

Hrg. Date: Oct. 16, 2006 at 10:00 a.m.
Obj. Deadline: Oct. 11, 2006 at 10:00 a.m.

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Debtors and Debtors-In-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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: :
In re: : Chapter 11
: :
Refco Inc., et al., : Case No. 05-60006 (RDD)
: :
Debtors. : (Jointly Administered)
: :
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**DEBTORS' APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 105(a),
327(a), 328(a) AND FED. R. BANKR. P. 3017 AUTHORIZING
RETENTION OF FINANCIAL BALLOTING GROUP LLC
AS SPECIAL BALLOTING AND NOTICING AGENT**

Refco Inc. ("Refco") and certain of its subsidiaries and affiliates,
debtors and debtors-in-possession in the above-captioned cases (collectively, the
"Debtors"),¹ hereby move for entry of an order under 11 U.S.C. §§ 105(a), 327(a),

¹ The following entities are Debtors in these chapter 11 cases: Bersec International LLC; Kroeck & Associates, LLC; Lind-Waldock Securities LLC; Marshall Metals, LLC; New Refco Group Ltd., LLC; Refco Administration, LLC; Refco Capital Holdings, LLC; Refco Capital LLC; Refco Capital Management, LLC.; Refco Capital Trading LLC; Refco Finance Inc.; Refco Financial, LLC; Refco Fixed Assets Management, LLC; Refco F/X Associates, LLC; Refco Global Capital Management LLC; Refco Global Finance Limited; Refco Global

328(a) and Fed. R. Bankr. P. 3017 for authority to retain Financial Balloting Group LLC ("FBG") as special balloting and noticing agent in these chapter 11 cases. In support of this Application, the Debtors rely on the Declaration of Jane Sullivan (the "Sullivan Declaration"), a copy of which is attached hereto as Exhibit A. In further support of this Application, the Debtors respectfully represent as follows:

BACKGROUND

1. On October 17, 2005 (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code").² The Debtors continue to manage and administer their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On April 13, 2006, the Court entered an order (Docket No. 1656) appointing Marc S. Kirschner as the chapter 11 trustee (the "RCM Trustee") for Refco Capital Markets, Ltd. ("RCM").

3. On October 28, 2005, the United States Trustee appointed an official committee of unsecured creditors in these cases. On August 3, 2006, the United States Trustee filed notices (Docket Nos. 2555, 2556) bifurcating the

Futures, LLC; Refco Global Holdings, LLC; Refco Group Ltd., LLC; Refco Inc.; Refco Information Services, LLC; Refco Managed Futures, LLC; Refco Mortgage Securities, LLC; Refco Regulated Companies, LLC; Summit Management, LLC; and Westminster-Refco Management LLC. Refco Capital Markets, Ltd. is a debtor in these chapter 11 cases, but not a debtor-in-possession.

² Debtors Lind-Waldock Securities LLC, Refco Managed Futures, LLC and Westminster-Refco Management LLC filed chapter 11 petitions on June 5, 2006.

creditors' committee into the Official Committee of Unsecured Creditors of Refco Inc., et al. (the "Creditors' Committee") and the Additional Committee of Unsecured Creditors of Refco Inc., et al. (the "Additional Committee" and, together with the Creditors' Committee, the "Committees").

4. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

5. The statutory predicates for the relief requested herein are sections 105(a), 327(a) and 328(a) of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

RELIEF REQUESTED

6. By this Application, the Debtors seek to retain FBG to perform reorganization plan solicitation-related services with respect to the holders of the Debtors' public debt and equity securities, including noticing, consultation and vote tabulation services, pursuant to the terms set forth in that certain Agreement, dated as of September 29, 2006, by and between Refco Inc. and FBG (the "Engagement Letter"), a copy of which Engagement Letter is attached to the Sullivan Declaration as Exhibit 1.

BASIS FOR RELIEF

7. On September 14, 2006, the Debtors filed the Chapter 11 Plan of Refco Inc. And Certain Of Its Direct And Indirect Subsidiaries (Docket No. 2848) (as may be amended, supplemented or otherwise modified, the "Plan") and the

Disclosure Statement With Respect To Chapter 11 Plan Of Refco Inc. And Certain Of Its Direct And Indirect Subsidiaries (Docket No. 2849) (as may be amended, supplemented or otherwise modified, the "Disclosure Statement"). The hearing to consider the adequacy of the Disclosure Statement has been set for October 16, 2006 at 10:00 a.m. (Eastern Time)

8. The Debtors have filed or are filing concurrently herewith a motion (the "Solicitation Procedures Motion") setting forth proposed solicitation and noticing procedures to facilitate consideration of the Disclosure Statement and the Plan. In the Solicitation Procedures Motion, the Debtors set forth procedures for, among other things, transmitting the Disclosure Statement, the Plan and Plan-related materials to beneficial owners of the Debtors' public securities, as required under the Bankruptcy Code. See 11 U.S.C. § 3017(e).

9. The Debtors seek, in this Application, to retain FBG to assist the Debtors in distributing required documents to holders of the Debtors' public securities and to assist the Debtors in performing other Plan-related solicitation services, such as noticing, consultation and vote tabulation services, with respect to holders of the Debtors' public securities.

10. In chapter 11 cases, the solicitation of votes from holders of public securities and the distribution of solicitation materials to such holders presents complexities which do not exist with respect to other types of creditors. These complexities stem from the fact that public securities often are held in a "street name" by a custodian (such as a bank, broker or other nominee), rather than in the

name of the beneficial owner. In most instances, the identities of beneficial owners of public securities entitled to receive notices and solicitation materials are not easily known or determinable.

11. The successful dissemination of solicitation materials to beneficial owners of public securities requires close coordination with numerous parties (including banks, brokerages or other nominees) to ensure that these entities properly forward solicitation materials to their customers. The collection of votes from beneficial holders of public securities similarly requires close coordination and cooperation with the record holders of these securities.

12. The Debtors submit that retaining a special balloting and noticing agent with specialized knowledge regarding the solicitation of public security holders is necessary to ensure that the Debtors satisfy applicable requirements under the Bankruptcy Code in a cost-effective and efficient manner.

13. FBG is well-qualified to serve as the special balloting and noticing agent in these cases, and has broad experience in all types of bankruptcy solicitations and a specialty practice in bankruptcy solicitations involving public securities.

14. Jane Sullivan, the Executive Director of FBG, will have primary responsibility for ensuring that the Debtors satisfy their solicitation requirements under the Bankruptcy Code. Ms. Sullivan has over twenty years of experience in public securities solicitations and has specialized in bankruptcy solicitations since 1991. Ms. Sullivan has worked on over 100 bankruptcy cases,

including, *CAI Wireless Systems, Eagle-Picher Industries, Enron, Federated Department Stores, First Republic Bank, Footstar, Grand Union Company, GWI, Inc., Heartland Wireless Communications, I.C.H. Corporation, JPS Textile Group, MCorp, PennCorp Financial Group, Regal Cinemas, Inc., Resorts International, SGPA, Inc., Southland Corporation, Viasystems Group, Inc., Worldcom and Zale Corporation.*

15. Ms. Sullivan will work closely with other members of FBG's staff, each of whom is experienced with public securities solicitations, including working with banks and brokerage firms to conduct bankruptcy solicitations.

16. In addition, FBG maintains a state of the art mailing facility and tabulation system, which is integral in ensuring orderly and proper bankruptcy solicitation.

17. The Debtors submit that FBG is highly familiar with the necessary processes involved and uniquely qualified to perform the services needed in these cases.

18. In light of the above, the Debtors submit that the retention of FBG is necessary and in the best interests of the Debtors, their estates and creditors.

SCOPE OF SERVICES

19. The Debtors propose to retain FBG to perform the services detailed in the Engagement Letter, as summarized below:³

³ The summary provided below is qualified in its entirety by the terms of the Engagement Letter.

- (a) Provide advice to the Debtors and their counsel regarding all aspects of Plan solicitation, including timing issues, voting and tabulation procedures, and documents needed for the solicitation.
- (b) Review the voting portions of the Disclosure Statement and ballots, particularly as they relate to beneficial owners of securities held in "street name."
- (c) Work with the Debtors to request appropriate information from the Senior Subordinated Note Indenture Trustee (as defined in the Plan) and the transfer agent for the common stock of Refco Inc.
- (d) Mail appropriate documents to registered holders of securities.
- (e) Coordinate the distribution of voting documents to "street name" holders of voting securities by forwarding the appropriate documents to the banks and brokerage firms holding the securities (or their agents), who in turn will forward them to beneficial owners for voting.
- (f) Distribute copies of master ballots to the appropriate nominees (after the initial distribution of documents) so that firms may cast votes on behalf of beneficial owners.
- (g) Prepare a certificate of service for filing.
- (h) Handle requests for documents from parties in interest, including brokerage firms and bank back-offices and institutional holders.
- (i) Respond to telephone inquiries from security holders regarding the Disclosure Statement and the voting procedures.
- (j) If requested to do so, FBG will make telephone calls to any known beneficial owners and/or registered holders of bonds to confirm receipt of Plan documents and respond to questions about the voting procedures.

- (k) Receive and examine all ballots and master ballots cast by bondholders and other security holders entitled to vote, if any. FBG will date and time-stamp the originals of all such ballots and master ballots upon receipt.
- (l) Tabulate all ballots and master ballots received prior to the voting deadline in accordance with established procedures, and prepare a vote certification for filing.
- (m) Undertake such other duties as may be agreed upon by the Debtors and FBG.

20. As FBG is aware, on January 20, 2006, this Court entered an order (Docket No. 1022) approving the Debtors' application to retain Omni Management Group, LLC (the "Claims Agent") as the general claims, noticing and balloting agent in these cases.⁴ FBG will be responsible for the noticing, balloting and tabulation with respect to holders of the Debtors' public securities; the Claims Agent will remain responsible for the noticing, balloting and tabulation for all other claim holders.

21. The Debtors will coordinate efforts between FBG and the Claims Agent to avoid duplication of effort.

COMPENSATION AND REIMBURSEMENT

22. The Debtors propose to compensate FBG in accordance with the Engagement Letter, as summarized below:

⁴ Following the appointment of the RCM Trustee, this Court entered an order (Docket No. 2848) on August 10, 2006, approving the RCM Trustee's application to similarly retain the Claims Agent.

A. Balloting and Tabulation

23. For balloting services, FBG will charge a project fee of \$10,000 for the solicitation of the holders of public securities with an additional charge of \$3,500 in the event holders of the Debtors' common stock are entitled to vote on the Plan. The charges above cover the coordination with all brokerage firms, banks, institutions and other interested parties, including the distribution of voting materials. Additionally, the charges above assume one distribution of materials, which will be directed to the firms' proxy departments (for voting only, and no election or subscription), a single plan, and no extensions of the voting deadline.

24. For the mailing to any registered holders of voting securities, FBG estimates its labor charges at \$1.75 - \$2.25 per solicitation package, depending on the complexity of the mailing, with a minimum charge of \$500 per file. The charges above assume the package would include the Disclosure Statement, a ballot, a return envelope, and one other document. It also assumes that a window envelope will be used for the mailing, and will therefore not require a matched mailing.

25. FBG will charge a minimum fee of \$2,000 to respond to 250 telephone calls from creditors and security holders within a 30-day solicitation period. If more than 250 calls are received within the solicitation period, FBG will charge the Debtors \$8 per additional call. In addition, FBG will charge \$8 per call for calls made to creditors or security holders.

26. FBG will charge \$125 per hour for the tabulation of ballots and master ballots, plus set up charges of \$1,000 for each tabulation element (e.g.,

each security or plan class). FBG also will charge its customary hourly rates (\$65-\$410) for any time spent by senior executives reviewing and certifying the tabulation and dealing with special issues that may develop in the solicitation process.

27. FBG will charge the Debtors for consulting services at FBG's customary hourly rates noted above. Such consulting services include, without limitation, (a) the review and development of materials, including the Disclosure Statement, the Plan, ballots and master ballots; (b) participation in telephone conferences, strategy meetings or the development of strategies relative to the project; (c) services related to solicitation, including issues that may arise during the balloting or tabulation process; (d) computer programming or other project-related data processing services; (e) travel to cities outside of New York City for client meetings, or legal or other matters; (f) services related to the preparation of testimony and attendance at court hearings; and (g) services related to the preparation of affidavits, certifications, fee applications (if required by the Court), invoices and reports.

B. Notice Mailings

28. With respect to mailings to registered record holders of debt or equity securities, FBG will charge \$0.50 - \$0.65 per holder, for up to two paper notices included in the same envelope, with a minimum of \$250 per file. This rate assumes that labels and/or electronic data for these holders would be provided by the trustee, transfer agent or other party maintaining the records.

29. With respect to mailings to holders of public debt or equity security holders in "street name," FBG will charge a fee of \$3,500; for common stock only, FBG will charge a fee of \$2,500.

C. Out of Pocket Expenses

30. Consistent with FBG's policy, FBG will charge the Debtors for reasonable charges and disbursements incurred in the rendition of the above services. These charges and disbursements include, without limitation, (a) travel costs; (b) postage, messengers and couriers; (c) expenses incurred by FBG in obtaining or converting depository participant, creditor, shareholder and/or lists of non-objecting beneficial owners; and (d) reasonable charges for supplies, in-house photocopying, telephone usage, and other similar expenses.

D. Administrative Expense

31. FBG will, on a monthly basis, submit detailed invoices to the Debtors for services rendered, with a copy to the Office of the United States Trustee.

32. The Debtors request that FBG's fees and expenses incurred in the performance of the above services be treated as an administrative expense of the Debtors' chapter 11 cases, and be paid by the Debtors in the ordinary course of business without further order of this Court.⁵

⁵ As an administrative agent, the Debtors do not believe that FBG is a "professional" whose retention is subject to Bankruptcy Code sections 327 and 328 or whose compensation is subject to Bankruptcy Code sections 330 and 331. Nevertheless, out of an abundance of caution, the Debtors are filing this Application under Bankruptcy Code sections 327 and 328 and seeking a waiver of requirements under Bankruptcy Code sections 330 and 331.

33. The Debtors submit that the compensation charged by FBG is reasonable in light of the services to be performed.

DISINTERESTEDNESS

34. To the best of the Debtors' knowledge, and except as set forth in the Sullivan Declaration, (a) neither FBG nor any employee thereof holds or represents an interest adverse to the Debtors, their affiliates, their creditors or any other party in interest, their respective attorneys and accountants, the RCM Trustee, the United States Trustee or any person employed thereby, and (b) FBG is a "disinterested person" within the meaning of Bankruptcy Code section 101(14).⁶

MEMORANDUM OF LAW

35. Because the legal points and authorities upon which this Application relies are incorporated herein, the Debtors respectfully request that the requirement of the service and filing of a separate memorandum of law under Local Rule 9013-1(b) be deemed satisfied by this Application.

36. No previous request for the relief requested herein has been made to this Court or any other court.

⁶ The Debtors' knowledge regarding FBG's connections and disinterestedness are based on the Declaration of Jane Sullivan, filed concurrently herewith.

WHEREFORE, the Debtors respectfully request that this Court enter an order (i) authorizing the retention of FBG as special balloting and noticing agent in these cases and (ii) granting the Debtors such other and further relief as is just and proper.

Dated: New York, New York
October 4, 2006

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ J. Gregory St. Clair
J. Gregory Milmo (JGM 0919)
Sally McDonald Henry (SMH 0839)
J. Gregory St. Clair (GS 8344)
Four Times Square
New York, New York 10036
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Attorneys for Refco Inc., et al.,
Debtors and Debtors-In-Possession

EXHIBIT A

Sullivan Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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:
In re: : Chapter 11
:
Refco Inc., et al., : Case No. 05-60006 (RDD)
:
Debtors. : (Jointly Administered)
:
-----X

DECLARATION OF JANE SULLIVAN

I, JANE SULLIVAN, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am the Executive Director of Financial Balloting Group LLC ("FBG"),¹ which maintains offices at 757 Third Avenue, New York, New York 10017.

2. I submit this Declaration under Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and in support of the Debtors' Application for Order Under 11 U.S.C. §§ 105(a), 327(a), 328(a) and Fed. R. Bankr. P. 3017 Authorizing Retention of Financial Balloting Group LLC as Special Balloting and Noticing Agent (the "Application").

¹ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Application.

3. FBG is a firm with significantly experienced employees in all areas of bankruptcy balloting and related assignments, and with a specialization in soliciting, tabulating and noticing holders of public debt and equity securities.

4. I have had significant experience providing services to debtors and debtors-in-possession in matters relating to communicating with public security holders and creditors with respect to voting and solicitation issues. I have provided such services in over 100 cases, including *CAI Wireless Systems, Eagle-Picher Industries, Enron, Federated Department Stores, First RepublicBank, Footstar, Grand Union Company, GWI, Inc., Heartland Wireless Communications, I.C.H. Corporation, JPS Textile Group, MCorp, PennCorp Financial Group, Regal Cinemas, Inc., Resorts International, SGPA, Inc., Southland Corporation, Viasystems Group, Inc., Worldcom and Zale Corporation.*

5. As set forth in the Engagement Letter, FBG proposes to render the following services to the Debtors:

- (a) Provide advice to the Debtors and their counsel regarding all aspects of Plan solicitation, including timing issues, voting and tabulation procedures, and documents needed for the solicitation.
- (b) Review the voting portions of the Disclosure Statement and ballots, particularly as they relate to beneficial owners of securities held in "street name."
- (c) Work with the Debtors to request appropriate information from the Senior Subordinated Note Indenture Trustee (as defined in the Plan) and the transfer agent for the common stock of Refco Inc.

- (d) Mail appropriate documents to registered holders of securities.
- (e) Coordinate the distribution of voting documents to "street name" holders of voting securities by forwarding the appropriate documents to the banks and brokerage firms holding the securities (or their agents), who in turn will forward them to beneficial owners for voting.
- (f) Distribute copies of master ballots to the appropriate nominees (after the initial distribution of documents) so that firms may cast votes on behalf of beneficial owners.
- (g) Prepare a certificate of service for filing.
- (h) Handle requests for documents from parties in interest, including brokerage firms and bank back-offices and institutional holders.
- (i) Respond to telephone inquiries from security holders regarding the Disclosure Statement and the voting procedures.
- (j) If requested to do so, FBG will make telephone calls to any known beneficial owners and/or registered holders of bonds to confirm receipt of Plan documents and respond to questions about the voting procedures.
- (k) Receive and examine all ballots and master ballots cast by bondholders and other security holders entitled to vote, if any. FBG will date and time-stamp the originals of all such ballots and master ballots upon receipt.
- (l) Tabulate all ballots and master ballots received prior to the voting deadline in accordance with established procedures, and prepare a vote certification for filing.
- (m) Undertake such other duties as may be agreed upon by the Debtors and FBG.

6. Subject to this Court's approval, FBG and the Debtors have agreed to the terms for compensation and reimbursement of FBG set forth in the Engagement Letter. Such terms are consistent with FBG's usual and customary billing rates and practices.

7. Other than as set forth in the Engagement Letter, no other arrangement is proposed for compensation to be paid in these cases.

8. FBG has no agreement to share any compensation received with any person or entity, except as permitted under Bankruptcy Code section 504(b)(1).

9. To the best of my knowledge, and except as set forth in this Declaration, (a) neither FBG nor any employee thereof holds or represents an interest adverse to the Debtors, their affiliates, their creditors or any other party in interest, their respective attorneys and accountants, the RCM Trustee, the United States Trustee or any person employed thereby, and (b) FBG is a "disinterested person" within the meaning of Bankruptcy Code section 101(14).

10. It is possible that FBG may have rendered services to certain creditors of, or equity interest holders in, the Debtors or may have been involved in matters unrelated to the Debtors, in which these creditors or equity interest holders were also involved. Similarly, employees of FBG may have had business associations with certain creditors or other parties in interest in the Debtors' cases,

but such associations were (or are) in no way connected with FBG's representation of the Debtors.²

11. Although FBG does have a relationship with the following parties, such relationships are not connected with FBG's representation of the Debtors:

Disclosure Party	Relationship to the Debtors	Relationship to FBG
Verizon	Counterparties to material contracts	Vendor
Kirkland and Ellis	Professional	Law firm
Automatic Data Processing	Conflict party	Payroll servicer
Microsoft	Conflict party	Operating system provider
Federal Express	Refco LLC conflict party	Vendor
Department of the Treasury/ Internal Revenue Service	Refco LLC conflict party	Taxing authority

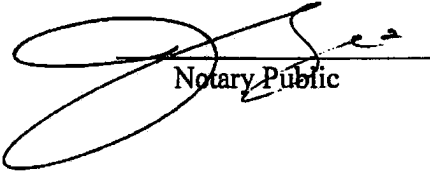
12. FBG does not currently maintain any relationships or interests, and does not intend to develop additional relationships or interests during its representation of the Debtors in these chapter 11 cases, in matters that would be adverse to the Debtors' estates.

² For example, employees of FBG may now have, or may have had in the past, banking, investment, trust or other customer relationships with certain creditors or other parties in interest.

13. I believe that FBG does not represent any interest adverse to the Debtors in the matters upon which FBG is to be engaged. However, should FBG discover any adverse interest, it will inform this Court by supplemental disclosure.

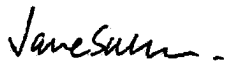
I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of October 2006.



Notary Public

JENNIFER NGO
Notary Public , State of New York
No. 01NG6144757
Qualified in New York County
Commission Expires April 24 , 2010



Jane Sullivan

EXHIBIT 1

Engagement Letter

**FINANCIAL BALLOTING GROUP LLC
757 THIRD AVENUE, 3RD FLOOR
NEW YORK, NY 10017**

September 29, 2006

Refco Inc.
One World Financial Center
200 Liberty Street Tower A
New York, NY 10281
Attn: Jerry Lombardo, Chief Financial Officer

AGREEMENT

This Agreement sets forth the terms and conditions under which Financial Balloting Group LLC ("FBG") will serve as special balloting and noticing agent with respect to the public securities of Refco Inc. ("Refco").

Assumptions

For the purpose of this Agreement we are making the following assumptions about the parties entitled to vote and/or receive notice:

- One issue of public debt held in one CUSIP number with less than 200 holders in Street name, which would be entitled to vote on the plan; and
- One issue of public equity with less than 5,000 holders in Street name and some number of additional registered holders, which may or may not be entitled to vote on the plan.

Balloting and Tabulation Services

As special balloting agent, in addition to handling the mailing of plan documents to holders of voting securities, we would take calls from any holders who may have questions about the plan, and conduct the tabulation of votes.

A more detailed breakdown of the elements we would handle as balloting and tabulation agent for the public securities follows:

1. Provide advice to the company and its counsel regarding all aspects of the plan vote, including timing issues, voting and tabulation procedures, and documents needed for the vote.
 2. Review the voting portions of the disclosure statement and ballots, particularly as they may relate to beneficial owners of securities held in Street name.
 3. Work with the company to request appropriate information from The Depository Trust Company, the trustee of the bonds, and the transfer agent for the common stock.
-

4. Mail appropriate documents to any registered holders of securities.
5. Coordinate the distribution of voting documents to Street name holders of voting securities by forwarding the appropriate documents to the banks and brokerage firms holding the securities (or their agent), who in turn will forward it to beneficial owners for voting.
6. Distribute copies of the master ballots to the appropriate nominees (after the initial distribution of documents) so that firms may cast votes on behalf of beneficial owners.
7. Prepare a certificate of service for filing with the court.
8. Handle requests for documents from parties in interest, including brokerage firm and bank back-offices and institutional holders.
9. Respond to telephone inquiries from security holders regarding the disclosure statement and the voting procedures. FBG will restrict its answers to the information contained in the plan documents. We will seek assistance from the company or their counsel on any questions that fall outside of the voting documents.
10. If requested to do so, FBG will make telephone calls to any known beneficial owners and/or registered holders of bonds to confirm receipt of plan documents and respond to questions about the voting procedures.
11. If requested to do so, establish a website for the posting of Plan documents, including interactive features, if needed.
12. Receive and examine all ballots and master ballots cast by bondholders and other parties entitled to vote. FBG will date- and time-stamp the originals of all such ballots and master ballots upon receipt.
13. Tabulate all ballots and master ballots received prior to the voting deadline in accordance with established procedures, and prepare a vote certification for filing with the court.
14. Undertake such other duties as may be agreed upon by FBG and Refco.

Pricing for Balloting and Tabulation

Our pricing structure for the balloting portion of the assignment follows:

1. A project fee of \$10,000 for the solicitation of the debt issue. In the event the common stock is entitled to vote, there will be an additional charge of 3,500. This covers the coordination with all brokerage firms, banks, institutions and other interested parties, including the distribution of voting materials. This assumes one distribution of materials, which will be directed to the firms' proxy departments (for voting only, and no election or subscription), a single plan, and no extensions of the voting deadline. Because there is only one relatively small issue involved, we have reduced our project fee, which is generally \$15,000, and have waived our fee of \$3,000 for each debt security (cusip) entitled to vote.

2. For the mailing to any registered holders of voting securities, we would estimate labor charges at \$1.75 - \$2.25 per voting package, depending on the complexity of the mailing, with a \$500 minimum for each file. The charge indicated assumes the package would include the disclosure statement, a ballot, a return envelope, and one other document. It also assumes that a window envelope will be used for the mailing, and will therefore not require a matched mailing.
3. A minimum charge of \$2,000 to take up to 250 telephone calls from creditors within a 30-day solicitation period. If more than 250 calls are received within the period, those additional calls will be charged at \$8.00 per call. Any calls to creditors or security holders will be charged at \$8.00 per call.
4. A charge of \$125 per hour for the tabulation of ballots and master ballots, plus set up charges of \$1,000 for each tabulation element (e.g., each security or plan class). Standard hourly rates (as enumerated below) will apply for any time spent by senior executives reviewing and certifying the tabulation and dealing with special issues that may develop.
5. We will bill for consulting hours at our then applicable standard hourly rates. Listed below are our current standard hourly rates. Consulting services by FBG would include the review and development of materials, including the disclosure statement, plan, ballots, and master ballots; participation in telephone conferences, strategy meetings or the development of strategy relative to the project; efforts related to special balloting procedures, including issues that may arise during the balloting or tabulation process; computer programming or other project-related data processing services; visits to cities outside of New York for client meetings or legal or other matters; efforts related to the preparation of testimony and attendance at court hearings; and the preparation of affidavits, certifications, fee applications (if required by the court), invoices, and reports.

Hourly rates:

Executive Director	\$410 per hour
Senior Consultant	\$375 per hour
Director	\$360 per hour
Senior Case Manager	\$300 per hour
Case Manager	\$240 per hour
Junior Case Manager	\$190 per hour
Programmer II	\$195 per hour
Programmer I	\$165 per hour
Clerical	\$65 per hour

Notice Mailings

FBG would receive printed copies of the notice (or print them) and work with the company to request appropriate information to ensure that the mailing can be done correctly. Mailings are completed as quickly and efficiently as possible. A certificate of service will be prepared for filing with the court.

Notice mailings to any registered holders are straightforward, because their identities are known and notices can be sent directly to them. The mailing process is more complex for security holders in street name, because the notices need to be forwarded to beneficial owners of securities by the brokers or banks holding the securities, or their agent. We will coordinate with the firms in question, deliver the appropriate documents to them with instructions for mailing, and follow-up to be certain the notices are forwarded to beneficial owners.

Pricing for Notice Mailings

Mailings to Registered Holders of Securities and other parties:

Mailings to any registered holders of bonds or stock, and/or other individual parties would be charged at \$0.50 - \$0.65 per holder, for up to two paper notices included in the same envelope, with a \$250 minimum per file. This assumes that labels and/or electronic data for these holders would be provided by the trustee, transfer agent or other party maintaining the records.

Mailings to Holders of Public Securities in "Street" name:

FBG's fee for a notice mailing to all securities held in Street name, including bonds and stock, would be \$3,500; for common stock only it would be \$2,500.

Out of Pocket Expenses

All out-of-pocket expenses relating to any work undertaken by FBG will be charged separately, and will include such items as travel costs, postage, messengers and couriers, etc., expenses incurred by FBG in obtaining or converting depository participant, creditor, shareholder and/or lists of Non-Objecting Beneficial Owners; and appropriate charges for supplies, in-house photocopying, telephone usage, etc.

Charges

For services rendered by FBG under this Agreement, Refco shall pay the charges set forth above. FBG will bill Refco monthly. All invoices shall be due and payable upon receipt.

In addition to all charges for services, Refco shall pay to FBG all taxes, however designated, levied or based that are applicable to this Agreement or are measured directly by payments made under this Agreement and are required to be collected by FBG or paid by FBG to taxing authorities. This provision includes, but is not limited to, sales, use and excise taxes, but does not include personal property taxes or taxes based on net income.

Where Refco requires measures that are unusual and beyond normal business practice of FBG such as, but not limited to, CPA audit, errors and omissions insurance, or off-premises storage of data, the cost of such measures, if provided by FBG, shall be charged to Refco at a competitive rate.

In the event of termination due to Refco's default, Refco shall be liable for all amounts then owing.

Term

This Agreement shall become effective on the later of (i) the date it has been accepted by both FBG and Refco or (ii) if Bankruptcy Court approval is required, the date of entry of an order by the Bankruptcy Court approving this Agreement or such earlier date set by the Bankruptcy Court. The agreement shall remain in effect until it is terminated by Refco or FBG on one (1) month's prior written notice.

Indemnity

Refco agrees to indemnify and hold FBG harmless against any loss, damage, expense (including, without limitation, legal and other related fees and expenses), liability or claim arising out of FBG's fulfillment of the Agreement (except for any loss, damage, expense, liability or claim resulting out of FBG's own gross negligence or willful misconduct). At its election, Refco may assume the defense of any such action. FBG hereby agrees to advise Refco of any such liability or claim promptly after receipt of the notice thereof; provided however, that FBG's right to indemnification hereunder shall not be limited by its failure to promptly advise Refco of any such liability or claim, except to the extent that IES is prejudiced by such failure. The indemnification contained in this paragraph will survive the term of the Agreement. Except as provided herein, FBG's liability to Refco or any person claiming through or under Refco for any claim, loss, damage, expense of any kind, or for any lost profits, loss of business or other consequential damages even if FBG has been advised of the possibility of such damages, whether direct or indirect and unless due to gross negligence or willful misconduct of FBG shall be limited to the total amount billed or billable to Refco for the portion of the particular work which gave rise to the loss or damage. In no event shall FBG be liable to Refco for any special or consequential damages (including loss of anticipated profits) incurred by Refco in connection with or arising out of the services provided for in this Agreement.

Confidentiality

FBG agrees to preserve the confidentiality of all non-public information provided by Refco or its agents for its use in providing services under this Agreement, or information developed by FBG based upon such non-public information. All of Refco's data given to FBG will be safeguarded by FBG to the same extent that FBG safeguards data relating to its own business; provided, however, that if data is publicly available, was already in FBG's possession or known to it, or was rightfully obtained by FBG from a third party, FBG shall bear no responsibility for disclosure. Refco agrees that FBG shall not be liable beyond the limits provided under "Indemnity," above, for damages or losses of any nature whatsoever arising out of the unauthorized acquisition or use of any material supplied by Refco to FBG in the performance of this Agreement.

General

No waiver, alteration, amendment or modification of any of the provisions of this Agreement shall be binding upon either party unless signed in writing by a duly authorized representative of both parties.

This agreement may not be assigned by Refco without the express written consent of FBG, which consent shall not be unreasonably withheld. The services provided under this Agreement are for the sole benefit and use of Refco, and shall not be made available to any other persons.

This Agreement shall be governed by the laws of the State of New York, without regard to that state's provisions for choice of law.

The parties agree that this Agreement is the complete and exclusive statement of the agreement between the parties which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

Notices to be given or submitted by either party to the other, pursuant to this Agreement, shall be sufficiently given or made if given or made in writing and sent by certified mail or overnight courier, postage prepaid, and addressed as follows:

If to FBG:

Financial Balloting Group LLC
757 Third Avenue, 3rd Floor
New York, New York 10017
Attn: Jane Sullivan, Executive Director


If to Refco:

Refco Inc.
One World Financial Center
200 Liberty Street Tower A
New York, NY 10281
Attn: Jerry Lombardo, Chief Financial Officer

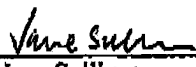
If the above is agreed to by you, please sign and return this Agreement to Financial Balloting Group LLC, Attention: Jane Sullivan, 757 Third Avenue, 3rd Floor, New York, NY 10017.

ACCEPTED:

REFCO INC.

By: 
Title: Jerry Lombardo, CFO
Date: 9/29/06

FINANCIAL BALLOTING GROUP LLC

By: 
Jane Sullivan
Executive Director