UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS LIMITED SECURITIES LITIGATION	:	Civil Action No. 1:11-CV-07866-VM
THIS DOCUMENT RELATES TO:	:	**ECF CASE**
All Securities Actions (*DeAngelis v. Corzine*)	:	

PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF THEIR MOTION FOR CLASS CERTIFICATION AND APPOINTMENT OF CLASS REPRESENTATIVES AND CLASS COUNSEL

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I. PRELIMINARY STATEMENT

Court-appointed Lead Plaintiffs the Virginia Retirement System and Her Majesty the Queen in Right of Alberta and additional plaintiffs the Government of Guam Retirement Fund, LRI Invest S.A., the West Virginia Laborers' Pension Trust Fund, Monica Rodriguez, and Jerome Vrabel (collectively, "Plaintiffs") respectfully submit this memorandum in support of their motion, pursuant to Federal Rules of Civil Procedure 23(a), (b)(3) and (g), seeking: (1) certification of a class of MF Global Holdings Ltd. ("MF Global" or the "Company") investors, as defined below; (2) Plaintiffs' appointment as Class Representatives; and (3) appointment of Lead Counsel[1] as Class Counsel (the "Motion").

This securities class action arises out of Defendants' material misrepresentations and omissions beginning on May 20, 2010 through and including November 21, 2011 (the "Class Period") concerning MF Global's financial condition, the revelation of which culminated in MF Global's collapse and massive investor losses. ¶¶1, 3, 176-200.[2] Specifically, Plaintiffs have alleged that MF Global's financial statements were materially misstated and not presented in accordance with Generally Accepted Accounting Principles ("GAAP") because the Company failed to properly account for its enormous Deferred Tax Assets ("DTA"). ¶¶6, 102-40. MF Global was required to record a valuation allowance against its U.S. DTA by no later than the start of the Class Period, but failed to do so in violation of GAAP. *Id*. Only on October 25, 2011 did MF Global finally record a $119.4 million valuation allowance against all of its U.S. (and Japanese) DTA, which caused MF Global to report a $191.6 million loss for the second fiscal quarter of 2012 ended September 30, 2011 ("Q2'12"), prompted credit-rating downgrades, and led to the Company's bankruptcy. *Id*.

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[1] Lead Counsel are Bernstein Litowitz Berger & Grossmann LLP and Bleichmar Fonti Tountas & Auld LLP.

[2] All citations to "¶_" are to the Consolidated Amended Securities Class Action Complaint ("Complaint," ECF 330).

MF Global's SEC filings and Defendants' other public statements during the Class Period also materially misstated and failed to disclose the significant liquidity risks posed by the Company's proprietary investments in Euro sovereign debt through repurchase-to-maturity ("RTM") transactions – a strategy designed to prop up profitability. ¶¶7, 147-49. During the Class Period, at the direction of then-CEO Defendant Jon S. Corzine, the Company's Euro sovereign debt RTM transactions grew to a staggering amount, well beyond MF Global's ability to finance them. *Id*. Yet, throughout the Class Period, MF Global repeatedly emphasized that its "risk management framework had been tightened considerably," misrepresenting and failing to disclose material weaknesses in internal controls. ¶¶8, 82. Indeed, Corzine built MF Global's massive RTM portfolio in repeated breaches of limits set by MF Global's Board. *Id*.; ¶¶177-203.

At the same time, MF Global failed to address internally reported weaknesses in internal controls that were necessary to reliably forecast liquidity, among other things. ¶¶9, 176, 207-17. Contrary to Defendants' repeated public statements of increased controls, no responsibility was assigned to remediate these internally reported control issues on the grounds that "the business accepts this risk." *Id*. As a result, certain employees were forced to play what was referred to as a daily "shell game" of asset transfers from MF Global's regulatory accounts – including customer funds – to meet the increased liquidity demands of the Company's Euro sovereign debt RTM transactions. *Id*.

When the true facts were revealed at the end of the Class Period, the prices of MF Global's securities declined. On October 25, 2011, MF Global announced the unexpected loss of $191.6 million for Q2'12, including the $119.4 million DTA valuation allowance. ¶¶10, 288, 484-86. At the same time, MF Global also finally provided additional disclosure about its Euro sovereign debt exposure. As later explained by the Chief Credit Officer of Moody's Investors

Service ("Moody's") in testimony before Congress, MF Global made clear "for the first time" on October 25, 2011 that its RTMs "were not client-driven" but "purely proprietary." ¶¶10-11, 285.

Thereafter, MF Global faced an increasing liquidity crisis as its counterparties, creditors, and customers reacted to its poor earnings, DTA valuation allowance, ratings downgrades, and growing concerns about its RTM exposure. ¶¶12, 282-314. Over the next 72 hours, MF Global's financial position rapidly deteriorated, although the Company continued to state publicly that its capital position and liquidity were "sound." *Id*. But on Monday, October 31, 2011, MF Global filed for Chapter 11 bankruptcy and, in the following three weeks, additional information was reported about a shocking shortfall in customer funds – reported to be $1.2 billion on the last day of the Class Period – that further revealed the liquidity crisis and material weaknesses in internal controls. ¶¶13, 314. Because of the missing customer funds, MF Global's eleventh-hour agreement to sell its assets for approximately $1 billion to Interactive Brokers LLC fell apart shortly after the agreement was reached late on Sunday, October 30, 2011, causing Class members to suffer further losses. ¶¶14, 308-10, 496. As additional information about the customer funds was revealed, the prices of MF Global securities continued to decline through the end of the Class Period. *Id*.; ¶¶497-500.

Based on the facts summarized above and alleged in detail in the Complaint, Plaintiffs assert claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act"). The Court sustained these claims in their entirety on November 12, 2013. *See In re MF Global Holdings Ltd. Sec. Litig.*, 982 F. Supp. 2d 277 (S.D.N.Y. 2013) (the "Opinion").

Plaintiffs now request certification of the following class (the "Class"):

> (1) as to claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), all persons and entities who or which purchased or

otherwise acquired the publicly traded securities of MF Global Holdings Ltd. ("MF Global" or the Company") during the period from May 20, 2010 through and including November 21, 2011 ("Class Period"), and were damaged thereby – *i.e.*, those persons and entities who or which purchased or otherwise acquired:

(i) common stock, whether acquired on the open market or through the MF Global Ltd. Amended And Restated 2007 Long Term Incentive Plan or the MF Global Ltd. Employee Stock Purchase Plan;

(ii) 9% Convertible Senior Notes due June 20, 2038 ("2038 Notes");

(iii) 1.875% Convertible Senior Notes due February 1, 2016 ("2016 Notes");

(iv) 3.375% Convertible Senior Notes due August 1, 2018 ("2018 Notes"); and

(v) 6.25% Senior Notes due August 8, 2016 (the "Senior Notes"); and

(2) as to claims under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 ("Securities Act"), all persons and entities who or which purchased or otherwise acquired under the Company's Post-Effective Amendment No. 1 to Registration Statement No. 333-162119, dated February 24, 2010, and prospectuses filed in connection therewith (collectively, the "Offering Documents") and were damaged thereby – *i.e.*, those persons and entities who or which purchased or otherwise acquired:

(i) common stock in or traceable to the secondary offering on or about June 1, 2010;

(ii) the 2016 Notes issued on or about February 7, 2011;

(iii) the 2018 Notes issued on or about July 28, 2011; and

(iv) the Senior Notes issued on or about August 1, 2011.[3]

This case is ideally suited for class treatment under Federal Rule of Civil Procedure 23 ("Rule 23"). *See Pub. Emps.' Ret. Sys. of Miss. v. Merrill Lynch & Co.*, 277 F.R.D. 97, 105

[3] Excluded from the Class are: (a) MF Global and its estate in bankruptcy; (b) Defendants; (c) members of the immediate families of the Individual Defendants (that is, children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law (as used herein, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union)); (d) the subsidiaries and affiliates of Defendants and MF Global; (e) any person or entity who was during the Class Period and/or is a partner, executive officer, director or controlling person of MF Global or any of its subsidiaries or affiliates or of any Defendant or any of their subsidiaries or affiliates; (f) any entity in which any Defendant or MF Global had during the Class Period and/or has a controlling interest; (g) Defendants' liability insurance carriers, and any affiliates or subsidiaries thereof; and (h) the legal representatives, heirs, successors, and assigns of any such excluded person or entity. Should any settlements be achieved prior to the expiration of the time to request exclusion from the Class, also excluded from the Class are any persons and entities who pursuant to request were excluded from those settlement classes.

(S.D.N.Y. 2011). With respect to Plaintiffs' Section 10(b) claims, Plaintiffs have established that a presumption of reliance applies pursuant to the fraud-on-the-market doctrine. Plaintiffs have submitted the expert report of Michael L. Hartzmark, Ph.D. (the "Report"), which establishes that MF Global's publicly traded securities traded in an efficient market. *See* Exhibit 1 attached to the Declaration of Javier Bleichmar ("Bleichmar Decl."). Indeed, MF Global was one of the largest brokerage firms in the world and a widely held stock on the New York Stock Exchange ("NYSE"). Further, the undisclosed and misrepresented information about MF Global's financial condition was material. Accordingly, a presumption of reliance applies to Plaintiffs' Section 10(b) claims. *See Basic Inc. v. Levinson*, 485 U.S. 224, 246 (1988).

With respect to the Securities Act claims, Plaintiffs need not prove reliance. *See Rombach v. Chang*, 355 F.3d 164, 169 n.4 (2d Cir. 2004). The elements raise common questions because, under Section 11, if a plaintiff purchased a security issued pursuant to a registration statement, "he need only show a material misstatement or omission to establish his *prima facie* case." *Herman & MacLean v. Huddleston*, 459 U.S. 375, 382 (1983). Moreover, proof of loss causation is not required at the class-certification stage as to any of Plaintiffs' claims. *See Erica P. John Fund, Inc. v. Halliburton Co.*, 131 S. Ct. 2179, 2183 (2011) ("*Halliburton I*").

For the reasons set forth more fully below, Plaintiffs' Motion should be granted.

II. FACTUAL BACKGROUND

This securities class action arises from one of the most notorious corporate failures in recent history. Denying Defendants' six motions to dismiss, the Court "likened the events surrounding the catastrophic collapse of MF Global … in the closing days of October of 2011 to a massive train wreck in which thousands of people – passengers, crew, bystanders and others – were seriously injured upon sudden impact with a force the victims could not see coming."

Opinion at 288-90. This outcome was the result of "wrongful conduct," constituting a "long, knowing, and consistent course of action of the part of the various Defendants." Opinion at 289.

As the Complaint alleges, MF Global fraudulently inflated its profits for years, in violation of GAAP, by recording enormous U.S. DTA despite its inability to realize those assets. ¶¶6, 102-40; Opinion at 289. MF Global also concealed its massive exposure to liquidity risk generated by proprietary trading in Euro sovereign debt RTMs, which accumulated a net long position of $6.3 billion, despite concerns that the exposure exceeded MF Global's internal $500 million trading limit. ¶¶7, 177; Opinion at 290. Further, MF Global assumed these outsized positions despite knowledge that it lacked sufficient internal controls to manage its liquidity and capital, going so far as to fire the Chief Risk Officer who voiced opposition. ¶¶8, 187; Opinion at 290. The Company also improperly covered its enormous liquidity demands with customer funds. ¶¶9, 215-17, 251-55; Opinion at 290. Despite these failures, the Company repeatedly reassured investors that its internal controls were strong, that it possessed sufficient liquidity to operate for at least one year without access to the capital markets, and that its financial statements were GAAP-compliant.

When the true facts were revealed, the prices of MF Global's securities declined. On October 25, 2011, MF Global announced an unexpected $119.4 million DTA valuation allowance, and disclosed for the first time the proprietary nature of its massive RTM exposure. ¶¶10, 85. These disclosures caused the price of MF Global common stock to decline by 48%, and the prices of the 2016 Notes, 2018 Notes, 6.25% Senior Notes, and 2038 Notes to decline by 22%, 31%, 27%, and 29%, respectively. ¶¶10-11, 480. In the following weeks, reports surfaced of a $1.2 billion customer-funds shortfall. "Initially, no one could explain what happened to the money. … Much later on, its trail was traced through circuitous international channels to MF

Global corporate accounts, where the funds had been improperly commingled." Opinion at 289.

III. LEGAL ARGUMENT

A. Class Certification Standards

The class-action mechanism is well-suited for securities actions. *See In re Veeco Instruments, Inc. Sec. Litig.*, 235 F.R.D. 220, 237 (S.D.N.Y. 2006); *Maywalt v. Parker & Parsley Petroleum Co.*, 147 F.R.D. 51, 54 (S.D.N.Y. 1993) (the Second Circuit "has explicitly noted its preference for class certification in securities cases and the importance of such certification for small securities holders located throughout the country"). The Supreme Court recently reiterated the Second Circuit's longstanding class-certification requirements in *Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398 (2014) ("*Halliburton II*").

To be certified, plaintiffs must satisfy the prerequisites of Rule 23(a), namely, "numerosity," "commonality," "typicality," and "adequacy." *See* Rule 23(a). In addition, plaintiffs must satisfy one of the requirements of Rule 23(b), in this case by demonstrating that (1) "questions of law or fact common to class members predominate over any questions affecting only individual members," and (2) "a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Rule 23(b)(3). *See McIntire v. China MediaExpress Holdings, Inc.*, 2014 WL 4049896, at *5 (S.D.N.Y. Aug. 15, 2014) (Marrero, J.).

Plaintiffs bear the burden of showing that each Rule 23 requirement is met by a preponderance of the evidence. *See In re Winstar Commc'ns Sec. Litig.*, 290 F.R.D. 437, 442 (S.D.N.Y. 2013). In reviewing the Rule 23 criteria, however, the Court should not resolve factual issues that are not relevant to a particular Rule 23 requirement. *See In re Vivendi Universal S.A. Sec. Litig.*, 242 F.R.D. 76, 83 (S.D.N.Y. 2007) (citing *In re IPO Sec. Litig.*, 471 F.3d 24, 41 (2d Cir. 2006)). Rather, the Court must "assure that a class certification motion does not become a pretext for a partial trial of the merits." *Id.*

B. The Requirements Of Rule 23(a) Are Satisfied

1. Numerosity Is Established

In this Circuit, "numerosity is presumed at a level of 40 members." *Consol. Rail Corp. v. Town of Hyde Park*, 47 F.3d 473, 483 (2d Cir. 1995). "[C]ourts in this district have certified plaintiff classes based on the volume of outstanding shares." *Pa. Ave. Funds v. Inyx Inc.*, 2011 WL 2732544, at *3 (S.D.N.Y. July 5, 2011) (collecting cases). Here, numerosity is easily established. In 2007, MF Global issued 93,379,765 shares, generating $2.92 billion in capital, the second-largest NYSE-listed IPO that year. Report ¶21. On or about June 1, 2010, MF Global offered another 22,535,211 shares, generating $150 million. *Id.* Over the Class Period, investors traded 1.8 billion MF Global shares, with an average weekly trading volume of 23.9 million. Report ¶27. Elapsed trade analysis suggests that Company Notes were traded in the top tenth to twentieth percentile of all U.S. corporate bonds. *See* Report ¶123. At the time the corrective disclosures were made, MF Global had a total of $1,125,263,000 in outstanding Notes. *See* Report ¶115.

2. Commonality Is Established

Courts characterize the Rule 23(a) commonality "requirement ... as a low hurdle." *China MediaExpress*, 2014 WL 4049896, at *4 (citations omitted). *See also In re Marsh & McLennan Cos., Inc. Sec. Litig.*, 2009 WL 5178546, at *9 (S.D.N.Y. Dec. 23, 2009) ("The commonality requirement, particularly in securities fraud litigation, is generally considered a low hurdle easily surmounted."). "Commonality 'does not mean that all issues must be identical as to each member.'" *Damassia v. Duane Reade, Inc.*, 250 F.R.D. 152, 156 (S.D.N.Y. 2008) (citation omitted). Indeed, "[u]nder this court's jurisprudence, a single common question of law or fact may suffice." *Inyx*, 2011 WL 2732544, at *4. Rather, "[w]here plaintiffs allege that class

members have been injured by similar material misrepresentations and omissions, the Commonality Requirement is satisfied." *China MediaExpress*, 2014 WL 4049896, at *4.

Here, commonality is satisfied because the Class's claims all arise from Defendants' alleged violations of the securities laws by concealing and misrepresenting MF Global's true financial and accounting condition, risk exposure to proprietary trading, and inadequate internal controls, and from the damage thereby caused to investors.

Under Section 10(b) of the Exchange Act, Plaintiffs must show: "(1) a material misrepresentation or omission by defendants; (2) scienter; (3) a connection between the misrepresentation and the purchase or sale of a security; (4) reliance or transaction causation; (5) economic loss; and (6) loss causation." *In re Pfizer Inc. Sec. Litig.*, 282 F.R.D. 38, 52 (S.D.N.Y. 2012). Under Section 20(a), Plaintiffs must establish an underlying Section 10(b) violation, and that the Defendants "controlled" MF Global. Numerous common elements of these claims are readily subject to class-wide proof, and thus support class certification, including Defendants' false statements, scienter, control, and loss causation. *See China MediaExpress*, 2014 WL 4049896, at *4 (common questions include "whether the federal securities laws were violated by…acts and whether statements made…to the investing public during the Class Period misrepresented material facts about the business operations"); *Merrill Lynch & Co.*, 277 F.R.D. at 185 ("[C]ourts in this Circuit have held that the…commonality requirement is plainly satisfied [where] the alleged misrepresentations…relate to all the investors, [as the] existence and materiality of such misrepresentations obviously present important common issues.") (citation omitted); *In re Parmalat Sec. Litig.*, 2008 WL 3895539, at *8 (S.D.N.Y. Aug. 21, 2008).

With respect to the claims under Sections 11 and 12(a)(2) of the Securities Act, Plaintiffs must show that the Offering Documents for MF Global's securities contained material untrue

statements or omitted material facts. *See* 15 U.S.C. §§ 77k, 77*l*(a)(2); *Herman & MacLean*, 459 U.S. at 382 ("If a plaintiff purchased a security issued pursuant to a registration statement, he need only show a material misstatement or omission to establish his *prima facie* case."). Class members must also establish Defendants' "control" of MF Global to prevail on their Section 15 claims. These elements are common to all Class members, as are the legal and factual theories underlying these claims, making these claims suitable for class treatment as well. *See Merrill Lynch & Co.*, 277 F.R.D. at 105. Rule 23(a)(2)'s commonality requirement is thus satisfied here.

3. Typicality Is Established

Courts in this District "have emphasized that the typicality requirement is not demanding." *In re EVCI Career Colleges Holding Corp. Sec. Litig.*, 2007 WL 2230177, at *13 (S.D.N.Y. July 27, 2007). Typicality is satisfied "when each class member's claim arises from the same course of events and each class member makes similar legal arguments to prove the defendant's liability." *China MediaExpress*, 2014 WL 4049896, at *4 (citation omitted). But "[t]ypicality does not require that the factual background of each named plaintiffs claim be identical to that of all class members." *EVCI*, 2007 WL 2230177, at *13 (citation omitted).

Here, Plaintiffs' claims are typical of the Class's claims. Like other members of the Class, Plaintiffs allege that they purchased or acquired MF Global securities at artificially inflated prices due to Defendants' material misstatements and omissions and were damaged when the corrective information was made public. Thus, the legal and factual arguments Plaintiffs advance are the same arguments that other Class members would advance in support of their claims. "As long as plaintiffs assert, as they do here, that defendants committed the same wrongful acts in the same manner, against all members of the class, they establish [the] necessary typicality." *In re NYSE Specialists Sec. Litig.*, 260 F.R.D. 55, 72-73 (S.D.N.Y. 2009) (citations omitted). *See also Merrill Lynch*, 277 F.R.D. at 105; *Winstar*, 290 F.R.D. at 444

(typicality found where plaintiffs' claims "arise out of the same alleged public misstatement that caused injury to all shareholders and bondholders alike"); *In re Dynex Capital, Inc. Sec. Litig.*, 2011 WL 781215, at *8 (S.D.N.Y. Mar. 7, 2011); *Vivendi*, 242 F.R.D. at 85.

4. Adequacy Is Established

Rule 23(a) requires plaintiffs to establish that "the representative parties will fairly and adequately protect the interests of the class." Rule 23(a)(4). "Adequacy entails an inquiry as to whether: 1) plaintiff's interests are antagonistic to the interest of other members of the class and 2) plaintiff's attorneys are qualified, experienced and able to conduct litigation." *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 574 F.3d 29, 35 (2d Cir. 2009) (citations omitted). *See also China MediaExpress*, 2014 WL 4049896, at *4.

Here, based upon their purchases of MF Global securities during the Class Period, Plaintiffs' interests are directly aligned with the interests of the Class, which was injured by the same materially untrue statements and omissions. *See In re WorldCom, Inc. Sec. Litig.*, 219 F.R.D. 267, 282 (S.D.N.Y. 2003) ("named plaintiffs' interests are directly aligned with those of the absent class members: they are purchasers of WorldCom equity and debt securities who suffered significant losses as a result of the investments"). When Plaintiffs prove their claims, they will also prove the Class's claims, satisfying the adequacy requirement. *See, e.g.*, *Inyx*, 2011 WL 2732544, at *5; *In re Globalstar*, 2004 WL 2754674, at *4 (S.D.N.Y. Dec. 1, 2004).

Plaintiffs have also demonstrated their commitment to monitor and supervise the prosecution of this Action on behalf of the Class. Plaintiffs have retained experienced counsel, receive regular status updates, participate in strategic decisions, and are actively engaged in discovery. Indeed, Plaintiffs include several of the largest public pension funds in the world, collectively having hundreds of billions of dollars under management, and are precisely the type of institutional investors Congress sought to empower when enacting the Private Securities

Litigation Reform Act of 1995 ("PSLRA"). *See* H.R. Conf. Rep. No. 104-369, at 34 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730, 733. Plaintiffs, who have a considerable interest in obtaining a recovery for the Class, easily satisfy the adequacy requirement of Rule 23(a)(4). Finally, proposed Class Counsel are highly qualified and capable of prosecuting this Action. *See* Bleichmar Decl., Exs. 2-3.

C. The Requirements Of Rule 23(b) Are Satisfied

Plaintiffs seek to certify the Class under Rule 23(b)(3) because, as set forth below, "questions of law or fact common to class members predominate over any questions affecting only individual members" and "a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." *China MediaExpress*, 2014 WL 4049896, at * 5.

1. Common Issues Predominate As To Plaintiffs' Exchange Act Claims

The Supreme Court has held that materiality and loss causation are common issues in a securities-fraud class action, and thus proof of those elements is not a prerequisite to certification of the class. *See Amgen Inc. v. Conn. Ret. Plans & Trust Funds*, 133 S. Ct. 1184, 1192 (2013) (materiality); *Halliburton I*, 131 S. Ct. at 2185-86 (loss causation). The commonality of scienter is also not meaningfully open to dispute. *See Inyx Inc.*, 2011 WL 2732544, at *6. And economic loss for each Class member is, as discussed below, measurable on a Class-wide basis consistent with *Comcast Corp. v. Behrend*, 133 S. Ct. 1426, 1432-33 (2013). Thus, as is true in most securities class actions, whether common questions predominate in Plaintiffs' Exchange Act claims depends on whether Plaintiffs have shown predominance with respect to the element of reliance. *See Pfizer*, 282 F.R.D. at 52 ("All of these [10(b)] elements, other than reliance … are subject to class wide proof in securities litigation").

Plaintiffs satisfy the reliance requirement through the presumption of class-wide reliance established in *Basic* and reaffirmed in *Halliburton II*. Under those precedents, Plaintiffs may:

> satisfy the reliance element of the Rule 10b–5 cause of action by invoking a presumption that a public, material misrepresentation will distort the price of stock traded in an efficient market, and that anyone who purchases the stock at the market price may be considered to have done so in reliance on the misrepresentation.

Halliburton II, 134 S. Ct. at 2412. Thus, "*Basic* ... establishes that a plaintiff satisfies that burden [of proving common issues of reliance] by proving the prerequisites for invoking the presumption – namely, publicity, materiality, market efficiency, and market timing." *Id*.

Plaintiffs satisfy each of these prerequisites for invoking the presumption. First, all of the alleged false statements were publicly available; indeed, most were made in SEC filings. Second, as established in *Amgen* and reiterated in *Halliburton II*, Plaintiffs need not establish materiality at the class-certification stage to invoke the presumption. *See Halliburton II*, 134 S. Ct. at 2417 ("The burden of proving [the] prerequisites [to invoke the reliance presumption] still rests with plaintiffs and (with the exception of materiality) must be satisfied before class certification."). Third, the Class consists of investors that purchased MF Global securities on efficient markets, as established by the report of Plaintiffs' expert, Dr. Hartzmark, and the arguments below. Finally, the Class is defined as those persons and entities who acquired MF Global securities after Defendants' false statements and before the disclosure of the truth.

(a) MF Global's Stock Was Listed And Traded On The NYSE, A Presumptively Efficient Market

At all relevant times, MF Global's stock was listed and actively traded on the NYSE. ¶¶22, 503. Courts consistently find that the NYSE "is a presumptively efficient market." *City of Livonia Emps.' Ret. Sys. v. Wyeth*, 284 F.R.D. 173, 181-82 (S.D.N.Y. 2012). *See also In re Computer Sci. Corp. Sec. Litig.*, 288 F.R.D. 112, 119-20 (E.D. Va. 2012) ("It is not surprising that no other federal courts have concluded that common shares traded on the NYSE are not traded in an efficient market."); *Wagner v. Barrick Gold Corp.*, 251 F.R.D. 112, 119 (S.D.N.Y.

2008). Thus, the market for MF Global's stock was presumptively efficient, and the Class may invoke the presumption of reliance.

(b) The *Cammer* And *Krogman* Factors Establish Market Efficiency

To determine market efficiency, courts analyze the factors set forth in *Cammer v. Bloom*, 711 F. Supp. 1264 (D.N.J. 1989).[4] *See China MediaExpress*, 2014 WL 4049896, at *10 (quoting *In re Alstom SA Sec. Litig.*, 253 F.R.D. 266, 279-80 (S.D.N.Y. 2008) (Marrero, J.)). Plaintiffs' expert, Dr. Hartzmark, has submitted a report analyzing the *Cammer* factors and finding that the evidence clearly demonstrates the efficiency of the market for MF Global's securities during the Class Period. This Court also considers relevant the factors discussed in *Krogman v. Sterritt*, 202 F.R.D. 467, 477-78 (N.D. Tex. 2001): "(1) the company's market capitalization; (2) the relative size of the bid-ask spread for the security; and (3) the company's float, or the degree to which shares of the security are held by the public, rather than insiders." *China MediaExpress*, 2014 WL 4049896, at *10 (citing *Krogman*). Here, these factors strongly support a finding that the markets for MF Global's publicly traded securities were efficient at all relevant times.

(i) Weekly Trading Volume Supports Market Efficiency

"High trading volume indicates substantial investor interest in the security, and thus increases the likelihood that newly available public and private information will be incorporated in the security price through trading." Report ¶26. The relatively high trading volume for MF Global's publicly traded securities strongly supports efficiency.

MF Global's Common Stock. During the Class Period a total of 1.8 billion shares of MF Global's common stock traded on an average weekly volume of 23.9 million shares. Report ¶27. The average weekly volume to shares outstanding for the whole Class Period was

[4] The *Cammer* factors are: (1) large weekly trading volume; (2) significant number of analyst reports; (3) existence of market makers and arbitrageurs; (4) eligibility of the company to file a Form S-3 registration statement; and (5) a history of immediate stock price movement caused by unexpected corporate events. 711 F. Supp. at 1286-87.

15.0%; the median was 7.6%, and ranged from a minimum of 3.2% to a maximum of 263.8%. Report ¶27. This is far higher than the "average weekly trading of two percent or more" required by *Cammer* to justify a strong presumption of market efficiency. *Cammer*, 711 F. Supp. at 1286. *See also Alstom*, 253 F.R.D. at 280 (average weekly volume of 4.3% sufficient).

MF Global's Bonds. Corporate bonds trade less frequently than stocks because bonds have predictable cash flows, terminal values, and fixed upside opportunities. Report ¶131. Despite this, the average weekly trading volume for MF Global Notes was higher than the 2% level that *Cammer* stated creates a "substantial presumption" of efficiency. Report ¶118. *Cf. Winstar*, 290 F.R.D. at 447 (bonds that usually did not trade over 2% per week were still efficient, as increased trading activity around the registration date was indicative of efficiency). Indeed, compared to a sample of 20,000 corporate bonds studied by Dr. Hartzmark, MF Global's bonds traded more frequently than nearly all the other corporate issues. Report ¶¶121-22.

Further, two additional factors indicate that the market for MF Global Notes was liquid. Dr. Hartzmark analyzed the time elapsed between successive trades, and found that MF Global Notes traded among the most liquid 10-20% of corporate bonds in the United States during the Class Period. Report ¶123. He also found that the size of the typical transaction in MF Global Notes was relatively large compared to other bonds, suggesting liquidity and a high level of institutional participation. Report ¶126. These factors indicate market liquidity, and thus informational efficiency. *See In re HealthSouth Corp. Sec. Litig.*, 261 F.R.D. 616, 639 (N.D. Ala. 2009) ("Bond traders at large institutions who make transactions of six figures or more simply do not trade on insufficient information, or information perceived to be unreliable, or on less than all publicly available information.").

(ii) Analyst Coverage Supports Market Efficiency

The *Cammer* analyst-coverage factor "is commonly met where multiple large brokerage firms produce and disseminate analysis reports on the financial condition of a company for the entirety of a Class Period." *China MediaExpress*, 2014 WL 4049896, at *11 (citing *Alstom*, 253 F.R.D. at 280). Generally, the presence of analysts reporting on a company supports efficiency because it facilitates the dissemination of information, increasing the likelihood that information will be reflected in the price of the company's securities. Report ¶29. Here, MF Global was covered during the Class Period by analysts from 3 to 14 large brokerage firms. Report ¶30. This extensive coverage supports a finding of efficiency. *See Billhofer v. Flamel Techs., S.A.*, 281 F.R.D. 150, 160 (S.D.N.Y. 2012) (analyst coverage by 8 firms supported efficiency).

For the market for MF Global's Notes, in addition to the stock analysts' coverage, the rating agencies Moody's, Standard & Poor's, and Fitch all issued reports on MF Global incorporating facts relevant to debt investors. Report ¶137. *See HealthSouth*, 261 F.R.D. at 635 ("The coverage by analysts of HealthSouth's equities also provided information of interest to the bond market when concerned with the overall financial health of the issuing firm."); *In re DVI Inc. Sec. Litig.*, 249 F.R.D. 196, 215 (E.D. Pa. 2008), *aff'd*, 639 F.3d 623 (3d Cir. 2011).

The ordinary press coverage of MF Global was also constant and extensive, further indicating market efficiency. Dr. Hartzmark found over 21,000 articles on the Company during the Class Period, with 1,400 from *PR Newswire*, *Business Wire*, *The Wall Street Journal*, and *The New York Times* alone. Report ¶32. The "continuous coverage of MF Global by investment professionals, ratings agencies, public press, and institutional investors, along with regular and frequent disclosures … [also] supports my conclusion that MF Global Notes traded in an open, well-developed, and efficient market throughout the Class Period." Report ¶138.

(iii) Market Makers' Existence Supports Market Efficiency

The existence of market makers "concerns the ability of investors to act as arbitrageurs and to facilitate the efficiency of the market." *China MediaExpress*, 2014 WL 4049896, at *11. This factor is largely irrelevant as to MF Global's common stock because the NYSE is a centralized stock exchange that assigns a single well-capitalized Designated Market Maker ("DMM") to each security to provide liquidity and deal with order imbalances. Report ¶36. Because the DMM serves the same role as multiple market makers on other exchanges, the NYSE's use of the DMM "leads to the general presumption by economists and the courts that common stocks traded on the NYSE trade in an efficient market." Report ¶37.

The presence of multiple dealers in a bond market serves as a similar measure of efficiency. Dr. Hartzmark identified 32 to 73 dealers who created an active market in MF Global Notes, standing ready to buy or sell. Report ¶140. *See Cammer*, 711 F. Supp. at 1293 (in over-the-counter markets without continuous volume reporting, 10 market makers justify a presumption of market efficiency); *Winstar*, 290 F.R.D. at 447 (6 market makers sufficient); *IPO*, 260 F.R.D. 81, 100 (S.D.N.Y. 2009) (14 market makers sufficient).

(iv) Form S-3 Eligibility Supports Market Efficiency

MF Global was eligible to file SEC Form S-3, and did so for the three Notes issuances during the Class Period. Report ¶39. Eligibility to file an S-3 is relevant to efficiency because eligibility is reserved for firms with large market capitalization that meet all reporting requirements for twelve consecutive months. *Id*. As the SEC explained the rationale for the S-3 designation, these requirements are "predicated on the Commission's belief that the market operates efficiently for these companies, *i.e.*, that the disclosure in Exchange Act reports and other communications by the registrant, such as press releases, has already been disseminated and accounted for by the market place." Report ¶39 (quoting Reproposal of Comprehensive

Revision to System for Registration of Securities Offerings, SEC Securities Act Release No. 33-6331 (Aug. 13, 1981), as cited in *Cammer*, 711 F. Supp. at 1284). Thus, the SEC tailored the Form S-3 requirements to companies with securities it believes trade efficiently. *Id*.

(v) Market Capitalization Supports Market Efficiency

Krogman found that "[m]arket capitalization, calculated as the number of shares multiplied by the prevailing share price, may be an indicator of market efficiency because there is a greater incentive for stock purchasers to invest in more highly capitalized corporations." 202 F.R.D. at 478. During the Class Period, the market capitalization of MF Global's outstanding common stock averaged $1.1 billion. Report ¶44. On January 10, 2011, MF Global's market capitalization was in the 55th percentile of stocks in the NYSE Composite Index. Report ¶45. Just before the first corrective disclosure, MF Global's market capitalization was $606 million. Report ¶44. Numerous courts have found similar levels supportive of efficiency. *See Billhofer*, 281 F.R.D. 154 (efficiency where market capitalization ranged from $288 to $717 million).

Moreover, just as a large market capitalization supports a finding of market efficiency for a stock, the large size of an issuance supports efficiency for bonds. Report ¶143; *Winstar*, 290 F.R.D. at 449. This is because "the larger the size of the security, the more attention it will receive from brokers, analysts, individuals, institutions … money managers, hedge funds and other financial entities." Report ¶143. Throughout the Class Period, the aggregate face value of MF Global's outstanding Notes ranged from $196 million to $1.1 billion. Report ¶144. *Winstar*, 290 F.R.D. at 449 (market for $1.88 billion of debt securities "likely to be efficient").

(vi) MF Global's Float Supports Market Efficiency

When evaluating efficiency, "courts also consider the percentage of shares held by the public, rather than insiders," known as the float. *Krogman*, 202 F.R.D. at 478. This is because a large float indicates that efficiency is facilitated, as a significant amount of shares is available to

non-insiders who can trade without restrictions and thus profit by trading on new information. Report ¶47. During the Class Period, the float for MF Global's stock ranged from 161-187 million shares, with an average of 177 million shares. Report ¶46. On average, insiders held only 0.842 million shares, or 0.53% of the average shares outstanding. Report ¶47. The large percentage of MF Global stock in the float supports market efficiency. *See China MediaExpress*, 2014 WL 4049896, at *12 ("insiders owned between 57 percent and 69 percent of the shares outstanding" consistent "with a finding of market efficiency"); *Billhofer*, 281 F.R.D. at 160 (market efficient where "float substantially exceeding $75 million").

(vii) Bid-Ask Spreads Support Market Efficiency

The relatively narrow bid-ask spreads for MF Global stock and Notes also support efficiency. "A large bid-ask spread is indicative of an inefficient market, because it suggests that the stock is too expensive to trade." *Krogman*, 202 F.R.D. at 478. During the Class Period, until the last day that MF Global common stock traded on the NYSE, the daily average percent spread was 0.185%, and the median was 0.133%. Report ¶63. The daily average dollar spread was $0.010, with a median of $0.010 as well. *Id*. These narrow bid-ask spreads compare favorably to the spreads in other matters, where the courts concluded that the common stocks traded in efficient markets. *See Billhofer*, 281 F.R.D. at 154 (efficiency with average bid-ask spread of 0.198%); *Vinh Nguyen v. Radient Pharm. Corp*., 287 F.R.D. 563, 574 (C.D. Cal. 2012) (efficiency with bid-ask spread of 0.58%). They also compare favorably to recent academic research which showed bid-ask spreads of 1.03% and 0.91% for all NYSE and AMEX stocks in 2009. Report ¶62.

There are no reported bid-ask spreads in corporate bond markets. Report ¶150. Thus, Dr. Hartzmark created reliable bid-ask spreads for MF Global Notes during the Class Period by using a technique that is employed by researchers in finance and that examines all customer

trades with reporting dealers. Report ¶154. The results show that for trades between dealers and customers who are non-dealers, the average bid-ask spreads weighted by sell price per $100 par value of the Note are $0.38, $1.21, $0.65, and $0.28 for the 2016 Notes, 2018 Notes, 6.25% Senior Notes, and 2038 Notes, respectively. Report ¶155. These spreads are favorable compared with similar bonds, as described in recent research, and suggest a liquid market. Report ¶156. Accordingly, Dr. Hartzmark found that the relatively narrow bid-ask spreads for MF Global Notes supported his conclusion that they traded in an efficient market. *Id*.

(viii) Stock-Price Reactions Support Market Efficiency

"[T]he fifth *Cammer* factor, which requires evidence tending to demonstrate that unexpected corporate events or financial releases cause an immediate response in the price of a security, is the most important indicator of market efficiency." *China MediaExpress*, 2014 4049896, at *12. *Halliburton II* affirmed existing Second Circuit precedent, which held that Defendants may challenge the presumption of reliance by proving the statements at issue had no price impact when made. *See id.*, at *13 (quoting *In re Salomon Analyst Metromedia Litig.*, 544 F.3d 474, 484 (2d Cir. 2008) ("*Halliburton II* did not change Second Circuit case law, which already permitted a securities-fraud defendant 'to rebut the presumption, prior to class certification, by showing, for example, the absence of a price impact.'"). Although it is Defendants' burden to prove the absence of price impact, *see id.*, Dr. Hartzmark's event studies established that "there is no evidence of a lack of price impact." Report ¶20.

To study the price reactions of MF Global's stock and Notes to unexpected information, Dr. Hartzmark conducted a series of event studies, as detailed in his Report. The results of those event studies reveal that during the Class Period the prices of MF Global stock and Notes reacted quickly to unexpected news, strongly supporting market efficiency. As the Supreme Court recognized in *Halliburton II*, event studies are "regression analyses that seek to show that the

market price of the defendant's stock tends to respond to pertinent publicly reported events." 134 S. Ct. at 2415. Accordingly, event studies are presented in securities cases as reliable evidence of market efficiency. *See id.* Indeed, this Court recently certified a securities class action in which the plaintiffs invoked the *Basic* presumption of reliance, finding that an event study that "correlates the disclosures of unanticipated, material information about a security with corresponding fluctuations in price" adequately demonstrated market efficiency. *China MediaExpress*, 2014 WL 4049896, at *6 (quotations omitted).

With regard to the markets for both MF Global's stock and Notes, Dr. Hartzmark's event studies revealed a "demonstration of ... cause-and-effect [exhibiting a] relationship between events and subsequent price movements [that] meets the conditions for market efficiency stated in the *Cammer* decision." Report ¶91. Significantly, Dr. Hartzmark's event studies examined the price reactions to important disclosure dates, isolated significant movements, and compared price movements on news days and non-news days. Report ¶¶83, 190. These studies are similar to the event studies the Court recently credited as reliable and held satisfied this *Cammer* factor in *China MediaExpress*. 2014 WL 4049896, at *12 ("the Court credits the test used [by Plaintiffs], which compares the frequency of statistically significant CCME share price reactions on News Days versus Non-News Days. The Court concludes that because CCME's stock price was six to eight times more likely to change on News Days than on Non-News Days, Plaintiffs have satisfied the fifth *Cammer* factor") (citation omitted); *Alstom*, 253 F.R.D. at 280.

Importantly, Dr. Hartzmark also found that there was no statistically significant autocorrelation for MF Global abnormal returns. Report ¶¶86-90. "A security exhibits autocorrelation if the change in price of the security on a given day provides an indication of what the change in price for the security will be on the following day." *DVI*, 249 F.R.D. at 213.

Thus, a lack of autocorrelation supports a finding that the relevant market was efficient. *See In re Gaming Lottery Sec. Litig.*, 2001 WL 204219, at *17 (S.D.N.Y. Mar. 1, 2001) (market efficiency supported by the fact that the stock "did not exhibit autocorrelation").

(c) Additional Factors Support Market Efficiency

(i) Institutional Investors Held Most MF Global Securities

During the Class Period, institutional investors (entities with discretion to invest over $100 million) held significant positions in MF Global's stock and Notes. This suggests market efficiency because the participation of sophisticated investors facilitates the incorporation of material information into securities prices. Report ¶49. During the Class Period, institutions held essentially all of MF Global's outstanding shares, strongly supporting efficiency. Report ¶¶49-50; *In re Alstom*, 253 F.R.D. at 280. Similarly, Dr. Hartzmark's analysis suggests that institutional investors held the vast majority of MF Global Notes outstanding during the Class Period. Report ¶¶150-52. *HealthSouth*, 261 F.R.D. at 637 ("The fact that a large number of institutions actively traded HealthSouth notes demonstrates an efficient market.").

(ii) Short Selling Interest And A Lack Of Put-Call Parity Violations Support Market Efficiency

Short sellers act as arbitrageurs, enhancing the efficiency of the market. Report ¶51. As a percentage of shares outstanding, short interest in MF Global stock ranged from 3.1% to 22%, with an average of 12.5%. Report ¶52. This range is greater than the average 3.6% short interest during the Class Period, as reported by the NYSE Group Inc. Short Interest Report. *Id*. A lack of violations of the so-called "put-call parity" also supports the efficiency of the market for MF Global's stock. In an efficient market, call and put options for a stock will be priced relative to one another (and the stock) so as to provide zero economic profits from arbitraging these securities against one another. This no-arbitrage state is called the "put-call parity." Report ¶54.

In contrast, when arbitrage or profitable trading strategies exist, this suggests that the common stock does not trade in an open, developed, or efficient market. Here, Dr. Hartzmark found only a negligible number of violations of put-call parity, supporting his conclusion that MF Global common stock traded in an efficient market. Report ¶59.

(d) The Class Is Entitled To A Presumption Of Reliance Under *Affiliated Ute*

Under *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), reliance is presumed where "a plaintiff's claim is based on a defendant's failure to disclose material information." *Litton Industries, Inc. v. Lehman Bros. Kuhn Loeb Inc.*, 967 F.2d 742, 748 (2d Cir. 1992). In such circumstances, individual reliance need not be proven. Instead, "[a]ll that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in the making of [its] decision." *Affiliated Ute*, 406 U.S. at 131. Thus, *Affiliated Ute* provides an alternative basis for a class-wide presumption of reliance.

Reliance here may be presumed under *Affiliated Ute* because the Complaint is premised largely on Defendants' failure to disclose the true nature of MF Global's financial condition, internal controls, proprietary trading, and liquidity exposure. *See In re Parmalat*, 2008 WL 3895539, at *8 (applying *Affiliated Ute* where defendants "fail[ed] to disclose material facts that made the reporting of certain information and transactions, although perhaps not deceptive in themselves, otherwise misleading"); *Fogarazzo v. Lehman Bros., Inc.*, 263 F.R.D. 90, 106 (S.D.N.Y. 2009) (applying *Affiliated Ute* to claim premised on representations and omissions).

2. Common Issues Predominate As To Plaintiffs' Securities Act Claims

"Class-wide issues predominate if resolution of some of the legal or factual questions that qualify each class member's case as a genuine controversy can be achieved through generalized proof, and if these particular issues are more substantial than the issues subject only to

individualized proof." *Moore v. PaineWebber, Inc.*, 306 F.3d 1247, 1252 (2d Cir. 2002). With respect to the Securities Act claims, Plaintiffs need not prove reliance. *See Rombach*, 355 F.3d at 169 n.4. Thus, the legal and factual questions relevant to Plaintiffs' Securities Act claims are common to all Class members, and satisfy Rule 23(b)(3). *See Pub. Emp. Ret. Sys. of Miss. v. Goldman Sachs Grp.*, 280 F.R.D. 130, 141 (S.D.N.Y. 2012).

3. *Comcast* Is Satisfied Because Class-Wide Damages Are Measurable

The Supreme Court held in *Comcast* that "courts should examine the proposed damages methodology at the certification stage to ensure that it is consistent with the classwide theory of liability and capable of measurement on a classwide basis." *In re U.S. Foodservice Inc. Pricing Litig.*, 729 F.3d 108, 123 n.8 (2d Cir. 2013) (citing *Comcast*, 133 S. Ct. at 1433-35). Where plaintiffs' proposed measure for damages is "directly linked with their underlying theory of classwide liability," it is "in accord with" *Comcast*. *Id*.

This Court has upheld the damages theory that the "misrepresentations caused losses of the same kind: the artificial inflation of...share price." *China MediaExpress*, 2014 WL 4049896, at *14. That is Plaintiffs' theory of damages for the Exchange Act claims here. Dr. Hartzmark has opined that class-wide damages are calculable based on the inflation in the price of MF Global's stock. Report ¶¶201-04. Individual damages for each Class member are calculable based on when each Class member purchased, and, if applicable, sold the stock.[5] Report ¶205.

For Plaintiffs' Securities Act claims, both Sections 11 and 12(a) provide mechanical statutory methodologies for calculating class-wide damages. *See* 15 U.S.C. § 77k(e); 15 U.S.C. § 77*l*(a)(2). Thus, the damages methodologies for these claims inherently satisfy *Comcast*. *See*

[5] "[I]t is well-established that the fact that damages may have to be ascertained on an individual basis is not sufficient to defeat class certification." *Seijas v. Republic of Arg.*, 606 F.3d 53, 58 (2d Cir. 2010).

Tsereteli v. Residential Asset Securitization Trust 2006-A8, 283 F.R.D. 199, 207 (S.D.N.Y. 2012) (statutory methods of calculating damages under Sections 11 and 12(a)(2) are common).

4. A Class Action Is A Superior Method Of Adjudicating Plaintiffs' Claims

Generally, securities suits are easily found to meet the superiority requirement of Rule 23(b)(3). *See In re Blech Sec. Litig.*, 187 F.R.D. 97, 107 (S.D.N.Y. 1999). This is particularly true because "the alternatives [to a class action] are either no recourse for thousands of [defrauded investors]" or "a multiplicity and scattering of suits with the inefficient administration of litigation which follows in its wake." *Green v. Wolf Corp.*, 406 F.2d 291, 301 (2d Cir. 1968).

For determining whether a class action is the superior method for adjudicating this controversy, Rule 23(b)(3) provides four factors: (a) the class members' interests in individually controlling the prosecution of separate actions; (b) the extent and nature of any litigation concerning the controversy already begun by or against class members; (c) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and (d) the likely difficulties in managing a class action. Here, each factor demonstrates the superiority of a class action for adjudicating Class members' claims. The Class consists of a large number of investors in MF Global securities who are geographically dispersed and whose individual damages are likely small enough to render individual litigation prohibitively expensive. *See In re Bank of Am. Sec., Derivative, and ERISA Litig.*, 281 F.R.D. 134, 146 (S.D.N.Y. 2012).

Concentrating the litigation in this Court will eliminate the risk of inconsistent adjudications and promote the fair and efficient use of the judicial system. *See Merrill Lynch*, 277 F.R.D. at 121. Moreover, managing this case as a class action presents no unusual difficulties that would preclude certification. Indeed, litigating each claim separately would be wasteful and effectively preclude numerous investors from obtaining redress. *See In re SCOR Holding (Switzerland) AG Litig.*, 537 F. Supp. 2d 556, 579 (S.D.N.Y. 2008).

IV. CONCLUSION

For all the reasons stated herein, the Court should grant Plaintiffs' Motion in all respects.

Dated: September 15, 2014
New York, New York

Respectfully submitted,

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS LIMITED SECURITIES LITIGATION	:	Civil Action No. 1:11-CV-07866-VM
THIS DOCUMENT RELATES TO:	:	**CERTIFICATE OF SERVICE**
All Securities Actions (*DeAngelis v. Corzine*)	:	

I, Javier Bleichmar, hereby certify that on September 15, 2014, a true and correct copy of the annexed Plaintiffs' Memorandum of Law in Support of Their Motion for Class Certification and Appointment of Class Representatives and Class Counsel was served in accordance with the Federal Rules of Civil Procedure via the CM/ECF system, which will send a notification of such filing to all parties with an email address of record who have appeared and consented to electronic service in this action.

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