

Petition requesting that the Securities and Exchange Commission deny registration to Jon S. Corzine and JDC-JSC L.P.

For: The Honorable Jay Clayton, Chairman  
The Honorable Robert J. Jackson, Jr., Commissioner  
The Honorable Allison Herren Lee, Commissioner  
The Honorable Hester M. Peirce, Commissioner  
The Honorable Elad L. Roisman, Commissioner  
Dalia Blass, Director, Division of Investment Management

1. Whereas, on January 5, 2017 Jon S. Corzine (“Corzine”) entered into the attached Consent Order with the Commodity Futures Trading Commission (“CFTC”) pursuant to which he agreed to pay a fine of \$5M and be banned for life from the futures industry; specifically, from acting as a principal, agent or officer of a Futures Commission Merchant (“FCM”) or from ever applying for registration with the CFTC in any capacity, or engaging in any activity requiring CFTC registration. See Consent Order attached, par. 33-34.
2. Whereas, the factual basis for the lifetime ban from the futures industry, as stated in the Consent Order, includes, inter alia<sup>1</sup>:
  - a. During the relevant time period, MF Global, Inc.(“MFGI”) was an FCM, MF Global Holdings LTD (“MFGH”) was the holding company and parent of MFGI, and Corzine was the CEO and Chairman of the Board of MFGH and the CEO of MFGI, and a member of the Board of MFGI. Corzine was registered with the CFTC as an Associated Person (“AP”) and principal of MFGI. Par. 15-16.
  - b. During the last week of October, 2011, in violation of US commodity laws, MFGI used nearly one billion dollars of customer segregated funds to support its own proprietary operations. On October, 31, 2011 MFGH and other affiliated companies filed for bankruptcy. Par. 17-18.
  - c. MFGI failed to properly segregate, account separately for, and treat customer segregated funds as belonging to customers. Par. 18.
  - d. Corzine directly and indirectly controlled the employees transferring the customer funds, was aware that customer funds were being transferred, and is liable for the improper transfer of the funds. Par. 20-24; and,

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<sup>1</sup> While Par. 11 of the Consent Order states that Corzine neither “admits nor denies” the allegations in the Consent Order, Par. 10 provides that Corzine shall not “take any action or make any public statement denying, directly or indirectly, any allegation in the amended Complaint or the Findings of Fact and Conclusions or Law in this Consent Order...” We would therefore contend that the allegations are admitted for the purpose of Corzine’s application for SEC registration, and if he avers otherwise, that the SEC specifically request that he admit them, and to the extent necessary, establish them independently.

3. Whereas, the Consent Order was reported to the Financial Industry Regulatory Authority (“FINRA”), and Corzine’s securities registrations with and membership in FINRA were terminated as of February 2012. See attached FINRA BrokerCheck Report and the grounds stated therein.
4. Whereas, Corzine and his firm (JDC-JSC L.P. CRD # 298728), have now applied for registration with the Securities and Exchange Commission (“SEC”) to manage client accounts and customer funds as an investment adviser; and,
5. Whereas, the SEC should respect the ban for life issued by the CFTC, a sister regulator, and the actions taken by FINRA, as grounds for a complete and total bar to SEC registration in any form; and,
6. Whereas, it is the opinion of the undersigned that Corzine did irreparable harm to the futures and financial services industries and numerous clients and other persons, has shown himself to be irredeemably unfit to manage client accounts or customer funds, and should not be permitted to manage or otherwise come in contact with client accounts or customer funds in any capacity.

Now, therefore, this 31<sup>st</sup> day of July, 2019, the undersigned, for all the reasons stated above, hereby request that the SEC deny Corzine’s and his firm’s application for registration.

Douglas Bry, President  
Augur Trading Company  
16405 Wild Berry Rd.  
Morrison, CO 80465

Ernest Jaffarian, President and CEO  
Efficient Capital Management, LLC  
4355 Weaver Parkway, Suite 200  
Warrenville, IL 60555

(additional signatories to be provided)

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
JOSEPH DEANGELIS, *et al.*, :  
 :  
                                Plaintiffs, : Civil Action No. 11-cv-7866  
 : (VM) (JCF) (USCFTC)  
                                -against- :  
 :  
JON S. CORZINE, *et al.*, :  
 :  
Defendants. :  
----- X  
U.S. COMMODITY FUTURES TRADING :  
COMMISSION, :  
                                Plaintiff, :  
 :  
                                -against- :  
 :  
MF GLOBAL HOLDINGS LTD., :  
JON S. CORZINE, and EDITH O'BRIEN, :  
 :  
                                Defendants. :  
 :  
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**CONSENT ORDER FOR PERMANENT INJUNCTION, CIVIL MONETARY PENALTY  
AND OTHER EQUITABLE RELIEF AGAINST DEFENDANT JON S. CORZINE**

**I. INTRODUCTION**

On June 27, 2013, Plaintiff U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint against MF Global Holdings Ltd. (“MFGH”), MF Global Inc. (“MFGI”), Jon S. Corzine (“Corzine”), and Edith O’Brien (“O’Brien”) (collectively, “Defendants”) seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1-26, and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* On November 8, 2013, this Court approved a settlement of all of the Commission’s claims against

MFGI. On December 6, 2013, the Commission filed an amended Complaint against MFGH, Corzine, and O'Brien. On December 23, 2014, the Court approved a settlement of all of the Commission's claims against MFGH.

## II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the amended Complaint in this action against Defendant Corzine without a trial on the merits or any further judicial proceedings, Defendant Corzine:

1. Consents to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendant Jon S. Corzine ("Consent Order");
2. Affirms that he has read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;
3. Acknowledges service of the summons and the Complaint and amended Complaint;
4. Admits the jurisdiction of this Court over him and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012);
5. Admits the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1-26 (2012);
6. Admits that venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012);

7. Waives:

(a) Any and all claims that he may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. § 148.1 *et seq.* (2015), relating to, or arising from, this action;

(b) Any and all claims that he may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this action;

(c) Any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) Any and all rights of appeal from this action;

8. Consents to the continued jurisdiction of this Court over him for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action, even if Corzine now or in the future resides outside the jurisdiction of this Court;

9. Agrees that he will not oppose enforcement of this Consent Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and hereby waives any objection based thereon;

10. Agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the amended Complaint or the Findings of Fact or Conclusions of Law in this

Consent Order, or creating or tending to create the impression that the amended Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect his: (a) testimonial obligations or (b) right to take legal positions in other proceedings to which the Commission is not a party. Corzine shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement;

11. By consenting to the entry of this Consent Order, Corzine neither admits nor denies the allegations of the amended Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which he admits. Further, Corzine agrees and intends that the allegations contained in the amended Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against Corzine as a debtor; (b) any proceeding pursuant to Section 8a of the Act, 7 U.S.C. § 12a (2012), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 – 3.75 (2015); and/or (c) any proceeding to enforce the terms of this Consent Order. Defendant does not consent to the use of this Consent Order, or the Findings of Fact and Conclusions of Law in this Consent Order, as the sole basis for any other proceeding brought by the Commission;

12. Agrees to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 36 of Part VII of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against him as a debtor, whether inside or outside the United States; and

13. Agrees that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Corzine in any other proceeding, nor does any provision of this Consent Order render this Consent Order admissible in any proceeding not involving the Commission.

### **III. FINDINGS AND CONCLUSIONS**

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), as set forth herein. The findings and conclusions in this Consent Order are not binding on any other party to this action.

#### **THE COMMISSION AND CORZINE, THE PARTIES TO THIS CONSENT ORDER, AGREE AND THE COURT HEREBY FINDS:**

##### **A. Findings of Fact**

###### **The Parties to This Consent Order**

14. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1-26 (2012), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 - 190.10 (2015).

15. Defendant Corzine was the CEO and Chairman of the Board of Directors of MFGH from March 2010 through the commencement of MFGH's bankruptcy proceedings on October 31, 2011. Corzine was also the CEO of MFGI from September 1, 2010 through the commencement of MFGI's liquidation proceedings on October 31, 2011. In addition, Corzine was a member of the Board of Directors of MFGI. Corzine was registered with the CFTC as an

Associated Person of MFGI from August 2010 to November 2011 and was listed as a Principal of MFGI from May 2010 to November 2011.

### **Background**

16. MFGI was a futures commission merchant (“FCM”) registered with the Commission and was a subsidiary of MFGH. MFGH was the holding company and parent of almost fifty separate direct or indirect subsidiaries, including MFGI, and their subsidiaries and affiliates (collectively referred to herein as the “Firm”).

#### **MFGI’s and MFGH’s Violations of Section 4d(a)(2) of the Act, 7 U.S.C. § 6d(a)(2) and CFTC Regulations 1.20, 1.22, and 1.23, 17 C.F.R. §§ 1.20, 1.22, and 1.23.**

17. During the last week of October 2011, in violation of U.S. commodity laws, MFGI unlawfully used nearly one billion dollars of customer segregated funds to support its own proprietary operations and the operations of its affiliates and to pay broker-dealer securities customers and pay FCM customers for withdrawals of secured customer funds. On October 31, 2011, MFGH and certain other affiliated companies filed for bankruptcy protection.

18. MFGI violated Section 4d(a)(2) of the Act, 7 U.S.C. § 6d(a)(2), and Regulations 1.20, 1.22, and 1.23, 17 C.F.R. §§ 1.20, 1.22, and 1.23, by failing to treat, deal with, and account for its FCM customers’ segregated funds as belonging to such customers; failing to account separately for, properly segregate, and treat its FCM customers’ segregated funds as belonging to such customers; commingling its FCM customers’ segregated funds with the funds of any other person; using its FCM customers’ segregated funds to fund the operations of MFGI and its affiliates, thereby using or permitting the use of the funds of one futures customer for the benefit of a person other than such futures customer; and withdrawing from its FCM customer segregated funds beyond MFGI’s actual interest therein.



19. MFGH was the parent company of MFGI and controlled the operations of MFGI and is liable as a principal for MFGI's violations of the Act and the Regulations.

**Corzine's Violation of CFTC Regulation 166.3 – Failure to Supervise Diligently and Liability for MFGI's Violations as a Controlling Person Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b)**

20. As CEO for both MFGH and MFGI, Defendant Corzine, among other things:
- a. directly and indirectly controlled the employees responsible for making wire transfers involving its accounts;
  - b. made management and hiring decisions;
  - c. influenced how proprietary funds were invested;
  - d. made and influenced corporate policy; and
  - e. directly and indirectly supervised the activities of MFGI's officers, employees, and agents, including those individuals and groups responsible for liquidity, cash management, and protection of customer funds.

21. Defendant Corzine was aware that the Firm, through its officers, employees and agents, was transferring funds from MFGI's customer segregated accounts, which held both customer funds and Firm funds.

22. At the time of the transfers described in Paragraph 21, Defendant Corzine was also aware that: (a) MFGI was experiencing a liquidity crisis, which had worsened during the last week of October; (b) JP Morgan had sought written assurances that a transfer of \$175 million to the bank from MFGI was in compliance with CFTC Regulations; and (c) MFGI had a policy to maintain a positive amount of FCM excess cash in the customer segregated and customer secured accounts and, on a number of days, MFGI used more than the available positive FCM excess cash to satisfy the Firm's proprietary liquidity needs.

23. From at least August 2011 through October 31, 2011, Defendant Corzine failed to supervise diligently the activities of the officers, employees, and agents of the Firm. By this conduct, Corzine violated CFTC Regulation 166.3, 17 C.F.R. § 166.3.

24. During the last week of October 2011, Defendant Corzine directly and indirectly controlled MFGI and its employees. Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Defendant Corzine is liable for MFGI's violations of Section 4d(a)(2) of the Act and CFTC Regulations 1.20, 1.22, and 1.23.

## **B. Conclusions of Law**

### **Jurisdiction and Venue**

25. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), which provides that whenever it shall appear to the Commission that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

26. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), because Corzine was present in this District during the last week of October 2011 and the acts and practices in violation of the Act and CFTC Regulations occurred within this District.

### **Failure to Supervise Diligently**

27. By the conduct described in paragraphs 1 through 23 above, Corzine failed to supervise diligently the activities of the officers, employees, and agents of MFGH, MFGI, and

their subsidiaries and affiliates. Therefore, Corzine violated CFTC Regulation 166.3, 17 C.F.R. § 166.3.

**Liability for MFGI's Violations as a Controlling Person**

28. By the conduct described in paragraphs 1 through 24 above, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Defendant Corzine is liable for MFGI's violations of Section 4d(a)(2) of the Act and CFTC Regulations 1.20, 1.22, and 1.23.

**IV. PERMANENT INJUNCTION**

**IT IS HEREBY ORDERED THAT:**

29. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), Corzine is permanently restrained, enjoined, and prohibited from directly or indirectly:

(a) While acting as a control person of an FCM, failing to treat, deal with, and account for FCM customer segregated funds as belonging to such customers; failing to account separately for, properly segregate, and treat FCM customer segregated funds as belonging to such customers; commingling FCM customer segregated funds with the funds of another person; using or permitting the use of the funds of one futures customer for the benefit of a person other than such futures customer; and withdrawing FCM customer segregated funds beyond the FCM's actual interest therein, in violation of Section 4d(a)(2) of the Act, 7 U.S.C. § 6d(a)(2) (2012), and CFTC Regulations 1.20, 1.22, and 1.23, 17 C.F.R. §§ 1.20, 1.22, and 1.23 (2015); and

(b) Failing to supervise diligently the handling of all commodity interest accounts carried, operated, advised, or introduced by any registrant and all other activities of any such registrant's partners, officers, employees, and agents (or other persons occupying a similar status

or performing a similar function) relating to its business as a Commission registrant, in violation of CFTC Regulation 166.3, 17 C.F.R. § 166.3 (2015).

**V. CIVIL MONETARY PENALTY**

**IT IS HEREBY ORDERED THAT:**

**A. Civil Monetary Penalty**

30. Corzine shall pay a civil monetary penalty in the amount of five million U.S. dollars (\$5,000,000) (“CMP Obligation”), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning ten business days from the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2012).

31. Corzine shall pay his CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables  
DOT/FAA/MMAC/AMZ-341  
CFTC/CPSC/SEC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
(405) 954-7262 office  
(405) 954-1620 fax  
nikki.gibson@faa.gov

If payment by electronic funds transfer is chosen, Corzine shall contact Nikki Gibson or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Corzine shall accompany payment of the CMP Obligation with a cover letter that identifies Corzine and the name and docket number of this proceeding. Corzine shall

simultaneously transmit copies of the cover letter and the form of payment to (1) the Chief Financial Officer, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581 and (2) Manal M. Sultan, Deputy Director, Division of Enforcement, U.S. Commodity Futures Trading Commission, 140 Broadway, 19th Floor, New York, NY 10005.

**B. Provision Related to Monetary Sanctions**

32. Partial Satisfaction: Acceptance by the Commission of any partial payment of Corzine's CMP Obligation shall not be deemed a waiver of his obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

**VI. UNDERTAKINGS**

**IT IS HEREBY ORDERED THAT CORZINE SHALL COMPLY WITH THE FOLLOWING UNDERTAKING:**

33. Corzine agrees that he shall never, directly or indirectly, act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2015)), agent or other officer, director, or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)), registered, exempted from registration, or required to be registered with the Commission as a Futures Commission Merchant as that term is defined in Section 1a(28) of the Act, 7 U.S.C. § 1a(28).

34. Corzine agrees that he shall never apply for registration with the Commission in any capacity or engage in any activity requiring such registration with the Commission.

35. Corzine agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification, including but not limited to payment made pursuant to any

insurance policy, with regard to the penalty amount that Corzine shall pay pursuant to Part V. of this Consent Order.

## VII. MISCELLANEOUS PROVISIONS

36. Cooperation: Corzine agrees that he shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in this action, and in any investigation, civil litigation, or administrative matter related to this Consent Order or the Amended Complaint, or any current or future Commission investigation related thereto. Corzine's counsel designated in paragraph 36 of this Part VII of this Consent Order is hereby designated as his agent for service of any subpoena issued by the Commission in connection with this action, and Corzine agrees that he will comply with such a subpoena.

37. Notice: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Manal M. Sultan  
Deputy Director  
Division of Enforcement  
U.S. Commodity Futures Trading Commission  
140 Broadway, 19th Floor  
New York, NY 10005

Notice to Defendant Corzine:

Jon S. Corzine  
c/o Andrew J. Levander  
Dechert, LLP  
1095 Avenue of the Americas  
New York, NY 10036-6797

All such notices to the Commission shall reference the name and docket number of this action.

38. Change of Address/Phone: Until such time as Corzine satisfies in full his CMP Obligation as set forth in this Consent Order, Corzine shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten (10) calendar days of the change.

39. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the Commission and Corzine (the "Parties") hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by the Parties hereto; and (c) approved by order of this Court.

40. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

41. Waiver: The failure of any party to this Consent Order or of any at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

42. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Corzine to modify or for relief from the terms of this Consent Order.

43. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Corzine, upon any person under his authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Corzine.

44. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that the Parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

45. Contempt: Corzine understands that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings he may not challenge the validity of this Consent Order.

46. Agreements and Undertakings: Corzine shall comply with all of the undertakings and agreements set forth in this Consent Order.

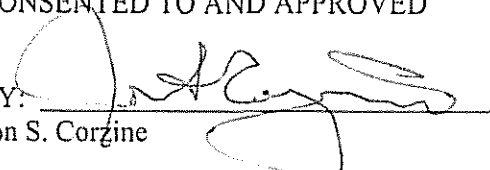


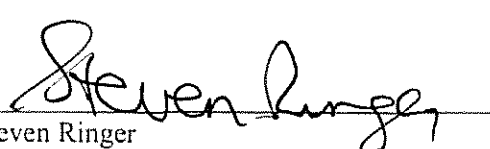
There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendant Jon S. Corzine* forthwith and without further notice.

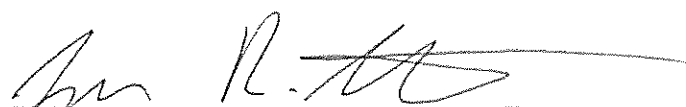
IT IS SO ORDERED on this \_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
Hon. Victor Marrero, U.S.D.J.

CONSENTED TO AND APPROVED

BY:   
Jon S. Corzine

  
Steven Ringer  
Chief Trial Attorney  
K. Brent Tomer  
Chief Trial Attorney  
Manal Sultan  
Deputy Director  
U.S. COMMODITY FUTURES TRADING  
COMMISSION  
140 Broadway, 19th Floor  
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(212) 698-3599 (facsimile)  
*Attorneys for Defendant Jon S. Corzine*

Date: 10/3/16

Date: 1/4/17

**BrokerCheck Report**

**JON STEVENS CORZINE**

CRD# 811812

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## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)

**JON S. CORZINE**

CRD# 811812

This broker is not currently registered.

## Report Summary for this Broker



This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

### Broker Qualifications

**This broker is not currently registered.**

#### This broker has passed:

- 1 Principal/Supervisory Exam
- 2 General Industry/Product Exams
- 0 State Securities Law Exams

### Registration History

**This broker was previously registered with the following securities firm(s):**

**MF GLOBAL INC.**  
 CRD# 6731  
 NEW YORK, NY  
 07/2010 - 02/2012

**GOLDMAN, SACHS & CO.**  
 CRD# 361  
 NEW YORK, NY  
 09/1975 - 05/1999

### Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Civil Event	1
Customer Dispute	11
Financial	1

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

**This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 0 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	06/25/1982

### General Industry/Product Exams

Exam	Category	Date
Limited Futures Exam-Regulation	Series 32	08/17/2010
General Securities Representative Examination	Series 7	06/21/1975

### State Securities Law Exams

Exam	Category	Date
No information reported.		

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
07/2010 - 02/2012	MF GLOBAL INC.	6731	NEW YORK, NY
09/1975 - 05/1999	GOLDMAN, SACHS & CO.	361	NEW YORK, NY

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment Dates	Employer Name	Employer Location
03/2010 - Present	MF GLOBAL INC	NEW YORK, NY
01/2010 - 03/2010	RETIRED	HOBOKEN, NJ
01/2006 - 01/2010	STATE OF NJ	TRENTON, NJ

### Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

\*\*J.C. FLOWERS & CO. LLC, YES, 717 FIFTH AVE., 26TH FL., NEW YORK NY 10022, PRIVATE EQUITY FIRM SPECIALIZING IN BUYOUTS, OPERATING PARTNER, MARCH 2010, <5 HOURS MONTH, < 5 HOURS MONTH, ADVISORY CAPACITY

\*\*LEADING AUTHORITIES INC., NO, 1990 M STREET, NW, WASHINGTON, DC 20036, LECTURE AGENCY, GUEST SPEAKER, MAY 2010, < 2 HOURS MONTH, < 2 HOURS MONTH, PUBLIC SPEAKING

\*\*LEADERSHIP FOR COMMON GOOD , NO, NON-PROFIT ORGANIZATION, BOARD MEMBER, BOARD MEMBER-HAS NOMINAL OVERSIGHT OF GROUP'S BUDGET, WITH OTHER BOARD MEMBERS, 1 HOUR DEVOTED

\*\*PRINCETON UNIVERSITY'S WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS, NO, "PRINCETON UNIVERSITY ROBERTSON HALL



## Registration and Employment History



### Other Business Activities, continued

PRINCETON, NJ 08544-1013", VISITING PROFESSOR, JOHN L. WEINBERG/GOLDMAN, SACHS & CO. VISITING PROFESSOR , LECTURER, SEPTEMBER 2010- JUNE 2011 (ACADEMIC YEAR), 10 HOURS

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## Disclosure Events

### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
  - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
  - o
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - § A "pending" event involves allegations that have not been proven or formally adjudicated.
    - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - § A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

**For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.**

	Pending	Final	On Appeal
Civil Event	0	1	0



Customer Dispute	11	0	N/A
Financial	1	0	N/A



## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Civil - Final

This type of disclosure event involves (1) an injunction issued by a court in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action brought by a state or foreign financial regulatory authority that is dismissed by a court pursuant to a settlement agreement.

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	U.S COMMODITY FUTURES TRADING COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Injunction Monetary Penalty other than Fines Restitution Other: TRADING AND REGISTRATION BANS
<b>Date Court Action Filed:</b>	06/27/2013
<b>Product Type:</b>	No Product
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK
<b>Location of Court:</b>	NEW YORK
<b>Docket/Case #:</b>	13-CIV-4463 (Consolidated into 1:11-cv-07866)
<b>Employing firm when activity occurred which led to the action:</b>	MF GLOBAL INC.; MF GLOBAL HOLDINGS LTD.
<b>Allegations:</b>	CFTC RELEASE 6626-13/JUNE 27, 2013: THE CFTC FILED AN ENFORCEMENT ACTION AGAINST TWO COMPANIES, THE FORMER CHIEF EXECUTIVE OFFICER OF THE COMPANIES, JON S. CORZINE, AND ANOTHER INDIVIDUAL, BASED ON, AMONG OTHER VIOLATIONS, ONE OF



THE COMPANIES' UNLAWFUL USE OF CUSTOMER FUNDS THAT HARMED THOUSANDS OF CUSTOMERS AND VIOLATED FUNDAMENTAL CUSTOMER PROTECTION LAWS ON AN UNPRECEDENTED SCALE. ACCORDING TO THE COMPLAINT, CORZINE, A FORMER U.S. SENATOR AND NEW JERSEY GOVERNOR WITH MORE THAN TWENTY YEARS OF WALL STREET EXPERIENCE, JOINED THE COMPANY AS CEO WITH A PLAN TO TRANSFORM THE FIRM FROM A FUTURES BROKER INTO A MAJOR INVESTMENT BANK. CORZINE'S STRATEGY CALLED FOR MAKING INCREASINGLY RISKY AND LARGER INVESTMENTS OF THE FIRM'S MONEY. AS THE COMPANY'S NEED FOR CASH WAS RISING AND ITS SOURCES OF CASH WERE DIMINISHING, CORZINE KNEW THAT THE COMPANY WAS RELYING MORE AND MORE ON PROPRIETARY FUNDS THAT IT HELD ALONGSIDE CUSTOMER FUNDS IN FUTURES COMMISSION MERCHANT (FCM) CUSTOMER ACCOUNTS. DURING THIS TIME, CORZINE DID NOT ENHANCE THE COMPANY'S DEFICIENT SYSTEMS AND CONTROLS SUFFICIENTLY TO ENSURE THAT THE FIRM'S INCREASING RELIANCE ON FCM CASH DID NOT RESULT IN UNLAWFUL USES OF CUSTOMER MONEY. ULTIMATELY, THESE FAILURES CONTRIBUTED TO THE MASSIVE CUSTOMER LOSSES. CORZINE WAS WARNED ABOUT THE FIRM'S LIQUIDITY STRESSES, AND HE KNEW THAT THE FIRM VIOLATED ITS OWN POLICY THAT HAD BEEN DESIGNED TO PROTECT CUSTOMER FUNDS. WITH VIRTUALLY NO OTHER SOURCES OF IMMEDIATE CASH TO TURN TO, THE FIRM REPEATEDLY AND UNLAWFULLY USED CUSTOMER FUNDS FOR FIRM NEEDS, ULTIMATELY LEAVING IT NEARLY \$1 BILLION SHORT OF CUSTOMER FUNDS. CORZINE IS ALLEGED TO HAVE BEEN AWARE OF THE FIRM'S TRUE LOW CASH BALANCE, EVEN AS HE DIRECTED THE FIRM TO CONTINUE PAYING LARGE OBLIGATIONS WITHOUT INQUIRING HOW THE FIRM COULD COME UP WITH THE MONEY TO DO SO. CORZINE IS CHARGED FOR THE FIRM'S VIOLATIONS AS A "CONTROL PERSON" WHO, AMONG OTHER THINGS, DID NOT ACT IN GOOD FAITH AND IS ALSO CHARGED WITH VIOLATING HIS LEGAL OBLIGATIONS TO DILIGENTLY SUPERVISE. THE COMPLAINT ALLEGES THAT CORZINE VIOLATED CFTC REGULATION 166.3 AND IS LIABLE AS A CONTROL PERSON FOR THE FIRM'S VIOLATIONS OF SECTION 4D(A)(2) OF THE COMMODITY EXCHANGE ACT AND CFTC REGULATIONS 1.20, 1.22 AND 1.23.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Judgment Rendered
<b>Resolution Date:</b>	01/05/2017
<b>Sanctions Ordered or Relief Granted:</b>	Civil and Administrative Penalty(ies)/Fine(s) Injunction Other: undertaking to: never, directly or indirectly, act as a principal, agent or other officer, director, or employee of any person, registered, exempted from registration,



or required to be registered with the Commission as a Futures Commission Merchant; never apply for registration with the Commission in any capacity or engage in any activity requiring such registration with the Commission; and not seek or accept, directly or indirectly, reimbursement or indemnification, including but not limited to payment made pursuant to any insurance policy, with regard to the penalty amount that Corzine shall pay pursuant to the Consent Order.

#### Capacities 1 of 1

**Capacities Affected:** n/a  
**Duration:** permanent  
**Start Date:** 01/05/2017  
**End Date:**

#### Monetary Sanction 1 of 1

**Monetary Sanction:** Monetary Fine  
**Total Amount:** \$5,000,000.00  
**Portion against individual:** 5000000  
**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**

#### Regulator Statement

CFTC RELEASE: PR7508-17, January 5, 2017:  
 On January 5, 2017, the U.S. Commodity Futures Trading Commission (CFTC) obtained a federal court Consent Order against Defendant Jon S. Corzine (Corzine Order).  
 The Corzine Order finds that Corzine was the CEO of MF Global Inc. (MF Global) from September 1, 2010 through the commencement of its liquidation proceedings on October 31, 2011 as well as the CEO and Chairman of the Board of Directors of its parent company Holdings. The Order included findings that, in violation of U.S. commodity laws, MF Global unlawfully used nearly one billion dollars of customer segregated funds to support its own proprietary operations and the operations of its affiliates and to pay broker-dealer securities customers and pay Futures Commission Merchant (FCM) customers for withdrawals of secured customer funds.  
 When the transfers occurred, Corzine controlled MF Global, which was experiencing a worsening liquidity crisis. Because of this control and by his conduct, Corzine is liable for MF Global's violations as its controlling person. Furthermore, from at least August 2011 through October 31, 2011, Corzine failed to supervise diligently the activities of the officers, employees, and agents of MF Global in their handling of customer funds. By this conduct, Corzine violated



CFTC Regulation 166.3.

It is ordered that Corzine is permanently restrained, enjoined, and prohibited from directly or indirectly:

While acting as a control person of an Futures Commission Merchant (FCM), failing to treat, deal with, and account for FCM customer segregated funds as belonging to such customers; failing to account separately for, properly segregate, and treat FCM customer segregated funds as belonging to such customers; commingling FCM customer segregated funds with the funds of another person; using or permitting the use of the funds of one futures customer for the benefit of a person other than such futures customer; and withdrawing FCM customer segregated funds beyond the FCM's actual interest therein, in violation of Section 4d(a)(2) of the Commodity Exchange Act, and CFTC Regulations 1.20, 1.22, and 1.23 and;

Failing to supervise diligently the handling of all commodity interest accounts carried, operated, advised, or introduced by any registrant and all other activities of any such registrant's partners, officers, employees, and agents (or other persons occupying a similar status or performing a similar function) relating to its business as a Commission registrant, in violation of CFTC Regulation 166.3.

Corzine is ordered to pay a civil monetary penalty in the amount of \$5,000,000 ("CMP Obligation"), plus post-judgment interest.

Corzine is also ordered to comply with certain undertakings and agrees that he shall:

never, directly or indirectly, act as a principal, agent or other officer, director, or employee of any person, registered, exempted from registration, or required to be registered with the Commission as a Futures Commission Merchant;  
never apply for registration with the Commission in any capacity or engage in any activity requiring such registration with the Commission; and  
not seek or accept, directly or indirectly, reimbursement or indemnification, including but not limited to payment made pursuant to any insurance policy, with regard to the penalty amount that Corzine shall pay pursuant to the Consent Order.



## Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

### Disclosure 1 of 11

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	MF GLOBAL INC.
<b>Allegations:</b>	THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.
<b>Product Type:</b>	Futures Commodity
<b>Alleged Damages:</b>	\$100,000,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	NON-SPECIFIC; REQUESTS \$100,000,000 OR SUCH OTHER SUM AS MAY BE ESTABLISHED FOR PROPER RELIEF.
<b>Civil Litigation Information</b>	
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	SOUTHERN DISTRICT OF NEW YORK
<b>Location of Court:</b>	NEW YORK, NY
<b>Docket/Case #:</b>	SAPERE CTA FUND LP V CORZINE ET AL / NO. 11-CV-9114_VM
<b>Date Notice/Process Served:</b>	12/13/2011
<b>Litigation Pending?</b>	Yes

### Disclosure 2 of 11

<b>Reporting Source:</b>	Firm
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**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.

**Product Type:** Futures Commodity

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

### Civil Litigation Information

**Type of Court:** Federal Court

**Name of Court:** SOUTHERN DISTRICT OF NEW YORK

**Location of Court:** NEW YORK, NY

**Docket/Case #:** SUMMIT TRUST CO V CORZINE ET AL. / NO. 12-0087-VM

**Date Notice/Process Served:** 01/05/2012

**Litigation Pending?** Yes

### Disclosure 3 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.



**Product Type:** Futures Commodity

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

### Civil Litigation Information

**Type of Court:** Federal Court

**Name of Court:** SOUTHERN DISTRICT OF NEW YORK

**Location of Court:** NEW YORK, NY

**Docket/Case #:** KAY P TEE, THOMAS G. MORAN, JOHN ANDREW SZOKOLAY AND DONALD TRAN V CORZINE ET AL / NO. 12-CV-0195-VM

**Date Notice/Process Served:** 01/10/2012

**Litigation Pending?** Yes

### Disclosure 4 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.

**Product Type:** Futures Commodity

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

### Civil Litigation Information

**Type of Court:** Federal Court



**Name of Court:** SOUTHERN DISTRICT OF NEW YORK  
**Location of Court:** NEW YORK, NY  
**Docket/Case #:** THOMAS S. WACKER, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS  
SIMILARLY SITUATED, VS CORZINE ET AL / 12 CV 0705  
**Date Notice/Process Served:** 01/27/2012  
**Litigation Pending?** Yes

#### Disclosure 5 of 11

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.  
**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.  
**Product Type:** Futures Commodity  
**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

#### Civil Litigation Information

**Type of Court:** Federal Court  
**Name of Court:** SOUTHERN DISTRICT OF NEW YORK  
**Location of Court:** NEW YORK, NY  
**Docket/Case #:** ACCOMAZZO AND GRACEY VS. CORZINE ET AL / 11-CV-08467-VM  
**Date Notice/Process Served:** 11/22/2011  
**Litigation Pending?** Yes

#### Disclosure 6 of 11



**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.

**Product Type:** Futures Commodity

**Alleged Damages:** \$5,000,000.00

**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS EXCESS OF \$5,000,000 EXCLUSIVE OF INTEREST AND COSTS.

### Civil Litigation Information

**Type of Court:** Federal Court

**Name of Court:** SOUTHERN DISTRICT OF NEW YORK

**Location of Court:** NEW YORK, NY

**Docket/Case #:** ANDREWS V CORZINE ET AL. / NO. 12-CV-0661

**Date Notice/Process Served:** 01/26/2012

**Litigation Pending?** Yes

### Disclosure 7 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR



THE FIRM'S OWN USE.

**Product Type:** Futures Commodity  
**Alleged Damages:** \$1,000,000.00  
**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS NO LESS THAN \$1,000,000 WITH INTEREST AND LEGAL FEES.

### Civil Litigation Information

**Type of Court:** State Court  
**Name of Court:** SUPREME COURT OF THE STATE OF NEW YORK  
**Location of Court:** NEW YORK, NY  
**Docket/Case #:** BUTLER V CORZINE, ET AL / NO. 653074/2011  
**Date Notice/Process Served:** 11/04/2011  
**Litigation Pending?** Yes

### Disclosure 8 of 11

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.

**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.

**Product Type:** Futures Commodity  
**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

### Civil Litigation Information

**Type of Court:** Federal Court



**Name of Court:** NORTHERN DISTRICT OF ILLINOIS  
**Location of Court:** CHICAGO, IL  
**Docket/Case #:** HENNING-CAREY PROP TRADING V. CORZINE / NO. 11-CV-8717  
**Date Notice/Process Served:** 12/08/2011  
**Litigation Pending?** Yes

#### Disclosure 9 of 11

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** MF GLOBAL INC.  
**Allegations:** THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.  
**Product Type:** Futures Commodity  
**Alleged Damages:** \$5,000,000.00  
**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS EXCESS OF \$5,000,000.

#### Civil Litigation Information

**Type of Court:** Federal Court  
**Name of Court:** DISTRICT OF MONTANA  
**Location of Court:** MISSOULA DIVISION - MONTANA  
**Docket/Case #:** H. MARTIN KLINKER, JR., ET AL V. . JPMORGAN CHASE & CO. ET AL/NO. 12-CV-00005-DWM  
**Date Notice/Process Served:** 01/09/2012  
**Litigation Pending?** Yes

#### Disclosure 10 of 11



<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	MF GLOBAL INC.
<b>Allegations:</b>	THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.
<b>Product Type:</b>	Futures Commodity
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.
<b>Civil Litigation Information</b>	
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	SOUTHERN DISTRICT OF NEW YORK
<b>Location of Court:</b>	NEW YORK, NY
<b>Docket/Case #:</b>	ROBERT MARCIN, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SITUATED V. CORZINE, ET AL / 12-CV-0499
<b>Date Notice/Process Served:</b>	01/20/2012
<b>Litigation Pending?</b>	Yes

#### Disclosure 11 of 11

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	MF GLOBAL INC.
<b>Allegations:</b>	THE PLAINTIFF ALLEGES THAT, IN OR ABOUT THE MONTH OF OCTOBER 2011, VARIOUS CURRENT AND FORMER MFGI OFFICERS AND EMPLOYEES VIOLATED THE COMMODITY EXCHANGE ACT, CFTC REGULATIONS AND OTHER LAWS, BY FAILING TO UPHOLD A FUTURES BROKER'S RESPONSIBILITY FOR SEGREGATING CUSTOMER FUNDS FROM THE



FIRM'S OWN FUNDS AND BY MISAPPROPRIATING CUSTOMER FUNDS FOR THE FIRM'S OWN USE.

**Product Type:** Futures Commodity

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NON-SPECIFIC; REQUESTS AN AWARD OF MONEY DAMAGES, INCLUDING INTEREST, FEES AND OTHER COSTS AND OTHER RELIEF.

### Civil Litigation Information

**Type of Court:** Federal Court

**Name of Court:** SOUTHERN DISTRICT OF NEW YORK

**Location of Court:** NEW YORK, NY

**Docket/Case #:** PARADIGM GLOBAL FUND 1 LTD ET AL V. CORZINE ET AL. / 12-VIC-0740

**Date Notice/Process Served:** 01/12/2012

**Litigation Pending?** Yes





## Financial - Pending

This type of disclosure event involves a pending bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation involving the broker or an organization/brokerage firm the broker controlled that occurred within the last 10 years.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Action Type:</b>	Liquidation
<b>Action Date:</b>	10/31/2011
<b>Organization Name:</b>	MF GLOBAL INC.
<b>Individual Position:</b>	PRESIDENT AND CEO
<b>Organization Investment-Related?</b>	Yes
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	U.S. DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK
<b>Location of Court:</b>	NEW YORK, NEW YORK
<b>Docket/Case #:</b>	11 CIV 7750
<b>Action Pending?</b>	Yes
<b>Amount Paid:</b>	
<b>SIPA (Securities Investor Protection Act) Trustee:</b>	JAMES W. GIDDENS
<b>Currently Open?</b>	Yes
<b>Date Direct Payment Initiated/Filed or Trustee Appointed:</b>	

## End of Report



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