel for Plaintiff
State-Boston Retirement System*

BARRACK, RODOS & BACINE
Attorneys at Law

**SWORN CERTIFICATION OF GREGG A. SCHOCHENMAIER
ON BEHALF OF
THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

I, Gregg A. Schochenmaier, Esquire, hereby certify as follows:

1. I am general counsel of the Iowa Public Employees' Retirement System ("IPERS") and am authorized to submit this certification on its behalf.
2. On behalf of IPERS, I have reviewed a complaint filed against MF Global Ltd. ("MF Global") and others alleging violations of the federal securities laws.
3. IPERS did not purchase the MF Global securities that are the subject of this action at the direction of its counsel, Barrack, Rodos & Bacine, or to participate in any private action under the federal securities laws.
4. IPERS is willing to serve as a lead plaintiff and representative party on behalf of the class in this action, including providing testimony at deposition and trial, if necessary.
5. IPERS' transactions in MF Global Ltd. securities that are the subject of this action, as reported by IPERS' custodian, are set forth in the chart attached hereto as Exhibit A.
6. IPERS is currently serving as a lead plaintiff on behalf of a class in the following action brought within the last three years under the federal securities laws:

In re The Mills Corp. Securities Litigation, Civil Action No. 1:06-cv-00077 (N.D.Va.)
7. In addition, within the last three years, IPERS has served and/or sought to serve as a representative party in the following action brought under the federal securities laws:

In re Bridgestone Securities Litigation, Master File No. 3:01-cv-00017 (M.D.Tenn.)

OCM High Yield Trust et al. v. PricewaterhouseCoopers LLP, Civil Action No. 3:05-cv-00606-JFA (D.S.C.) (SafetyKleen bondholders litigation)

8. IPERS will not accept any payment for serving as a representative party on behalf of a class beyond its pro rata share of any recovery, except as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 1, 2008

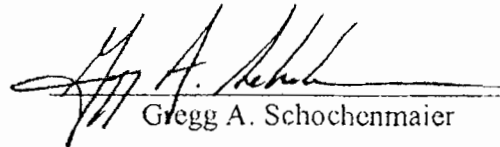

Gregg A. Schochenmaier

EXHIBIT A

Exhibit A

Iowa Public Employees' Retirement System
MF Global Ltd.
Ticker: MF; Cusip: G60642108
Class Period: 7/19/07-2/28/08

Date	Transaction	No. of Shares	Price
7/19/2007	BUY	109,400	30.0000
7/20/2007	BUY	52,900	26.0610
7/31/2007	BUY	15,400	25.1250
8/10/2007	BUY	11,500	24.6440
8/10/2007	BUY	3,000	24.4410
8/31/2007	SELL	55,400	26.8919
12/28/2007	BUY	9,700	31.0530
12/31/2007	BUY	6,700	31.2990
12/31/2007	BUY	3,600	30.9950

BARRACK, RODOS & BACINE
Attorneys at Law

**SWORN CERTIFICATION OF JOHN J. GALLAGHER, JR.
ON BEHALF OF
THE POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO**

I, John J. Gallagher, Jr., hereby certify as follows:

1. I am the Executive Director of the Policemen's Annuity and Benefit Fund of Chicago ("PABF") and am authorized to submit this certification on its behalf.

2. On behalf of the PABF, I have reviewed a complaint alleging violations of the federal securities laws filed against MF Global Ltd. ("MF Global") and others.

3. The PABF did not purchase the MF Global securities that are the subject of this action at the direction of its counsel, Barrack, Rodos & Bacine, or to participate in any private action under the federal securities laws.

4. The PABF is willing to serve as a lead plaintiff and representative party on behalf of the class in this action, including providing testimony at deposition and trial, if necessary.

5. The PABF's transactions in MF Global securities that are the subject of this action, as reported by the PABF's custodian, are set forth in a chart attached hereto as Exhibit A.

6. The PABF is currently serving as a lead plaintiff on behalf of a class in the following actions brought within the last three years under the federal securities laws:

In re Telik Inc. Securities Litigation, Case No. 1:07-cv-04819-CM (S.D.N.Y.)

Eastwood Enterprises, LLC v. Farha, Case No. 8:07-cv-1940 (M.D.Fla.)

7. In addition, the PABF has sought to serve as a lead plaintiff in the following cases brought within the last three years under the federal securities laws:

In re Delphi Corp. Securities Litigation, Master Case No. 05-md-1725 (E.D.Mich) (transferred from S.D.N.Y., Case No. 1:05-cv-02637-NRB) (PABF not appointed lead plaintiff)

In re Dell, Inc. Securities Litigation, Case No. 1:06-cv-00726-SS (W.D.Tex.) (lead plaintiff motion withdrawn)

In re Cometics Corp. Securities Litigation, Case No. 3:07-cv-02940-SI (N.D.Cal.)
(transferred from S.D.N.Y., Case No. 1:06-cv-11496-SWK) (PABF not appointed lead plaintiff)

In re Schering-Plough Corporation/Enhance Securities Litigation, Lead Case No. 2:08-397 (DMC) (MF) (D.N.J.) (PABF not appointed lead plaintiff)

8. In addition, within the last three years, PABF has served as a lead plaintiff in the following actions brought under the federal securities laws:

In re Siebel Systems, Inc. Securities Litigation, Master File No. 3:04-cv-00983-CRB (N.D.Cal) (case dismissed in December 2005)

In re Apollo Group Inc. Securities Litigation, Lead Case No. 2:04-cv-02147-PHX-JAT (D.Ariz.) (jury verdict in favor of plaintiff in January 2008)

Rabbach, et al. v. ICG Communications, et al., Case No. 1:00-cv-01864-REB-BNB (D.Col.) (settlement approved in January 2007)

9. The PABF will not accept any payment for serving as a representative party on behalf of a class beyond its pro rata share of any recovery, except as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: April __, 2008



John J. Gallagher, Jr.
Executive Director
Policemen's Annuity and Benefit Fund of Chicago

EXHIBIT A

Exhibit A

Policemens' Annuity and Benefit Fund of Chicago
MF Global Ltd.
Ticker: MF; Cusip: G60642108
Class Period: 7/19/07-2/28/08

Date	Transaction	No. of Shares	Price
9/26/2007	BUY	25,700	27.4274
9/26/2007	BUY	6,700	27.3800
9/26/2007	BUY	2,700	27.4050
9/27/2007	BUY	32,500	28.4602
9/27/2007	BUY	5,000	28.8450
9/28/2007	BUY	25,500	28.9034
9/28/2007	BUY	13,460	28.8106
2/29/2008	SELL	14,700	16.5412
2/29/2008	SELL	72,360	16.8641
2/29/2008	SELL	24,500	16.5487

Loss Chart

Policemen's Annuity and Benefit Fund of Chicago									
MF Global									
Class Period: 07/19/2007 through 02/28/2008									
PURCHASES/ACQUISITIONS					SALES				
DATE	SHARES	PRICE/SH	AMOUNT	DATE	SHARES	PRICE/SH	AMOUNT	PROFIT/(LOSS)	TOTAL
2628127 PABF - WILLIAM BLAIR & CO - SL									
9/26/2007	14,700	27.4274	403,183	2/29/2008	14,700	16.5412	243,156	(160,027)	
9/26/2007	11,000	27.4274	301,701	2/29/2008	11,000	16.8641	185,505	(116,196)	
9/26/2007	6,700	27.3800	183,446	2/29/2008	6,700	16.8641	112,989	(70,457)	
9/26/2007	2,700	27.4050	73,994	2/29/2008	2,700	16.8641	45,533	(28,460)	
9/27/2007	32,500	28.4602	924,957	2/29/2008	32,500	16.8641	548,083	(376,873)	
9/27/2007	5,000	28.8450	144,225	2/29/2008	5,000	16.8641	84,321	(59,905)	
9/28/2007	14,460	28.9034	417,943	2/29/2008	14,460	16.8641	243,855	(174,088)	
9/28/2007	11,040	28.9034	319,094	2/29/2008	11,040	16.5487	182,698	(136,396)	
9/28/2007	13,460	28.8106	387,791	2/29/2008	13,460	16.5487	222,746	(165,045)	
	111,560		3,156,333		111,560		1,868,885	(1,287,447)	
								Grand Total:	(1,287,447)

1. In accordance with the provisions of the Securities Act of 1933, the loss amount for this transaction was calculated using the sale price for all sales made before March 6, 2008, the date the first complaint was filed against MF Global.

CERTIFICATION

James P. Condon, Deputy General Counsel of Central States, Southeast and Southwest Areas Pension Fund, declares as to the claims asserted under the federal securities laws, that:

1. I am authorized to make this certification on behalf of Central States, Southeast and Southwest Areas Pension Fund ("Plaintiff").
2. I have reviewed a complaint filed in this matter and wish to join as a plaintiff, retaining Cohen, Milstein, Hausfeld & Toll, P.L.L.C. as my counsel.
3. Plaintiff did not purchase the securities that are the subject of this action at the direction of its counsel or to participate in this action.
4. Plaintiff is willing to serve as a lead plaintiff and class representative on behalf of the Class, including providing testimony at deposition, and trial, if necessary.
5. Plaintiff's transactions in the securities of MF Global, Ltd. that are the subject of this action are set forth in the chart attached hereto.
6. During the three years prior to the date of this Certification, Plaintiff sought to serve as a representative party for a class under the federal securities laws but was not appointed in the following cases:

Showers v. Pfizer, Inc., et al. (S.D.N.Y. 2004)

Finn v. Doral Financial Corp., et al. (S.D.N.Y. 2005)

In re SafeNet, Inc. Sec. Litig., (S.D.N.Y. 2006)

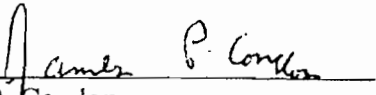
Pappas v. Countrywide Financial Corp., et al. (C.D. Cal. 2007)

In re Wellcare Health Plans, Inc. Sec. Litig. (M.D. Fla. 2007)

In re Schering-Plough Corp./ Enhance Sec. Litig. (D.N.J. 2008)

7. Plaintiff will not accept any payment for serving as a class representative on behalf of the class beyond its *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 8th day of May 2008.



James P. Condon
Deputy General Counsel
Central States, Southeast and Southwest Areas
Pension Fund

EXHIBIT A

Transactions

Trade Date	Transaction Type (Buy/Sell)	# Shares	Share Price (\$)
7/19/2007	Buy	5,325.00	27.52
7/19/2007	Buy	3,693.00	27.51
7/19/2007	Buy	30,782.00	27.43
8/23/2007	Buy	22,900.00	25.68
8/29/2007	Buy	4,800.00	26.83
8/29/2007	Buy	17,900.00	26.91
9/7/2007	Buy	500.00	26.00
9/12/2007	Buy	1,780.00	26.09
9/19/2007	Buy	9,200.00	27.36
9/21/2007	Buy	6,000.00	27.31
9/25/2007	Buy	3,800.00	26.91
9/25/2007	Buy	6,100.00	26.93
9/28/2007	Buy	4,520.00	28.93
10/10/2007	Buy	1,000.00	30.86
10/10/2007	Buy	1,200.00	30.76
10/11/2007	Buy	3,200.00	30.87
10/11/2007	Buy	2,700.00	31.01
10/12/2007	Buy	900.00	30.99
10/12/2007	Buy	1,600.00	30.94
10/15/2007	Buy	3,000.00	30.41
11/23/2007	Buy	5,580.00	27.08
12/10/2007	Buy	4,000.00	30.00
12/11/2007	Buy	150.00	29.97
12/11/2007	Buy	2,400.00	29.94
12/11/2007	Buy	2,800.00	30.02
12/12/2007	Buy	900.00	27.86
12/12/2007	Buy	1,900.00	28.30
12/12/2007	Buy	1,900.00	28.66
1/9/2008	Sell	-24,714.00	29.07
1/9/2008	Sell	-15,086.00	29.20
1/11/2008	Buy	6,900.00	29.65
1/14/2008	Buy	1,800.00	29.42
1/15/2008	Buy	2,400.00	29.54
1/16/2008	Buy	900.00	29.79
1/17/2008	Buy	3,500.00	29.25
1/17/2008	Buy	1,000.00	28.15
1/18/2008	Buy	1,310.00	28.32
1/22/2008	Buy	3,500.00	28.15
1/22/2008	Buy	5,200.00	28.61
1/23/2008	Buy	3,700.00	29.05
1/23/2008	Buy	4,780.00	28.91
2/26/2008	Sell	-3,700.00	28.33

Trade Date	Transaction Type	# Shares	Share Price (\$)	Purchase Price Limited by Offering Price	Post-filing sales	Class Period Purchases	Class Period Sales	Sales on Class Period Purchases	Class Period Net Holdings	Cost	Proceeds
7/19/2007	Buy	5325	27.515	\$ 27.52		5325	0	0	5325	\$ 146,517.38	
7/19/2007	Buy	3693	27.508	\$ 27.51		3693	0	0	9018	\$ 101,587.04	
7/19/2007	Buy	30782	27.437	\$ 27.43		30782	0	0	39800	\$ 844,494.94	
8/23/2007	Buy	22900	25.6796	\$ 25.68		22900	0	0	62700	\$ 588,062.84	
8/29/2007	Buy	4800	26.83	\$ 26.83		4800	0	0	67500	\$ 128,784.00	
8/29/2007	Buy	17900	26.911	\$ 26.91		17900	0	0	85400	\$ 481,708.69	
9/7/2007	Buy	500	26	\$ 26.00		500	0	0	85900	\$ 13,000.00	
9/12/2007	Buy	1780	26.0947	\$ 26.09		1780	0	0	87680	\$ 46,448.57	
9/19/2007	Buy	9200	27.3611	\$ 27.38		9200	0	0	96880	\$ 251,722.12	
9/21/2007	Buy	6000	27.3058	\$ 27.31		6000	0	0	102880	\$ 163,834.80	
9/25/2007	Buy	3800	28.9085	\$ 26.91		3800	0	0	106680	\$ 102,252.30	
9/25/2007	Buy	6100	26.927	\$ 26.93		6100	0	0	112780	\$ 164,254.70	
9/28/2007	Buy	4520	28.9253	\$ 28.93		4520	0	0	117300	\$ 130,746.88	
10/10/2007	Buy	1000	30.8576	\$ 30.00		1000	0	0	118300	\$ 30,000.00	
10/10/2007	Buy	1200	30.7635	\$ 30.00		1200	0	0	119500	\$ 36,000.00	
10/11/2007	Buy	3200	30.8668	\$ 30.00		3200	0	0	122700	\$ 96,000.00	
10/11/2007	Buy	2700	31.0148	\$ 30.00		2700	0	0	125400	\$ 81,000.00	
10/12/2007	Buy	900	30.9908	\$ 30.00		900	0	0	126300	\$ 27,000.00	
10/12/2007	Buy	1600	30.9448	\$ 30.00		1600	0	0	127900	\$ 48,000.00	
10/15/2007	Buy	3000	30.4132	\$ 30.00		3000	0	0	130900	\$ 90,000.00	
11/23/2007	Buy	5580	27.0813	\$ 27.08		5580	0	0	136480	\$ 151,113.65	
12/10/2007	Buy	4000	29.9985	\$ 30.00		4000	0	0	140480	\$ 119,994.00	
12/11/2007	Buy	150	29.9682	\$ 29.97		150	0	0	140630	\$ 4,495.23	
12/11/2007	Buy	2400	29.9417	\$ 29.94		2400	0	0	143030	\$ 71,860.08	
12/11/2007	Buy	2800	30.015	\$ 30.00		2800	0	0	145830	\$ 84,000.00	
12/12/2007	Buy	900	27.86	\$ 27.86		900	0	0	146730	\$ 25,074.00	
12/12/2007	Buy	1900	28.3	\$ 28.30		1900	0	0	148530	\$ 53,770.00	
12/12/2007	Buy	1900	28.6646	\$ 28.66		1900	0	0	150530	\$ 54,462.74	
1/9/2008	Sell	24714	29.07			0	-24714	-24714	125816		\$ (718,435.98)
1/9/2008	Sell	15086	29.195			0	-15086	-15086	110730		\$ (440,435.77)
1/11/2008	Buy	6900	29.6451	\$ 29.65		6900	0	0	117630	\$ 204,551.19	
1/14/2008	Buy	1800	29.4171	\$ 29.42		1800	0	0	119430	\$ 52,950.78	
1/15/2008	Buy	2400	29.5446	\$ 29.54		2400	0	0	121630	\$ 70,907.04	
1/16/2008	Buy	900	29.7868	\$ 29.79		900	0	0	122730	\$ 26,808.12	
1/17/2008	Buy	3500	29.2528	\$ 29.25		3500	0	0	126230	\$ 102,384.80	
1/17/2008	Buy	1000	28.1541	\$ 28.15		1000	0	0	127230	\$ 28,154.10	
1/18/2008	Buy	1310	28.3245	\$ 28.32		1310	0	0	128540	\$ 37,105.10	
1/22/2008	Buy	3500	28.1464	\$ 28.15		3500	0	0	132040	\$ 98,512.40	
1/22/2008	Buy	5200	28.6124	\$ 28.61		5200	0	0	137240	\$ 148,784.48	
1/23/2008	Buy	3700	29.0451	\$ 29.05		3700	0	0	140940	\$ 107,466.87	
1/23/2008	Buy	4780	28.9129	\$ 28.91		4780	0	0	145720	\$ 138,203.66	
2/26/2008	Sell	3700	28.3289			0	-3700	-3700	142020		\$ (104,816.93)

Total Class Period Purchases:	185520
Total Class Period Sales:	-43500
Total Sales on Class Period Purchases:	-43500
Total Class Period Shares Retained:	142020
Price on Filing Date	\$ 18.39

Total Purchases Limited by Offering:	\$ 5,192,012.49
Total Sales Proceeds:	\$ (1,263,688.68)
Total Retained Value:	\$ 2,611,747.80

Total Loss:	\$ 1,276,576.01
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CERTIFICATION

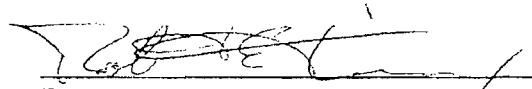
I, Robert E. Tierney, as Executive Officer of Boston Retirement Board, hereby certify as follows:

1. I am fully authorized to enter into and execute this Certification on behalf of the State-Boston Retirement System ("Boston"). I have reviewed a complaint prepared against MF Global, Ltd. alleging violations of the federal securities laws;
2. Boston did not purchase securities of MF Global at the direction of counsel or in order to participate in any private action under the federal securities laws;
3. Boston is willing to serve as a lead plaintiff in this matter, including providing testimony at deposition and trial, if necessary;
4. Boston's transactions in MF Global during the class period are reflected in Exhibit A, are attached hereto;
5. Boston has not sought to serve as a lead plaintiff in a class action under the federal securities laws during the last three years, except for the following:

In Re Amkor Technology, Inc. Securities Litigation (appointed)
Garber v. Juniper Networks, Inc. (withdrawn)
In re SafeNet, Inc. Securities Litigation (appointed)
In re Take-Two Interactive Software Securities Litigation (Class Representative)
Ellen Rosenthal Brodsky v. Yahoo! Inc. et al, (not appointed)
In re Luminent Mortgage Capital, Inc., Securities Litigation (not appointed)
Briarwood Investments, Inc. v. Care Investment Trust, Inc. (withdrawn)
Steinberg v. Ericsson LM Telephone Co. (not appointed)
Hubbard v. BankAtlantic Bancorp, Inc. et al (appointed)
Joel Stratte-McClure v. Gary G. Lynch (pending)

6. Beyond its pro rata share of any recovery, Boston will not accept payment for serving as a lead plaintiff on behalf of the class, except the reimbursement of such reasonable costs and expenses (including lost wages) as ordered or approved by the Court.

I declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct this 24 day of March, 2008.



Robert F. Tierney
Executive Officer of Boston Retirement Board

EXHIBIT A

EXHIBIT A

TRANSACTIONS IN MF GLOBAL, LTD.

Transaction Type	Trade Date	Shares	Price Per Share	Cost/ Proceeds
Purchase	07/19/07	63,200.00	\$ 30.00	(\$1,896,000.00)
Purchase	08/10/07	2,300.00	\$ 24.70	(\$56,894.18)
Purchase	08/13/07	10,200.00	\$ 24.97	(\$255,129.54)
Purchase	08/14/07	5,600.00	\$ 24.24	(\$135,957.36)
Purchase	08/15/07	5,700.00	\$ 23.96	(\$136,822.80)
Purchase	11/08/07	1,100.00	\$ 28.62	(\$31,523.03)
Purchase	11/15/07	2,000.00	\$ 27.64	(\$55,301.62)
Sale	01/24/08	-1,400.00	\$ 29.86	\$41,747.36

Boston Retirement Board

Class Period: 7/19/2007 to 2/28/2008

MF GLOBAL LTDCOM STK USD1

Ticker	CUSIP	SEDOL	ISIN
MF	G60642108		BMG606421086

Trans Type	Trade Date	Settle Date	Shares	Price Per Share	Cost/ Proceeds	Currency
------------	------------	-------------	--------	-----------------	----------------	----------

Open	07/18/07		0.00			
			<u>0.00</u>		<u>\$0.00</u>	

Sales (matched to pre-class period purchases):

Purchase	07/19/07	07/24/07	63,200.00	\$	30.00	(\$1,896,000.00) USD
Purchase	08/10/07	08/15/07	2,300.00	\$	24.70	(\$56,894.18) USD
Purchase	08/13/07	08/16/07	10,200.00	\$	24.97	(\$255,129.54) USD
Purchase	08/14/07	08/17/07	5,600.00	\$	24.24	(\$135,957.36) USD
Purchase	08/15/07	08/20/07	5,700.00	\$	23.96	(\$136,822.80) USD
Purchase	11/08/07	11/14/07	1,100.00	\$	28.62	(\$31,523.03) USD
Purchase	11/15/07	11/20/07	2,000.00	\$	27.64	(\$55,301.62) USD
		Class period purchases:	<u>90,100.00</u>		<u>(\$2,567,628.53)</u>	

Sale	01/24/08	01/29/08	-1,400.00	\$	29.86	\$41,747.36 USD
		Class period sales (matched to class period purchases):	<u>-1,400.00</u>		<u>\$41,747.36</u>	

FIFO Retained purchases: \$18.39 \$1,631,193.00

LIFO Retained purchases: \$18.39 \$1,631,193.00

FIFO Gain/(Loss): (\$894,688.17)
LIFO Gain/(Loss): (\$894,688.17)

NET Gain/(Loss): (\$2,525,881.17)

**Retention value is the closing price on March 6, 2008, the date that the first complaint was filed against MF Global Ltd.*

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

MICHAEL RUBIN,

Plaintiff,

V.

MF GLOBAL, LTD., ET AL.,

Defendants.

08 Civ. 02233 (VM)

CERTIFICATE OF SERVICE

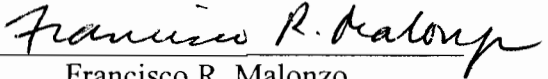
I, Francisco R. Malonzo, hereby certify that on September 12, 2008, I caused a copy of the Plaintiffs' Corrected Consolidated Class Action Complaint to be served upon the following counsel for defendants by Federal Express:

Bernard W. Nussbaum
David B. Anders
Elaine P. Golin
Won S. Shin
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attorneys for Defendant MF Global, Ltd., Kevin R. Davis, Alison J. Carnwath, Christopher J. Smith, Christopher Bates, Henri J. Steenkamp and Edward L. Goldberg

Adam S. Hakki
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
*Attorney for Defendants Merrill Lynch, Pierce, Fenner & Smith, Inc.,
Citigroup Global Markets Inc., J.P. Morgan Securities, Inc.
Lehman Brothers Inc., UBS Securities LLC Credit Suisse Securities (USA) L.L.C., Deutsche
Bank Securities Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. Inc.*

Marilyn C. Kunstler
Boies, Schiller & Flexner LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
Attorney for Defendant Man Group plc

Marshall H. Fishman
Kramer Levin Naftalis & Frankel, LLP
1177 Avenue of the Americas
New York, NY 10036
Attorney for Defendant Amy S. Butte



Francisco R. Malonzo