

112TH CONGRESS
2^D SESSION

S. RES. 407

Expressing the sense of the Senate that executives of the bankrupt firm MF Global should not be rewarded with bonuses while customer money is still missing.

IN THE SENATE OF THE UNITED STATES

MARCH 27, 2012

Ms. STABENOW (for herself and Mr. ROBERTS) submitted the following resolution; which was considered and agreed to

RESOLUTION

Expressing the sense of the Senate that executives of the bankrupt firm MF Global should not be rewarded with bonuses while customer money is still missing.

Whereas on October 31, 2011, MF Global Holdings, Ltd., filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York after reporting that as much as \$900,000,000 in customer money had gone missing;

Whereas MF Global Holdings, Ltd. is the parent company of MF Global, Inc., formerly a futures commission merchant and broker-dealer for thousands of commodities and securities customers;

Whereas following the bankruptcy filing, Judge Louis Freeh, the court-appointed trustee for the liquidation of MF

Global Holdings, retained certain employees of the MF Global entities at the time of the bankruptcy, including the chief operating officer, the chief financial officer, the general counsel, and other individuals, in order to assist the liquidation process;

Whereas on March 8, 2012, the Wall Street Journal reported that Mr. Freeh may ask the bankruptcy court judge to approve performance-related bonuses for the chief operating officer, chief financial officer, the general counsel, and the other employees;

Whereas according to the court-appointed trustee for the liquidation of MF Global, Inc. under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), Mr. James Giddens, the total amount of customer funds still missing could be as much as \$1,600,000,000;

Whereas on March 15, 2012, all of the members of the Committee on Agriculture, Nutrition, and Forestry of the Senate sent a letter to Mr. Freeh urging him not to reward senior executives of the bankrupt MF Global entities with performance-related bonuses while customer money is still missing;

Whereas on March 16, 2012, Mr. Freeh responded to the members of the Committee on Agriculture, Nutrition, and Forestry of the Senate, stating that he has not made any decisions regarding the payment of bonuses to former senior executives of the firm;

Whereas the Commodity Futures Trading Commission, the court-appointed trustee for the liquidation of MF Global, Inc. under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), and other Federal authorities are investigating the events leading up to the bankruptcy

in an effort to return customer money and prosecute any wrongdoing; and

Whereas as of the date of agreement to this resolution, none of the investigators have stated public conclusions regarding the exact location of the missing money or whether criminal wrongdoing was involved: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that bo-
2 nuses should not be paid to the executives and employees
3 who were responsible for the day-to-day management and
4 operations of MF Global until its customers' segregated
5 account funds are repaid in full and investigations by Fed-
6 eral authorities have revealed both the cause of, and par-
7 ties responsible for, the loss of millions of dollars of cus-
8 tomer money.

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