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From the desk of **Brent Penfold** *My MF Global Update*
Futures Adviser AFSL 225946
Futures Trader, Author and Educator

28th November 2010

Deloitte Dragging Their Feet

Dear Traders,

As you are no doubt aware MF Global clients in Canada and the US will shortly receive a partial distribution of their funds.

So far I haven't seen any similar sentiment coming out of Deloitte for us Australian account holders.

So I think it's time for some people power to start asking why?

Here is an email I just sent Bill Shorten.

Email To Bill Shorten, MP.

*From: Brent Penfold [mailto:bpenfold@tpg.com.au]
Sent: Monday, 28 November 2011 12:48 PM
To: ministerialemails@treasury.gov.au
Cc: Brent Penfold
Subject: Deloitte dragging their feet in the administration of MF Global Australia*

*To the Honourable Mr Bill Shorten MP,
Minister for Financial Services and Superannuation; Assistant Treasurer.*

Re: Deloitte dragging their feet in the administration of MF Global Australia

Dear Bill,

I'm contacting you to draw your attention to Deloitte's apparent unwillingness to provide a part distribution of account balances to clients of MF Global Australia (MFGA), similar to what is happening in Canada and the US.

It appears to be Deloitte's preference to hold on to client property held in client segregated accounts until at least April 2012 (after the second meeting of creditors).

I would like to know why 20,000 Australian account holders have to wait so long while the Canadian and US customers of MF Global will receive the majority of their funds by early December?

It appears to me that it's obvious that it's in Chris Campbell and Deloitte's interest to select the longest possible process in order to maximise their fees.

I have pointed out the excessive level of their fees both in the media and in a personal meeting I had with Chris Campbell on Wednesday 9th November.

In my opinion they haven't taken a proverbial hammer to crack the administrative nut of MF Global Australia. They're taken an excavator!

If you weren't aware I can assure you that MF Global was a moderately sized business with around 100 staff operating in a single office in Sydney, in the same building as Deloitte. Their business was essentially the electronic execution of trading orders and electronic reconciliation of cash transfer balances between 80 odd accounts spread amongst foreign currencies. It was a supersized ATM business. Now I acknowledge I'm probably being a little unfair to MF Global Australia, but what I'm trying to express is the simple truth that brokering is not rock science. But you wouldn't believe that with their estimated first month of fees being over \$1,000,000!

Now Deloitte's objective in maximizing their fees goes against the best interest of the Australian clients of MFGA.

Deloitte's delay in distributing client property is causing a huge opportunity loss for clients.

You see clients are traders and advisers.

Traders and advisers need their trading capital to make a living.

Traders cannot trade while Deloitte holds on to their capital.

You will see many advisory businesses fail due to this situation.

You will see many individuals being unable to meet their current financial commitments.

And this is totally unnecessary as Deloitte acknowledges that over 50% of clients funds are in the segregate accounts. There is nothing stopping them from making a distribution.

This can easily be achieved as the customer coalition formed in the US have put forward, with the support of CME (the largest derivatives exchange in the world). As a result, US customers are expected to receive 75% of their funds by early December; Canadian customers are due to receive their funds in a similar time frame.

So why can't Chris Campbell and Deloitte treat the Australian MF Global segregated client accounts in the same manner as the US administrator?

If it can be done in the US it can be done here!

I believe your intervention or mere questioning of this situation would pressure Chris Campbell and Deloitte to apply the same methodology as the US administrators.

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If it can be done in the US why can't it be done here?

And just as importantly, and if not more so, your intervention and the resulting relief to account holders will underscore a fundamental corner stone of Australia's financial system, that client segregated accounts are just that, segregated from and not part of a brokers business whether it be in an Administrator's hands or not, but belong to the client.

Yours Sincerely

Brent Penfold

MFGA Client

Futures Trader & Adviser

ASIC AFSL No. 225946

It's Squeaky Wheel Time

Please Send Your Own Email to Bill Shorten and Andrew Robb

If you're upset like me and others about not hearing any movement from Deloitte about receiving a partial distribution then please copy and paste my email and send your own to;

Mr Bill Shorten MP at

ministerialemails@treasury.gov.au

and

Mr Andrew Robb MP

Shadow Minister for Finance and Debt Reduction

You can send an email, like I did, from the following page;

<http://www.andrewrobb.com.au/EmailAndrew/tabid/64/Default.aspx>

Let's collectively make a large squeaky wheel so we can be heard and pressure Deloitte into giving us Australian account holders a fair go with our own money.

Estimated Fund Recovery Per Pool

At the following link I have saved an estimate of the funds recovered per pool (OTC and Exchange) that I have received from another MFGA account holder.

http://www.indextrader.com.au/MFGlobal_Items.asp

Web Site Update

Work is being done behind the scenes at the moment. Once it's further progressed I'll let my list know more.

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White Paper Update

I require some additional assistance.

If you are either a lawyer or an experienced settlement person familiar with counter-party settlement collections and are happy to contribute both your time and energy in helping to put together a discussion/white paper on possible pool options could you please contact me.

First Committee of Creditors (COC) Meeting

I have my first COC meeting this Friday.

As you know I was required to and I have signed a 4 page Confidentially Agreement so I'm not sure how much I can report back to you next week.

The agreement is so comprehensive I sort of feel that I need to ask Chris Campbell permission every time I need to go to the toilet!

Anyway I don't feel there is any harm in letting my list know that it will be held this Friday as I have seen it reported elsewhere. Depending on how it goes I'll see what I can report on early next week.

This Would Be Funny If It Wasn't So Close To Home

This is certainly worth a look at ...but try to hold your belly laughs because it could be us

<http://www.youtube.com/watch?v=RAKsMnAM8vk>

Until my next update.

Yours sincerely,

Brent Penfold
MFGA Account Holder/Creditor
Futures Trader & Adviser
ASIC AFSL No. 225946