

# TANNOR CAPITAL MANAGEMENT LLC

150 Grand Street, Suite 401  
White Plains, NY 10601  
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January 3, 2013

Creditor  
MARK BONDS (E/S)  
MARK BONDS 5106 ROANOKE RD  
TROUTVILLE, VA 241757076

RE: MF Global Inc. (MFGI), Jointly Administered  
Bankruptcy Case No. 11-02790  
US Bankruptcy Court, Southern District of New York

Dear Creditor,

Tannor Capital Management, LLC ("TCM"), a money management firm founded in 2008, is purchasing claims of former commodity futures customers of MF Global, Inc. who traded on US exchanges (4d funds). We are purchasing these claims to supplement our current holdings of claims in the bankruptcy case.

TCM is indicating a purchase level of 92.0% of the face value of your claim less distributions received to date. **In appreciation of your prompt reply, we will increase the purchase price by 0.5% if you contact our firm before the close of business on Friday, January 4, 2013.** This indication is valid until January 9, 2013 and is subject to (1) the satisfactory completion of our due diligence of your claim and the case, which shall be determined in our sole discretion, and (2) the execution of a mutually agreeable Assignment of Claim. Until the Assignment of Claim has been executed by both your firm and TCM, there is no binding agreement to purchase your claim.

As you are aware, on October 31, 2011 James W. Giddens was appointed as the trustee in the liquidation of MF Global Inc. pursuant to the Securities Investor Protection Act ("SIPA"). In our view, there is considerable uncertainty with regard to both the timing and amount(s) remaining to be distributed. Here are some interesting case details to consider as you evaluate whether to keep or sell your claim:

- The Trustee is required by law to maintain ample reserves to make distributions to all potential claims against the estate. As a result of this, it is our view that further distributions are unlikely in the near term and final distributions are likely years away. We anticipate the foreign affiliates and other parties in interest will be unwilling to resolve disputes without significant litigation, and such litigation is inherently time consuming and will be costly to creditors.
- Litigation against third parties, such as former auditors and company management may not be resolved for years as it is likely to be vigorously contested.
- We believe that unless the Trustee is very successful in pursuing litigation and resolving large claims these 4d claims will not be paid in full.

If you agree to sell your claim and receive payment now, you may realize income and tax benefits. Please consult with your legal and tax professionals.

To move forward, please sign the attached Assignment of Claim and one page Evidence of Transfer, and initial all pages where indicated. **In addition, please provide us with supporting documentation including recent statements, the Notice of Determination (if received) and the amount of distributions received to date.** Submit these documents to us by email to [management@tannorpartners.com](mailto:management@tannorpartners.com) or fax them to 214-299-8980.

To discuss the sale of your claim, please contact us at (914)509-5000 with any inquiry. We may also be reached via email at [management@tannorpartners.com](mailto:management@tannorpartners.com). For more information about our company, visit our website at [www.TannorPartners.com](http://www.TannorPartners.com). If you wish not to receive future correspondence from Tannor Capital Management LLC, please let us know by fax, email or telephone.

Sincerely,



Robert Tannor  
[management@tannorpartners.com](mailto:management@tannorpartners.com)

## Assignment of Claim

**MARK BONDS (E/S)** having a mailing address of MARK BONDS 5106 ROANOKE RD , TROUTVILLE, VA 241757076 ("Assignor or Transferor"), in consideration of the sum of **92.0%** (ninety-two percent) of the allowed claim amount in U.S. Dollars on the Assignor's Claim less distributions received to date all as shown the Pricing Supplement, (the "Purchase Price"), does hereby transfer to **Tannor Partners Credit Fund, LP**, having an address at 150 Grand Street, Suite 401, White Plains, NY 10601 ("Assignee or Transferee"), all of Assignor's right, title and interest in and to the valid, liquidated, non-contingent segregated customer claim of Assignor pursuant to section 4d of the Commodity Exchange Act (the "Claim") against MF Global Inc. (the "Debtor") in the United States Bankruptcy Court for the Southern District of New York ("the Court"), administered under Case No. 11-2790 (MG) SIPA (the "Proceedings") and all rights and benefits of Assignor relating to the Claim, including without limitation, (i) the Proof of Claim, if any, identified below, (ii) all accounts held by the Debtor relating to the Claim, and all account statements and documentation relating to the claim, including without limitation, any notice of determination issued by the Trustee of the Debtor relating to the Claim and (iii) Assignor's rights to receive all interest, penalties and fees, if any, which may be paid with respect to the Claim and all other claims, rights to receive payments in respect thereof and any rights to receive all payments in respect thereof, causes of action against the Debtor, its affiliates, any guarantor or other third party, together with voting and other rights and benefits arising from, under or relating to any of the foregoing, and all cash, securities, instruments and other property which may be paid or issued by Debtor in satisfaction of the Claim. The Claim is based on amounts owed to Assignor by Debtor as set forth below and this assignment shall be deemed an absolute and unconditional assignment of the Claim for the purpose of collection and shall not be deemed to create a security interest.

1) Assignor represents and warrants that:

Proof of Claim 900006172 has been duly and timely filed in the Proceedings (and a true copy of such Proof of Claim is attached to this Assignment) prior to January 31, 2013. If the Proof of Claim amount differs from the Claim amount set forth above, Assignee shall nevertheless be deemed the owner of that Proof of Claim subject to the terms of this Agreement and shall be entitled to identify itself as owner of such Proof of Claim, in the entire filed amount, on the records of the Court.

2) Assignor further represents and warrants that (i) the Claim is a claim for "Customer Property" (as such term is defined in 17 C.F.R. § 190.01 and Section 761(10) of the Bankruptcy Code); (ii) the amount of the Claim is not less than the Purchased Amount, (iii) the Claim in that amount is valid and that no objection of the claim exists and is listed by the Debtor on its schedule of liabilities and any amendments thereto ("Schedule") as such; (iv) the Claim is a valid, enforceable claim against the Debtor; (v) no consent, approval, filing or corporate partnership or other action is required as a condition to, or otherwise in connection with, the execution delivery and performance of this Agreement by Assignor; (vi) this Agreement has been duly authorized, executed and delivered by the Assignor and Assignor has the requisite power and authority to execute, deliver and perform this Agreement; this Agreement constitutes the valid, legal and binding agreement of Assignor, enforceable against Assignor in accordance with its terms; (vii) Assignor has not engaged and will not engage in any acts, conduct or omissions, or had any relationship with the Debtor or its affiliates, that might result in the Assignee receiving in respect of the Claim proportionally less payments or distributions or less favorable treatment than other valid, liquidated, non-contingent section 4d segregated customer claims of the Debtor; (viii) it has fully performed and satisfied all of its obligations (if any) to Debtor and Assignee shall assume no obligations or liabilities in respect of the Claim; (ix) except for those distributions previously disclosed to Assignee, no payment has been received by Assignor, or by any third party claiming through Assignor, in full or partial satisfaction to the Claim; (x) it has not previously factored assigned, sold or pledged the Claim to any third party, in whole or in part and it owns and has title to the Claim free of any and all liens, security interests or encumbrances of any kind or nature whatsoever, and there are no offsets or defenses or preferential payment demand that have been or may be asserted by or on behalf of Debtor or any other party to reduce the amount of the Claim or to impair its value; (xi) it is not "insolvent" within the meaning of Section 1-201 (23) of the Uniform Commercial Code or within the meaning of Section 101 (32) of the Bankruptcy Code and (xii) Assignor is not an "insider", as that term is defined in the Bankruptcy Code Section 101 (31), of the Debtors of their affiliates or a member of any official or unofficial committee in the Proceedings. All of this paragraph is referred to as "Representations and Warrantees."

3) In the event Assignor has previously assigned or pledged this claim to any third party, otherwise lacks sole title thereto, or in the future purports to assign or pledge the claim to a third party, or Assignor previously was paid by the debtor or otherwise already received distribution on account of the claim, Assignor agrees to immediately pay Assignee upon demand of Assignee, liquidated damages in an amount equal to double the Purchase Price paid to Assignor hereunder plus any and all out of pocket expenses incurred by Assignee in its purchase of the Claim or any actions to enforce the provisions of this paragraph.

4) Assignor is aware that the above Purchase Price may differ from the amount ultimately distributed in the Proceedings with respect to the Claim and that such amount may not be absolutely determined until entry of a final order confirming a plan of reorganization. Assignor acknowledges that except as set forth in this Assignment, neither Assignee nor any agent or representative of Assignee has made any representation whatsoever to Assignor regarding the status of the Proceedings, the condition of Debtor (financial or otherwise) or any other matter relating to the Proceedings, the Debtor or the Claim. Assignor represents that it has adequate information concerning the business and financial condition of Debtor and the status of the Proceedings to make an informed decision regarding the sale of the Claim and that it has independently and without reliance on Assignee, and based on such information as Assignor has deemed appropriate, including information available from the Court in the Proceedings, made its own analysis and decision to enter into this Assignment of Claim.

5) Assignor agrees that, if Assignor shall hereafter receive any distributions, Assignor shall accept and hold the same on behalf of and in trust for Assignee, and that any and all distributions, together with any and all proceeds thereon, are the sole property of Assignee. If Assignor receives any cash distributions on account of the Claim, Assignor agrees to take direction from Assignee with respect to either forwarding such distribution or endorsing any distribution made by check, in either case within five (5) business days after receipt thereof. Assignor further agrees to forward to Assignee all notices received from either Debtor, the Court or any third party with respect to the Claim assigned herein, to take any vote, action or decision in respect of the Claim in a timely manner and in accordance with Assignee's instructions, and to take such further action with respect to the Claim in the Proceedings as Assignee may from time to time request

## Assignment of Claim

6) If (a) all or any part of the Claim or Claim Amount is objected to, avoided, disallowed, subordinated, reduced, or otherwise impaired, for any reason whatsoever, including without limitation that the Claim is not a claim for "customer property" or (ii) distributions on the Claim are per dollar of claim, less in amount or different in nature and timing than distributions on section 4d "customer property" claims against the Debtor generally, or (b) the Claim is subsequently scheduled by Debtor or is amended such that all or any portion of the Claim is listed on the Debtor's amended schedule of liabilities as unliquidated, contingent or disputed or in a lesser amount than the Claim Amount; or (c) there is a breach of any representation, warrantee or covenant of this Agreement (each (a) or (b) or (c) is a "Disallowance"), then Assignor shall make immediate Restitution and repayment of the proportional Purchase Price equal to the Purchase Price times the ratio of the amount of the Disallowance divided by the Claim Amount ("Restitution Payment"), no later than ten (10) business days after receiving a written demand from Assignee notifying of such Disallowance. Such Restitution Payment shall be made together with interest, calculated at the rate of eight (8%) percent per annum, from the date of Assignor's execution of this Agreement until the date that such Restitution Payment is received by Assignee. Assignor further agrees to reimburse Assignee for all losses, costs, and expenses, including reasonable legal fees and costs, incurred by Assignee as a result of Assignee's enforcement of its rights under this paragraph.

7) Assignor hereby irrevocably appoints Assignee as its true and lawful attorney and authorizes Assignee to act in Assignor's stead, to demand, sue for, compromise and recover all such amounts as now are, or may hereafter become, due and payable for or on account of the Claim herein assigned. Assignor grants unto Assignee full authority to do all things necessary to enforce the claim and its rights there under pursuant to this Assignment of Claim. Assignor agrees that the powers granted by this paragraph are discretionary in nature and that the Assignee may exercise or decline to exercise such powers at Assignee's sole option. Assignee shall have no obligation to take any action to prove or defend the Claim's validity or amount in the Proceedings. Assignor agrees to take such further action, at its own expense, to promptly (but not later than 5 business days) deliver to Assignee any such property in the same form received, together with any endorsements or documents necessary to transfer such property to Assignee.

8) This Agreement shall become effective and valid when (a) Assignor executes this Agreement and it is received by Assignee and (b) the Agreement is executed by a proper representative of Assignee. The terms of this Assignment of Claim shall be binding upon, and shall inure to the benefit of and be enforceable by Assignor, Assignee and their respective successors and assigns.

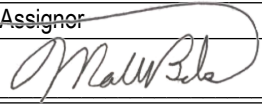
9) Assignor hereby acknowledges that Assignee may at any time reassign the Claim, together with all right title and interest of Assignee in and to this Assignee of Claim. All representation and warranties made herein shall survive the execution and delivery of this Assignment of Claim and any such re-assignment. This Assignment of Claim may be executed in counterparts and all such counterparts taken together shall be deemed to constitute a single agreement.

10) This Assignment shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts. Any action arising under or relating to this Assignment must be brought in the United States District Court for the Southern District of New York located in the Borough of Manhattan in the City of New York or, if federal court jurisdiction is lacking, in the Supreme Court of the State of New York (New York County). Assignor consents to and confers personal jurisdiction over Assignor by such court or courts and agrees that service of process may be upon Assignor by mailing a copy of said process to Assignor at the address set forth in this document, and any action hereunder, ASSIGNOR WAIVES ANY RIGHT TO DEMAND A TRIAL BY JURY ON ANY THEORY, INCLUDING WITHOUT LIMITATION CONTRACT AND TORT.

### 11) CONSENT AND WAIVER

Upon Assignor's delivery to Assignee of its executed signature page of this Assignment of Claim Agreement, Assignor hereby authorizes Assignee to file a notice of transfer to Rule 3001(e) of the Federal Rules of Bankruptcy Procedure ("FRBP") with respect to the Claim, while Assignee performs its due diligence on the Claim. Assignee, at its sole option, may subsequently transfer the Claim back to the Assignor if due diligence is not satisfactory in Assignee's sole and absolute discretion pursuant to Rule 3001 (e) of FRBP transferring the Claim back to Assignor or withdrawing the transfer, at such time both Assignor and Assignee release each other of all and any obligation or liability regarding this Assignment. Assignor hereby acknowledges and consents to all of the terms set forth in this Assignment of Claim and hereby waives its right to raise any objections hereto and its right to receive notice pursuant to Rule 3001 of the Rules of Bankruptcy Procedure.

IN WITNESS WHEREOF, the undersigned hereunto set its hand this 4 day of Jan, 2013.

Assignor		Assignee
Signature	X 	Signature _____
Print Name	<b>Mark W Bonds</b>	Robert Tannor
Title		Sr. Managing Director
Company Name	MARK BONDS (E/S)	Tannor Partners Credit Fund, LP
Address	MARK BONDS 5106 ROANOKE RD	150 Grand Street, Suite 401
City, ST, Zip	TROUTVILLE, VA 241757076	White Plains, NY 10601
Email	<a href="mailto:mwbonline@gmail.com">mwbonline@gmail.com</a>	<a href="mailto:rtannor@tannorpartners.com">rtannor@tannorpartners.com</a>
Phone	5402783165	914-509-5000
Federal Tax ID	223 66 3585	

Note: Email is required for follow up communications.

**Pricing Supplement**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Allowed 4d Claim Amount	Purchase Rate	Gross Purchase Price [A*B]	Less: Distributions Received to Date	Purchase Price [C-D]
_____	92.0%	_____	_____	_____
fill in		fill in	fill in	fill in

## Evidence of Transfer

**MARK BONDS (E/S)** (“Assignor”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby unconditionally and irrevocably sell, transfer and assign unto **Tannor Partners Credit Fund, LP, 150 Grand Street, Suite 401, White Plains, NY 10601**, its successors and assigns (“Assignee”), all rights, title and interest in and to all claims of Assignor including but not limited to 100% of Proof of Claim No. 900006172 as filed against **MF Global Inc. (MFGI)**, Jointly Administered in the United States Bankruptcy Court, Southern District of New York (“the Court”), **Case no. 11-02790** or any other court with jurisdiction.

Assignor hereby waives any notice or hearing requirements imposed by Rule 3001 of the Bankruptcy Rules, and stipulates that an order may be entered recognizing this Assignment of Claim as an unconditional assignment and the Assignee herein as the valid owner of the Claim. All references in this document to dollar amounts shall be deemed to be expressed in US Dollars, unless specifically noted otherwise and initialed by the Assignee.

IN WITNESS WHEREOF, dated the \_\_ day of \_\_\_\_\_, 2012

By: \_\_\_\_\_  
(Signature of Authorized Party)

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Print name of Authorized Party)

By: /s/ Robert J. Tannor  
General Partner

Tannor Partners Credit Fund, LP

914-509-5000  
(Telephone Number)