

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE MF GLOBAL HOLDINGS
LIMITED SECURITIES LITIGATION

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:
: Civil Action No. 1:11-CV-07866-VM
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THIS DOCUMENT RELATES TO:

All Securities Actions
(DeAngelis v. Corzine)

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: ECF CASE
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**REPLY MEMORANDUM OF LAW IN
FURTHER SUPPORT OF LEAD PLAINTIFFS' MOTION FOR
FINAL APPROVAL OF UNDERWRITER SETTLEMENT AND SETTLING
PLAINTIFFS' MOTION FOR FINAL APPROVAL OF COMMERZ SETTLEMENT**

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Dated: June 19, 2015

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Lead Plaintiffs, the Virginia Retirement System and Her Majesty The Queen In Right Of Alberta (“Lead Plaintiffs”), on behalf of themselves and the Underwriter Settlement Class, respectfully submit this memorandum of law in further support of their motion for final approval of the proposed Underwriter Settlement; and Lead Plaintiffs and named plaintiff the Government of Guam Retirement Fund (the “Settling Plaintiffs”) on behalf of themselves and the Commerz Settlement Class, respectfully submit this memorandum of law in support of their motion for final approval of the proposed Commerz Settlement.¹

I. PRELIMINARY STATEMENT

Pursuant to the Court’s Order Preliminarily Approving Proposed Settlement with Certain Underwriter Defendants and Providing for Notice dated December 11, 2014 (ECF No. 808), as amended by letter endorsement dated March 13, 2015 (ECF No. 872), and the Order Preliminarily Approving Proposed Settlement with Commerz Markets LLC and Providing for Notice dated March 17, 2015 (ECF No. 881) (collectively, the “Preliminary Approval Orders”), the Claims Administrator, under the supervision of Co-Lead Counsel, conducted an extensive notice program, including mailing copies of the Underwriter Notice and Commerz Notice (together, the “Notices” or the “Notice Packet”) to over 59,000 potential members of the Settlement Classes and nominees. In response to this notice program, no members of the Settlement Classes have objected to either of the Settlements and there have been no requests for exclusion from the Settlement Classes. As

¹ Unless otherwise noted, all capitalized terms used herein have the meanings set out in the Stipulation and Agreement of Settlement with Certain Underwriter Defendants, dated as of November 25, 2014 (ECF No. 801-1) (the “Underwriter Stipulation”), the Stipulation and Agreement of Settlement with Defendant Commerz Markets LLC, dated as of March 17, 2015 (ECF No. 875-1) (the “Commerz Stipulation”), or the Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of Lead Plaintiffs’ Motion for Final Approval of Underwriter Settlement and Settling Plaintiffs’ Motion for Final Approval of Commerz Settlement (ECF No. 933) (the “Joint Declaration” or “Joint Decl.”)

explained further below, the absence of objections or requests for exclusion further demonstrates that the proposed Settlements are fair and reasonable, and should be approved.

II. THE REACTION OF THE SETTLEMENT CLASSES SUPPORTS APPROVAL OF THE SETTLEMENTS

Lead Plaintiffs and Co-Lead Counsel respectfully submit that their opening papers demonstrate why approval of the Settlements is warranted. Now that the time for objecting to the Settlements or requesting exclusion from the Settlement Classes has passed, the uniformly positive reaction of the Settlement Classes provides additional support for approval of the motions.

Pursuant to the Court's Preliminary Approval Orders, more than 59,000 copies of the Underwriter Notice and Commerz Notice have been mailed to potential class members and nominees. *See* Supplemental Declaration of Jose C. Fraga Regarding (A) Mailing of the Notice Packet; and (B) Report on Requests for Exclusion Received ("Supp. Fraga Decl.") at ¶ 5. The Notices informed members of the Settlement Classes of the terms of the respective proposed Settlements and apprised class members of their right to object to the proposed Settlement(s) pertaining to the class(es) of which they were a member, their right to exclude themselves from the Settlement Classes, and of the May 29, 2015 deadline for filing objections and for receipt of requests for exclusion. *See* Underwriter Notice at p. 3 and ¶¶ 43-56; Commerz Notice at p. 3 and ¶¶ 44-57.²

² The Summary Notices, which informed readers of the respective proposed Settlements, how to obtain copies of the Notices, and the deadlines for objections and requests for exclusion, were each published once each in *The Wall Street Journal* and *Investor's Business Daily* and released over the *PR Newswire*. *See* Declaration of Jose C. Fraga Regarding (A) Mailing of the Notice Packet; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date (ECF No. 933-1) at ¶¶ 6, 7. The Underwriter Summary Notice was published on April 9, 2015 (*id.* at ¶ 6) and the Commerz Summary Notice was published on April 13, 2015 (*id.* at ¶ 7).

As noted above, following this notice program, not a single Settlement Class Member objected to either Settlement or requested exclusion from the Settlement Classes. *See* Supp. Fraga Decl. ¶ 7.

The lack of any objections or requests for exclusion support a finding that the Settlements are fair, reasonable, and adequate. Indeed, “the favorable reaction of the overwhelming majority of class members” to a settlement is “perhaps the most significant factor in [the] *Grinnell* inquiry.” *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 119 (2d Cir. 2005). The lack of objections to a settlement and the lack (or minimal number) of requests for exclusion from a settlement class provide evidence that the proposed settlement is fair. *See, e.g., In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12-CIV-8557 CM, 2014 WL 7323417, at *6 (S.D.N.Y. Dec. 19, 2014) (“The absence of . . . objections or investors electing to exclude themselves from the Settlement provides evidence of Class Members’ approval of the terms of the Settlement”); *In re Sturm, Ruger, & Co. Sec. Litig.*, No. 3:09cv1293 (VLB), 2012 WL 3589610, at *5 (D. Conn. Aug. 20, 2012) (“[T]he absence of objectants may itself be taken as evidencing the fairness of a settlement.”) (internal quotation marks omitted); *In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM)(PED), 2010 WL 4537550, at *16 (S.D.N.Y. Nov. 8, 2010) (“The absence of objections to the Settlement supports the inference that it is fair, reasonable and adequate.”). Accordingly, the uniformly positive reaction of the Settlement Classes here supports approval of the Settlements.

III. CONCLUSION

For the foregoing reasons and all the reasons set forth in their opening papers, Lead Plaintiffs respectfully request that the Court approve the Underwriter Settlement and the Settling Plaintiffs respectfully request that the Court approve the Commerz Settlement.

Dated: June 19, 2015
New York, New York

Respectfully submitted,

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