

LATHAM & WATKINS LLP
David M. Brodsky (DB-6623)
885 Third Avenue, Suite 1000
New York, New York 10022
Telephone: (212) 906-1200
Facsimile: (212) 751-4864
Email: david.brodsky@lw.com

Special Investigation Counsel to the Audit
Committee of the Debtors' Board of Directors

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

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In re: : Chapter 11
: :
: :
Refco Inc. et al.¹ : Case No. 05 – 60006 (RDD)
: :
: Jointly Administered
Debtor. :
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**FIRST AND FINAL FEE AND EXPENSE APPLICATION COVER SHEET
OF LATHAM & WATKINS LLP AS SPECIAL INVESTIGATION COUNSEL TO THE
AUDIT COMMITTEE OF THE DEBTORS' BOARD OF DIRECTORS**

Name of Applicant: Latham & Watkins LLP
Role in Case: Special Investigation Counsel to the Audit Committee of
the Debtors' Board of Directors
Date of Retention: December 23, 2005 (*nunc pro tunc* to October 18, 2005,
interim basis only)
Period Covered: October 18, 2005 through January 31, 2006
Current Application
Fees Requested: \$ 285,980.50
Expenses Requested: \$ 15,660.77

¹ In addition to Refco Inc., the following entities are debtors in these related cases: Bersec International LLC, Kroeck & Associates, LLC, Marshall Metals LLC, New Refco Group Ltd., LLC, Refco Administration LLC, Refco Capital LLC, Refco Capital Holdings LLC, Refco Capital Management LLC, Refco Capital Markets, Ltd., 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 Ltd., Refco Global Futures LLC, Refco Global Holdings LLC, Refco Group Ltd., LLC, Refco Information Services LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies LLC, and Summit Management LLC.

Total Fees and Expenses

Requested: \$ 301,641.27

Blended Hourly Rate: \$ 517.97
(excluding paraprofessionals)

Blended Hourly Rate: \$ 479.27
(including paraprofessionals)

This is a(n): ___ interim X final application.

SECTION I: FEE SUMMARY

	<u>To Date</u>	<u>Current Period</u>
Total Fees Requested:	\$285,980.50	\$285,980.50
Total Disbursements Requested:	\$ 15,660.77	\$ 15,660.77
Total Fees Previously Allowed:	N/A	N/A
Total Disbursements Previously Allowed:	N/A	N/A
Total Previously Received by Applicant:	\$0.00	\$0.00 ²

SECTION II: ATTORNEY/OTHER PROFESSIONAL SUMMARY

<u>Name of Attorney/ Other Professional</u>	<u>Yr. Admitted to Practice</u>	<u>Hourly Rate</u>	<u>Hours Billed</u>	<u>Final Totals</u>
<u>PARTNERS/OF COUNSEL</u>				
David M. Brodsky	1968	\$775.00/\$825.00	88.2	\$ 68,735.00
Robert J. Rosenberg	1971	\$795.00	0.5	\$ 397.50
John J. Huber	1975	\$850.00	1.1	\$ 935.00
Walter P. Loughlin	1977	\$625.00	30.0	\$ 18,750.00
Mitchell A. Seider	1987	\$710.00	1.3	\$ 923.00
Douglas N. Greenburg	1993	\$650.00/\$675.00	<u>61.3</u>	<u>\$ 39,862.50</u>
			182.4	\$ 129,603.00
<u>ASSOCIATES</u>				
Rob Malionek	1997	\$520.00	6.10	\$ 3,172.00
John W. Weiss	2001	\$450.00/\$515.00	2.00	\$ 991.00
Thomas Hur	2001	\$475.00/\$545.00	46.20	\$ 22,162.00
Richard C. Rosalez	2002	\$425.00/\$490.00	130.80	\$ 58,092.50
Jonathan Su	2002	\$395.00/\$460.00	75.00	\$ 29,657.50
Andres Alvarez	2004	\$395.00	19.00	\$ 7,505.00
Mike David	2005	\$310.00	40.90	\$ 12,679.00
Alex Vicente Hernandez	2005	\$290.00	7.50	\$ 2,175.00

² As set forth more fully in the Application, Latham applied its retainer received pre-petition from the Debtors and is currently holding \$41,767.18 to be applied to post-petition fees and expenses, but has received no payments from the Debtors post-petition.

Sam F. Halabi	2005	\$290.00	1.00	\$ 290.00
Scott Josefsberg	Bar admission pending	\$290.00	<u>6.70</u>	<u>\$ 1,943.00</u>
			335.20	\$ 138,667.00

<u>Name of Attorney/ Other Professional</u>	<u>Yr. Admitted to Practice</u>	<u>Hourly Rate</u>	<u>Hours Billed</u>	<u>Final Totals</u>
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NONLAWYER PROFESSIONALS

Damon Gaynair	Paralegal	\$200.00	5.50	\$ 1,100.00
Rick Montgomery	Paralegal	\$175.00	34.50	\$ 6,037.50
Jennifer Walker	Paralegal	\$195.00	4.00	\$ 780.00
Sarita Chalen	Paralegal	\$160.00	0.80	\$ 128.00
Jason Grossman	Prof. Staff	\$350.00	1.00	\$ 350.00
Jessica Bengels	Prof. Staff	\$100.00	1.30	\$ 130.00
John Nugent	Prof. Staff	\$100.00	0.50	\$ 50.00
Brandon K. Chock	Law Clerk	\$290.00	3.50	\$ 1,015.00
David A. Hammerman	Law Clerk	\$290.00	7.00	\$ 2,030.00
Alyssa J. Mayer	Law Clerk	\$290.00	7.50	\$ 2,175.00
Greg G. Oehler	Law Clerk	\$290.00	3.00	\$ 870.00
Matthew E. Sadofsky	Law Clerk	\$290.00	5.00	\$ 1,450.00
Dennis K. Yai	Law Clerk	\$290.00	<u>5.50</u>	<u>\$ 1,595.00</u>
			79.10	\$ 17,710.00
TOTAL HOURS AND FEES			596.70	\$285,980.50

SECTION III: COMPENSATION BY PROJECT CATEGORY

	<u>Hours Billed</u>	<u>Blended Hourly Rate</u>	<u>Final Totals</u>
General Case Administration	120.10	\$ 582.99	\$ 70,017.00
Investigation	248.80	\$ 417.28	\$103,819.00
Communications/Coordination with Debtors' Counsel	22.20	\$ 404.28	\$ 8,975.00
Responses to Regulators	34.90	\$ 559.21	\$ 19,516.50
Retention Issues	166.00	\$ 489.34	\$ 81,230.50
Fee Application	4.70	\$ 515.43	\$ 2,422.50
TOTAL HOURS AND FEES	596.70	\$ 479.27	\$285,980.50

SECTION IV: EXPENSE SUMMARY

<u>Expenses</u>	<u>Amount</u>
a) Photocopying	\$ 5,372.09
b) Telephone	\$ 521.71
c) Messenger	\$ 1,306.25
d) Federal Express	\$ 6.12
e) Airfare & Trainfare	\$ 1,533.30
f) Trip Expense	\$ 3,965.59
g) Meals – Out of Town	\$ 820.91
h) Ground Transportation	\$ 723.09
i) Supplies/office expenses	\$ 283.20
j) Postage	\$ 0.37
k) Computer Research	\$ 1,128.14
TOTAL	\$15,660.77

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

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In re: : **Chapter 11**
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:
Refco Inc. et al.¹ : **Case No. 05 – 60006 (RDD)**
:
: **Jointly Administered**
Debtor. :
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**FIRST AND FINAL APPLICATION OF LATHAM & WATKINS LLP
FOR ALLOWANCE AND PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS SPECIAL INVESTIGATION COUNSEL TO
THE AUDIT COMMITTEE OF THE DEBTORS’ BOARD OF DIRECTORS**

Pursuant to sections 330 and 503(b)(1)(A) of chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines” collectively with the Local Guidelines, the “Guidelines”), Latham & Watkins LLP (“Latham”), special investigation counsel to the Audit Committee of the Board of Directors of the above-captioned debtors and debtors-in-possession (the “Debtors”), respectfully submits this first and final application (the “Application”) for allowance of compensation totaling \$285,980.50, and reimbursement of expenses totaling

¹ In addition to Refco Inc., the following entities are debtors in these related cases: Bersec International LLC, Kroeck & Associates, LLC, Marshall Metals LLC, New Refco Group Ltd., LLC, Refco Administration LLC, Refco Capital LLC, Refco Capital Holdings LLC, Refco Capital Management LLC, Refco Capital Markets, Ltd., 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 Ltd., Refco Global Futures LLC, Refco Global Holdings LLC, Refco Group Ltd., LLC, Refco Information Services LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies LLC, and Summit Management LLC.

\$15,660.77, incurred during the period from October 18, 2005 through January 31, 2006 (the “Compensation Period”).

In support of this Application, Latham respectfully represents as follows:

Background

1. On October 17, 2005 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are managing their properties as debtors in possession under Bankruptcy Code sections 1107(a) and 1108.
2. On December 16, 2005, the Debtors filed that certain Application for Authority to Retain Latham & Watkins LLP as Special Investigation Counsel to the Audit Committee of the Debtors’ Board of Directors and for Approval of the Application of Retainer and Interim Payment of Fees (the “Retention Application”). On December 23, 2005, this Court entered an interim order (the “Interim Order”) approving the retention of Latham, *nunc pro tunc* to the Petition Date. A final order authorizing the retention of Latham has been submitted to the Court, but has not yet been entered.
3. As set forth in the Retention Application, prior to the Petition Date, Latham received a retainer (the “Retainer”), in the amount of \$500,000.00, which remained unapplied as of the Petition Date.²

² This Court’s Interim Order authorized (i) the retention of Latham as special investigation counsel, (ii) the application of Latham’s Retainer to pre-petition fees and expenses, which were represented in the Retention Application as totaling \$458,232.82, and (iii) the application of the balance of the Retainer to post-petition fees and expenses pursuant to a later-filed Fee Application. (As set forth in the First Supplemental Declaration of David M. Brodsky in Support of Debtors’ Retention of Latham & Watkins LLP As Special Investigation Counsel to the Audit Committee of the Debtors’ Board of Directors (the “First Supplemental Declaration”), the Interim Order appears to contain a typographical error and incorrectly lists \$49,000 as the amount represented as the value of legal services rendered by Latham pre-petition.) The First Supplemental Declaration further noted that the Retention Application understated the pre-petition expenses by \$9,456.31. Thus, the actual pre-petition fees and expenses to which the Retainer is to be applied total \$467,689.13. Latham continues to hold \$41,767.18 for partial satisfaction of post-petition fees and expenses.

4. By Order dated December 13, 2005 (the “Administrative Order”), the Court established a procedure for interim compensation and reimbursement of expenses for all professionals in these cases. In particular, the Administrative Order provides that, absent objection, upon the expiration of twenty days after the service of any monthly fee statements, the Debtors are authorized to pay each professional an amount equal to 80 percent of the fees and 100 percent of the expenses requested in their respective monthly fee statements. Because of the timing of Latham’s retention in this case, Latham did not serve any monthly fee statements, and instead files only this first and final Application.

5. By this Application, Latham seeks final allowance of all fees and expenses incurred during the Compensation Period. Latham also seeks final authority to apply the balance of its Retainer, totaling \$41,767.18, in partial satisfaction of the outstanding pre-petition fees and expenses, and fees and expenses requested herein. Finally, Latham seeks payment from the Debtors of all remaining outstanding fees and expenses after application of its Retainer to the aforementioned fees and expenses.

6. The supervisory responsibility for Latham’s efforts on behalf of the Debtors was undertaken by David M. Brodsky, a partner in Latham’s New York office. Mr. Brodsky is a 1964 graduate of Brown University and a 1967 graduate of the Harvard University Law School.

Summary of Services Performed During the Compensation Period

7. As is reflected in the attached First and Final Fee and Expense Application Cover Sheet of Latham & Watkins LLP as Special Investigation Counsel to the Audit Committee of the Debtors’ Board of Directors (the “Cover Sheet”), Latham has rendered 596.70 hours of legal services in representation of the Debtors from October 18, 2005 through January 31, 2006. Based upon the nature of the services rendered, the time required to provide such services, the

value of such services to the Debtors, and the cost of comparable services outside a case under the Bankruptcy Code, Latham believes that the compensation for services rendered to the Debtors, should be not less than \$285,980.50. This total represents 596.70 hours of Latham attorney and other professional time, at a blended average hourly rate of \$479.27. The hourly rate for each attorney and other professional who performed services for the Debtors is set forth in the Cover Sheet.

8. All of the fees and expenses requested in this first and final Application are for legal services that Latham rendered on behalf of the Audit Committee. Latham did not render legal services to Refco Capital Markets, Ltd. (“RCM”). As a result, Latham has no separate time records, fees or expenses associated with services rendered on behalf of RCM.

9. In accordance with the Local Guidelines, a detailed chronological narrative (the “Billing Detail”) of the time spent (divided among six (6) applicable billing categories), the dates and descriptions of the services rendered, and the identity of the attorneys and other professionals who provided services on behalf of the Debtors from October 18, 2005 through January 31, 2006, is attached hereto as Exhibit “A,” and incorporated herein by reference. Section III of the Cover Sheet, contains a summary of the services provided by project category.

10. Latham respectfully supplements the attached Billing Detail with the following narrative summary of services rendered by Latham, organized by category.

a) **General Case Administration.** Latham rendered a total of 120.10 hours and \$70,017.00 in services in the category “General Case Administration.” This project contains all of Latham’s services rendered in connection with the overall management of the case. Latham held conference calls with the Audit Committee, management, employees and staff of the Debtors. Latham also held office conferences by and between attorneys and staff of Latham and

FTI, the forensic accountants that assisted Latham with the investigation. This project also contains all of the services rendered in connection with maintaining files, monitoring case dockets to remain current on case status, and managing the information collected during the course of Latham's investigation.

b) **Investigation.** Latham rendered a total of 248.80 hours and \$103,819.00 in services in the category "Investigation." This project contains all of Latham's services rendered in connection with the investigation of management, employees, records and data of the Debtors. Latham conducted extensive interviews and collected a substantial amount of information from management, employees, records and data of the Debtors. This project also includes the review and analysis of documents, records and other information collected in connection with the investigation.

c) **Communications/Coordination with Debtors' Counsel.** Latham rendered a total of 22.20 hours and \$8,975.00 in services in the category "Communications/Coordination with Debtors' Counsel." This project contains all of Latham's services rendered in connection with providing information and analysis related to its investigation to Debtors' counsel. Latham cooperated with Debtors' counsel in order to comply with requests for information from various government agencies and regulatory bodies. This project also includes the transfer of information and records from Latham to Debtors' counsel.

d) **Responses to Regulators.** Latham rendered a total of 34.90 hours and \$19,516.50 in services in the category "Responses to Regulators." This project contains all of Latham's services rendered in connection with responding to requests for documents and information from various government agencies and regulatory bodies, including the Securities and Exchange Commission, the United States Attorney for the Southern District of New York,

the Chicago Mercantile Exchange, the Commodity Futures Trading Commission, the National Association of Securities Dealers and the New York Stock Exchange (collectively, the “Regulators”). Latham participated in conference calls, meetings, and presentations and produced documents to the Regulators.

e) **Retention Issues.** Latham rendered a total of 166.00 hours and \$81,230.50 in services in the category “Retention Issues.” This project contains all of Latham’s services rendered in connection with preparing and filing its retention application and supporting documents in this chapter 11 case, and in addressing certain objections raised in respect thereto. In submitting this first and final Application, Latham is voluntarily waiving its right to seek compensation for fees of approximately \$5,000.00 to which it believes it would otherwise be entitled for services related to Retention Issues rendered after the Compensation Period.

f) **Fees Application.** Latham rendered a total of 4.70 hours and \$2,422.50 in services in the category “Fees Application.” This project contains Latham’s services in connection with preparing and filing its fee application during the Compensation Period. In submitting this first and final Application, Latham is voluntarily waiving its right to seek compensation for fees of approximately \$15,000.00 to which it believes it would otherwise be entitled for services related to preparation of this Application rendered after the Compensation Period.

Latham’s Staffing and Internal Procedures.

10. Latham has made a conscious effort in this case to provide the Debtors with high quality legal services at the lowest possible cost. Latham respectfully submits that it has been extremely efficient in avoiding duplication of effort and keeping fees and costs at the lowest level possible.

11 Latham believes that the attached Billing Detail reflects the actual, fair and reasonable value of the legal expertise provided to the Debtors during the Compensation Period.

Disbursements

12. Latham expended a total of \$15,660.77 for reasonable and necessary expenses in connection with its representation of the Debtors from October 18, 2005 through January 31, 2006. In accordance with the Guidelines, Section IV of the Cover Sheet attached hereto and incorporated herein by reference, also contains a summary of the expenses incurred by type.

13. Latham does not build a profit component into its disbursements, and charges the Debtors only for Latham's actual out-of-pocket expenses. Photocopy charges are billed at \$0.17 per page.

Certification

14. As required by the Guidelines, a certification that the facts set forth in this Application are true and correct, and that this Application complies with the Guidelines, is attached hereto as Exhibit "B."

Latham is a Disinterested Person and Holds No Adverse Interest

15. All professional services and expenses for which allowance is requested in this Application were performed by Latham on behalf of the Audit Committee of the Debtors' Board of Directors and not on behalf of any other entity or person. Latham has neither a claim against, nor an interest in, the Debtors, and no beneficial interest in the Debtors, directly or indirectly, has been acquired or transferred by Latham or for Latham's benefit since the commencement of these cases. Latham represents no interest adverse to the Debtors with respect to matters upon which it is engaged, and Latham is a "disinterested person" under section 101(14) of the Bankruptcy Code.

16. No agreement or understanding exists between Latham and any other person or entity for the sharing of compensation received or to be received for services rendered in connection with these proceedings, except that fees will be shared with other partners of Latham as permitted by Bankruptcy Rule 2016 and Section 504 of the Bankruptcy Code.

WHEREFORE, Latham respectfully requests that this Court enter an order allowing on a final basis (i) compensation in the sum of \$285,980.50 for actual, reasonable and necessary professional services rendered on behalf of the Debtors during the Compensation Period, including application of the remainder of the Retainer totaling approximately \$41,767.18 in partial satisfaction of such fees and (ii) reimbursement in the amount of \$15,660.77 for actual, reasonable and necessary expenses incurred during the Compensation Period. Latham further requests that this Court's order approving this Application: (i) direct the Debtors to pay Latham the full amount of these fees to the extent not already paid, and (ii) direct the Debtors to reimburse Latham in the amount of \$15,660.77 for actual, reasonable and necessary expenses incurred during the Compensation Period.

Dated: New York, New York
March 24, 2006

LATHAM & WATKINS LLP

/s/ David M. Brodsky
David M. Brodsky (DB-6623)
885 Third Avenue
New York, New York 10022
Tel: (212) 906-1200
Fax: (212) 751-4864
Email: david.brodsky@lw.com

Special Investigation Counsel to the Audit
Committee of the Debtors' Board of Directors

EXHIBIT A

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **GENERAL CASE ADMINISTRATION**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
BRODSKY	10/18/05	4.00	REFCO AUDIT COMMITTEE MEETING (2.30); REFCO TEAM MEETING (0.40); CONTINUED TELEPHONE CALLS WITH MITCHELL AND ZORNOW REGARDING FACTS AND STRATEGY REGARDING DOCUMENT ISSUES (0.30); TELEPHONE CALL WITH D. DANTZIC REGARDING REFCO (1.0)
HUBER	10/18/05	0.30	REVIEW AND RESPONSE TO E-MAILS FROM D. BRODSKY AND D. GREENBURG REGARDING AUDIT COMMITTEE ISSUES AND RESPONSIBILITIES
GREENBURG	10/18/05	1.50	TEAM CONFERENCE CALLS REGARDING TECHNICAL PROGRESS AND NECESSARY STEPS (1.50)
HUR	10/18/05	0.20	DISCUSSIONS WITH D. GREENBURG REGARDING OUTSTANDING ISSUES, INCLUDING VARIOUS ISSUES RELATED TO DOCUMENT REVIEW AND COLLECTIONS (0.20)
ROSALEZ	10/18/05	0.20	OFFICE CONFERENCES WITH LATHAM TEAM AND FTI (0.20)
MONTGOMERY	10/18/05	2.00	PREPARE AND ARRANGE V. ZARATE BOXES FOR DELIVERY TO REFCO GROUP(0.30); REVIEW AND CATALOG CONTENTS OF V. ZARATE BOXES WITH J. SU (1.70)
BRODSKY	10/19/05	3.30	TELEPHONE CALL R. O'KELLEY REGARDING BOARD MEETING (0.30); REFCO BOARD CALL (1.50); REFCO BOARD CONFERENCE CALL (1.40); TELEPHONE CALLS WITH D. GREENBURG REGARDING US ATTORNEY ISSUES (0.10)
HUBER	10/19/05	0.50	REVIEW AND RESPONSE TO WORK PLAN FROM D. BRODSKY
GREENBURG	10/19/05	5.00	ATTEND HEARING IN BANKRUPTCY COURT (5.00)
HUR	10/19/05	0.60	MEETINGS WITH A. ALVAREZ, J. SU AND R. ROSALEZ TO DISCUSS STATUS OF DOCUMENT COLLECTION (0.40); DISCUSSION WITH D. GREENBURG REGARDING STATUS OF CASE AND OUTSTANDING ISSUES (0.20)
ALVAREZ	10/19/05	0.60	MEET WITH T. HUR, R. ROSALEZ AND J. SU REGARDING WORK PLAN GOING FORWARD (0.60)
ROSALEZ	10/19/05	0.50	OFFICE CONFERENCES WITH LATHAM TEAM AND FTI (0.50)
CHALEN	10/19/05	0.80	INDEX DOCUMENTS FOR CUSTODIAN O. CASTILLO
GAYNAIR	10/19/05	5.50	CREATE INDEX OF DOCUMENTS FROM O. CASTILLO AND V. ZARATE BOXES
WALKER	10/19/05	3.00	INDEX BOXES OF DOCUMENTS PER T. HUR
BRODSKY	10/20/05	0.50	PREPARE BUDGET (0.50)
LOUGHLIN	10/20/05	2.00	CONSULTATION WITH D. GREENBURG AND N. HOCHBERG (2.00)
GREENBURG	10/20/05	1.00	CONFERENCE WITH D. BRODSKY, N. HOCHBERG AND W. LOUGHLIN REGARDING INVESTIGATIVE STEPS AND SCOPE (1.0)
ROSALEZ	10/20/05	0.50	OFFICE CONFERENCES WITH LATHAM TEAM AND FTI (.50)
MONTGOMERY	10/20/05	1.00	UPDATE CUSTODIAN RECORDS INDEX (1.00)
BRODSKY	10/21/05	1.30	REFCO AUDIT COMMITTEE CALL (1.30)
LOUGHLIN	10/21/05	1.50	CONSULTATION WITH D. BRODSKY AND D. GREENBURG (1.0); TELEPHONE CONFERENCE WITH C. VALDEZ (0.50)
GREENBURG	10/21/05	2.00	TELEPHONE CONFERENCE WITH AUDIT COMMITTEE (1.50); TELEPHONE CONFERENCE WITH GT ATTORNEYS (0.50)
HUR	10/21/05	0.30	DISCUSSION WITH J. SU AND A. ALVAREZ REGARDING DOCUMENT COLLECTION (0.30)
ALVAREZ	10/21/05	0.90	CONFERENCE WITH LATHAM TEAM REGARDING VARIOUS LOGISTICAL ISSUES (0.70); MEET WITH D. BRODSKY REGARDING VARIOUS ISSUES (0.20)
ROSALEZ	10/21/05	1.50	OFFICE CONFERENCES WITH LATHAM TEAM AND FTI (1.50)
MONTGOMERY	10/21/05	2.00	LABEL ARCHIVE BOXES RECEIVED FROM OFF SITE STORAGE (0.70); UPDATE CUSTODIAN RECORDS INDEX (1.30)
BRODSKY	10/22/05	2.00	FURTHER TELEPHONE CALLS AND EMAILS WITH R. O'KELLEY, N. HOCHBERG, M. MITCHELL (2.00)
BRODSKY	10/23/05	5.50	REFCO CALLS AND EMAILS WITH N. GANTCHER, D. GREENBURG, N. HOCHBERG, D. ESSEKS, M. MITCHELL FROM SKADDEN REGARDING STATUS OF INVESTIGATION (2.00); REFCO BOARD MEETING (2.50); TELEPHONE CALLS WITH F. WHITE AND R. O'KELLEY ABOUT SUSPENSION OF WORK (0.80); EMAILS TO TEAM ABOUT SAME (0.20)
HUR	10/23/05	0.70	EMAIL DISCUSSION WITH D. GREENBURG REGARDING DOCUMENT

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
			COLLECTION (0.20); PERFORM MISCELLANEOUS "CLEAN-UP" TASKS IN LIGHT OF THE POTENTIAL SUSPENSION OF LATHAM'S INVESTIGATION (0.50)
BRODSKY	10/24/05	1.00	TELEPHONE CALL WITH G. DANILOW REGARDING SUSPENSION OF THE INVESTIGATION (0.30); TELEPHONE CALL WITH D. KLEJNA REGARDING SAME (0.20); CONFERENCE CALL WITH AUDIT COMMITTEE REGARDING SEC UPDATE (0.50)
WALKER	10/24/05	1.00	MEET WITH M. DAVID REGARDING INDEXING PROJECT PER T. HUR
BRODSKY	10/25/05	2.50	TELEPHONE CALLS WITH M. MITCHELL, J. LERNER, D. GREENBURG REGARDING WORK PRODUCT ISSUES (2.00); FURTHER TELEPHONE CALLS WITH M. MITCHELL, ET AL., M. BROUDE REGARDING BANKRUPTCY ISSUES AND WORK PRODUCT ISSUES (0.50)
ROSALEZ	10/25/05	1.40	ATTENTION TO DOCUMENT COLLECTION AND ADMINISTRATIVE ISSUES RELATED TO SAME
SU	10/25/05	0.30	CORRESPOND WITH R. ROSALEZ (0.20); CORRESPOND WITH T. HUR (0.10)
BRODSKY	10/26/05	1.10	TELEPHONE CALL WITH M. MITCHELL AND D. ZORNOW REGARDING WALL STREET JOURNAL ARTICLE ON OCTOBER 24, 2005 REGARDING C. SHERER (0.20); REFCO BOARD CONFERENCE CALL (0.90)
ROSALEZ	10/26/05	0.40	ATTENTION TO DOCUMENT COLLECTION AND ADMINISTRATIVE ISSUES RELATED TO SAME
BRODSKY	10/27/05	0.50	EMAILS REGARDING REFCO AUDIT COMMITTEE REGARDING BANKRUPTCY ISSUES
ROSALEZ	10/27/05	0.20	ATTENTION TO DOCUMENT COLLECTION AND ADMINISTRATIVE ISSUES RELATED TO SAME
MONTGOMERY	10/27/05	0.50	PREPARE AND ARRANGE L. CASTALDO BOXES FOR COPYING
BRODSKY	10/28/05	2.00	MEETING WITH M. MITCHELL REGARDING AUDIT COMMITTEE RESPONSIBILITIES (0.50); REFCO BOARD CALL (1.50)
DAVID	10/28/05	1.10	SEARCH DOCUMENTS TO SATISFY DOCUMENT REQUEST OF J. MAZUREK OF REFCO (1.10)
ROSALEZ	10/28/05	0.30	ATTENTION TO DOCUMENT COLLECTION AND ADMINISTRATIVE ISSUES RELATED TO SAME (0.30)
SU	10/28/05	0.50	CONFERENCE WITH D. MOZELESKY (0.25); CONFERENCE WITH T. HUR AND R. ROSALEZ (0.25)
BRODSKY	10/30/05	1.00	EMAILS AND TELEPHONE CALLS WITH D. ROGERS, D. GREENBURG, M. RUTHBERG REGARDING CONFLICT ISSUES (0.50); TELEPHONE CALL WITH C. RECKLER REGARDING SAME (0.50)
GREENBURG	10/30/05	1.00	COMMUNICATIONS WITH D. BRODSKY REGARDING AUDIT COMMITTEE INVESTIGATION AND NECESSARY ARTICLES (0.30); ANALYSIS OF ISSUES REGARDING SAME (0.70)
BRODSKY	10/31/05	2.50	TELEPHONE CALL WITH N. HOCHBERG REGARDING TRANSITION ISSUES (0.50); REFCO BOARD UPDATE TELEPHONE CALL (1.00); TELEPHONE CALL WITH R. O'KELLEY; P. LOUGHLIN; D. GREENBURG REGARDING FUTURE DUTIES AND OBLIGATIONS OF AUDIT COMMITTEE (1.00);
LOUGHLIN	10/31/05	1.00	CONSULTATION WITH D. BRODSKY AND D. GREENBURG (0.50); PARTICIPATION IN CALL WITH CLIENT (0.50)
GREENBURG	10/31/05	1.10	TELEPHONE CONFERENCE WITH D. BRODSKY AND P. LOUGHLIN REGARDING INVESTIGATION STATUS AND ISSUES (0.30); TELEPHONE CONFERENCE WITH R. O'KELLEY REGARDING SAME (0.40); ORGANIZATION OF PERSONAL WORKING FILES AND INTERVIEW NOTES (0.40)
DAVID	10/31/05	0.40	CORRESPOND WITH C. LEAHY OF SKADDEN AND ARRANGE FOR DOCUMENT REQUEST BY J. MAZUREK OF REFCO (0.40)
ROSALEZ	10/31/05	0.30	ATTENTION TO DOCUMENT COLLECTION AND ADMINISTRATIVE ISSUES RELATED TO SAME (0.30)
SU	10/31/05	1.60	CONFERENCES WITH D. MOZELESKY, G. HACKER, AND D. GREENBURG REGARDING INVESTIGATION
BRODSKY	11/01/05	2.80	TELEPHONE CALLS WITH J. HUBER AND D. GREENBURG REGARDING REFCO AUDIT COMMITTEE INVESTIGATION GOALS (0.50); REFCO AUDIT COMMITTEE MEETING (1.20); INTERVIEW BY REFCO DIP LENDERS (0.50); REFCO AUDIT COMMITTEE AND BOARD CONFERENCE CALL REGARDING STATUS OF INVESTIGATION (0.60)
HUBER	11/01/05	0.30	CALL FROM D. BRODSKY REGARDING AUDIT COMMITTEE ISSUE

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
LOUGHLIN	11/01/05	1.00	OFFICE CONFERENCE WITH D. BRODSKY REGARDING GOING-FORWARD OPTIONS, ISSUES OF CONFLICT AND EFFECT OF BANKRUPTCY PROCEEDINGS (0.50); CONFERENCE CALL WITH CLIENT AND D. GREENBURG (0.50)
GREENBURG	11/01/05	1.00	TELEPHONE MEETING OF AUDIT COMMITTEE (1.0)
SU	11/01/05	0.40	CORRESPOND WITH A. BROOKS AND M. DAVID REGARDING REFCO ARTWORK (0.40)
BRODSKY	11/02/05	3.60	TELEPHONE CALL WITH M. MITCHELL, J. LERNER AND G. DANILOW REGARDING LETTER FROM CREDITORS' COMMITTEE ON THE AUDIT COMMITTEE'S INVESTIGATION (1.00); TELEPHONE CALL WITH J. WEISS FROM GIBSON DUNN REGARDING DUBAI BID (0.50); CONFERENCE CALL WITH KPMG REGARDING REFCO FUNDS (0.50); TELEPHONE CALL WITH P. FONDREN OF REFCO REGARDING DOCUMENTS EVIDENCING OWNERSHIP OF FX UNIT AND PROPRIETY OF SPEAKING TO P. SILVERMAN (0.70); CONFERENCE CALL WITH AUDIT BOARD REGARDING REFCO BOARD UPDATE TO DISCUSS STATE OF AUDIT COMMITTEE INVESTIGATION, UPDATE PLANS, PRIVILEGE ISSUES AND DOCUMENTARY DEPOSITORY (0.90)
GREENBURG	11/02/05	0.20	COMMUNICATIONS REGARDING BOARD PRESENTATION
HUR	11/02/05	0.30	CALLS WITH M. DAVID REGARDING SAME (0.20); PARTICIPATE IN CONFERENCE CALL WITH THE BOARD (0.30)
BENGELS	11/02/05	0.10	OBTAIN DOCKET SHEET FROM REFCO BANKRUPTCY PROCEEDING; FOR R. ROSALEZ
BRODSKY	11/03/05	4.00	REFCO CONFERENCE CALL (1.00); TELEPHONE CALL WITH S. EDELMAN (0.50); TELEPHONE CALL WITH R. O'KELLEY REGARDING REGARDING CREDITORS' COMMITTEE ISSUES (0.20); CALL WITH S. EDELMAN (0.20); TELEPHONE CALL WITH M. MITCHELL REGARDING AUDIT COMMITTEE FINDINGS (0.80); REFCO BOARD CALL (1.00); REVISE DECLARATION (0.30)
GREENBURG	11/03/05	5.00	TELEPHONE CONFERENCE WITH TEAM AND AUDIT COMMITTEE CHAIR REGARDING PREPARING FOR BOARD PRESENTATION (0.50); REVIEW AND ANALYSIS OF MATERIALS AND PREPARE DRAFT TALKING POINTS FOR BOARD PRESENTATION (1.80); REVIEW AND ANALYSIS OF INTERVIEW CHART AND UPDATE SAME (0.20); COMMUNICATIONS REGARDING BOARD PRESENTATION AND PREPARATION OF MATERIALS FOR SAME(0.50); PREPARE FOR BOARD PRESENTATION (0.30); PARTICIPATE IN BOARD PRESENTATION BY CONFERENCE CALL (1.70)
HUR	11/03/05	1.10	CONFERENCE CALL WITH TEAM REGARDING ORAL REPORT TO BOARD THIS EVENING (0.70); DISCUSSION WITH A. ALVAREZ AND R. ROSALEZ REGARDING SAME (0.40)
ALVAREZ	11/03/05	1.10	CONTACT D. MOZLESKY (REFCO) REGARDING OUTSTANDING ISSUES (0.20); UPDATE AND REVISE CUSTODIAN COLLECTION AND INTERVIEW CHARTS (0.70); CONFERENCE WITH R. ROSALEZ REGARDING SAME (0.20)
DAVID	11/03/05	2.30	UPDATE DOCUMENTS RELATING TO REFCO PERSONNEL POSITION AND ENTITY (1.10); CREATE MASTER REFCO PERSONNEL LIST (1.20)
ROSALEZ	11/03/05	1.70	COORDINATE AND DRAFT CUSTODIAN DOCUMENT COLLECTION AND INTERVIEW CHARTS FOR BOARD PRESENTATION (1.70)
SU	11/03/05	0.70	CONFERENCE WITH A. ALVARES, R. ROSALEZ, REGARDING INVESTIGATION (0.20); CONFERENCE WITH D. GREENBURG (0.50)
BRODSKY	11/04/05	1.00	REFCO BOARD UPDATE CONFERENCE CALLS
ROSALEZ	11/04/05	0.20	REVIEW OF RECENT COURT FILINGS (0.20)
ROSALEZ	11/07/05	2.00	REVIEW OF RECENT COURT FILINGS (2.00)
BRODSKY	11/08/05	1.50	REFCO AUDIT COMMITTEE CONFERENCE CALL (1.00); TELEPHONE CALL WITH S. SCHOEN AND D. HARKINS REGARDING UPDATE (0.50)
LOUGHLIN	11/11/05	0.50	TELEPHONE CONFERENCE WITH U.S. TRUSTEE (0.3); CONSULTATION WITH D. BRODSKY (0.2)
ROSALEZ	11/11/05	0.70	REVIEW RECENT FILINGS (0.70)
BENGELS	11/11/05	0.40	OBTAIN MOST RECENT DOCKET SHEET AND FIVE REQUESTED DOCUMENT (WITH EXHIBITS) IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ.
ROSALEZ	11/14/05	0.10	REVIEW RECENT FILINGS (0.10)
GROSSMAN	11/14/05	0.50	CONDUCT DOCKET RESEARCH (0.25); CONFER WITH AND RENDER PROCEDURAL ADVICE TO R. ROSALEZ REGARDING SAME (0.25)

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
BRODSKY	11/15/05	1.20	REFCO AUDIT COMMITTEE MEETING (0.70); TELEPHONE CALL WITH D. FRANKEL REGARDING BENNETT DOCUMENTS (0.30); TELEPHONE CALL AND MESSAGE TO D. MARTINI, US TRUSTEE REGARDING L&W RETENTION (0.20)
BENGELS	11/15/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	11/16/05	1.00	REFCO BOARD MEETING CONFERENCE CALL
BENGELS	11/16/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	11/17/05	0.50	REFCO AUDIT COMMITTEE CONFERENCE CALL
BENGELS	11/17/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	11/18/05	0.50	TELEPHONE CALL WITH G. DANILOW REGARDING ATTORNEY-CLIENT PRIVILEGE ISSUE
BENGELS	11/18/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	11/21/05	0.50	TELEPHONE CALL WITH N. GANTCHER REGARDING UPDATE
BENGELS	11/21/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	11/22/05	0.50	REFCO AUDIT COMMITTEE CONFERENCE CALL MEETING
SU	11/22/05	0.20	REVIEW INTERVIEW MEMORANDA FOR PURPOSE OF CONDUCTING BRIEFING
NUGENT	11/22/05	0.50	OBTAIN UPDATED DOCKET SHEET VIA PACER
ROSALEZ	11/28/05	0.40	TELECONFERENCES WITH CLIENT REGARDING DOCUMENTS (0.20); DRAFT CORRESPONDENCE TO LATHAM TEAM REGARDING SAME (0.10); DRAFT CORRESPONDENCE TO SKADDEN TEAM REGARDING SAME (0.10)
SU	11/28/05	0.10	REVIEW CURRENT DOCKET SHEET FOR BANKRUPTCY PROCEEDINGS
BENGELS	11/28/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
SU	11/29/05	0.10	REVIEW UPDATED DOCKET SHEET IN BANKRUPTCY PROCEEDING
BENGELS	11/29/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BENGELS	11/30/05	0.10	OBTAIN MOST RECENT DOCKET SHEET IN REFCO BANKRUPTCY PROCEEDING FOR R. ROSALEZ
BRODSKY	12/01/05	1.0	REFCO AUDIT COMMITTEE UPDATE CONFERENCE CALL (1.00)
BRODSKY	12/02/05	0.90	TELEPHONE CALL WITH M. MITCHELL REGARDING ISSUES OF REPRESENTATION FOR REFCO EMPLOYEES (0.20); REFCO BOARD CONFERENCE CALL (0.70)
SU	12/06/05	0.80	PREPARE INTERVIEW SUMMARIES
BRODSKY	12/07/05	0.30	REFCO AUDIT COMMITTEE CONFERENCE CALL REGARDING STATUS OF COOPERATION WITH REGULATORS
GROSSMAN	12/07/05	0.50	CONDUCT DOCKET RESEARCH REGARDING RETENTION APPLICATION OF L&W, PER D. BRODSKY
BRODSKY	12/09/05	0.50	TELEPHONE CALL TO S. HENRY REGARDING REFCO FILINGS
BRODSKY	12/19/05	0.30	TELEPHONE CALL WITH S. EDELMAN REGARDING CREDITORS COMMITTEE POSITION
BRODSKY	12/20/05	1.30	TELEPHONE CALLS WITH L. DESPINS, M. MITCHELL, D. GREENBURG, N. GANTCHER AND R. O'KELLEY REGARDING CREDITORS COMMITTEE POSITION
GREENBURG	12/20/05	0.30	REVIEW OF BAWAG COMPLAINT AND PHONE CONFERENCE WITH D. BRODSKY REGARDING SAME
BRODSKY	12/21/05	1.50	REFCO AUDIT COMMITTEE CONFERENCE CALL (1.50)
BRODSKY	01/05/06	0.50	UPDATED REFCO AUDIT COMMITTEE CONFERENCE CALL
BRODSKY	01/12/06	1.00	CONFERENCE STATUS CALL

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **INVESTIGATION**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
LOUGHLIN	10/18/05	5.50	REVIEW OF DOCUMENTS (2.00) ; MULTIPLE CONSULTATIONS WITH N. HOCHBERG, D. BRODSKY, D. GREENBURG (1.0); PARTICIPATION IN INTERVIEWS OF EMPLOYEES INCLUDING V. ZARATE (2.50)
GREENBURG	10/18/05	8.30	ANALYSIS OF FACTUAL ISSUES (2.80); REVIEW AND ANALYSIS OF DOCUMENTS (2.50); CONDUCT WITNESS INTERVIEW (3.00)
HUR	10/18/05	3.40	PERFORM SECOND-LEVEL REVIEW OF DOCUMENTS REVIEWED BY DC AND NY REVIEWING TEAMS (3.40)
ROSALEZ	10/18/05	2.10	ATTENTION TO DOCUMENT COLLECTION (2.10)
SU	10/18/05	11.00	COLLECT DOCUMENTS (3.00); REVIEW DOCUMENTS (5.50); PREPARE FOR WITNESS INTERVIEWS (2.50)
HALABI	10/18/05	1.00	DOCUMENT REVIEW
HERNANDEZ	10/18/05	7.50	DOCUMENT REVIEW
JOSEFSBERG	10/18/05	6.70	DOCUMENT REVIEW
CHOCK	10/18/05	3.50	DOCUMENT REVIEW
HAMMERMAN	10/18/05	7.00	DOCUMENT REVIEW
MAYER	10/18/05	7.50	DOCUMENT REVIEW
OEHLER	10/18/05	3.00	DOCUMENT REVIEW
SADOFSKY	10/18/05	5.00	DOCUMENT REVIEW
YAI	10/18/05	5.50	DOCUMENT REVIEW
LOUGHLIN	10/19/05	4.50	PREPARATION FOR AND INTERVIEW OF V. ZARATE (2.00); CONSULTATION WITH D. BRODSKY, D. GREENBURG AND N. HOCHBERG (1.50); REVIEW OF DOCUMENTS (1.00)
GREENBURG	10/19/05	4.70	COORDINATE SEARCH FOR CERTAIN DOCUMENTS (1.00); REVIEW AND ANALYSIS OF DOCUMENTS (2.0); PREPARE FOR INTERVIEWS (1.00); COORDINATE INVESTIGATION (0.70)
HUR	10/19/05	5.80	CONDUCT SECOND-LEVEL REVIEW OF DOCUMENTS FLAGGED AS POTENTIALLY RELEVANT BY REVIEWER IN NY AND DC OFFICE (4.90); PHONE INTERVIEW OF M. DOUGLAS AT PROMONTORY REGARDING ALLEGATIONS OF IMPROPER TRANSFER OF FUNDS TO REGULATED ENTITIES (0.90)
ALVAREZ	10/19/05	5.20	COLLECT DOCUMENTS FROM G. SHERER (REFCO) (2.30); INTERVIEW M. ROUGHLEY AND L. CASTALDO (REFCO) (1.40); CONFERENCE CALL WITH TEAM REGARDING SAME (0.80); REVIEW MAGGIO DOCUMENTS (0.70)
ROSALEZ	10/19/05	0.50	ATTENTION TO DOCUMENT COLLECTION (0.50)
SU	10/19/05	14.00	COLLECT DOCUMENTS (7.0); CONDUCT WITNESS INTERVIEWS (2.50); REVIEW DOCUMENTS (4.50)
MONTGOMERY	10/19/05	8.00	CONDUCT INTERVIEWS AND COLLECT VARIOUS CUSTODIAN DOCUMENTS WITH J. SU AND A. ALVAREZ
BRODSKY	10/20/05	5.00	MULTIPLE TELEPHONE CALLS WITH GANTCHER, GREENBURG, MITCHELL, HOCHBERG, SHECHTMAN, ESSEKS, ISAACSON REGARDING 2004 TRANSACTIONS (3.50); REVIEW OF RECORDS (1.50)
LOUGHLIN	10/20/05	5.50	PREPARATION FOR AND PARTICIPATION IN INTERVIEW OF S. LEVY AND J. BEERMAN (3.50); REVIEW OF DOCUMENTS (2.00)
GREENBURG	10/20/05	8.90	PREPARE FOR AND CONDUCT WITNESS INTERVIEWS (5.50); COMMUNICATIONS REGARDING COORDINATION OF DOCUMENT COLLECTION AND FORENSIC ACCOUNTING (1.00); ANALYSIS OF THE SAME (1.00) REVIEW AND ANALYSIS OF INTERVIEW MEMORANDUM (1.40)
ALVAREZ	10/20/05	3.50	REVIEW DOCUMENTS COLLECTED FROM J. BEHRMANN (REFCO) FOR MATERIAL RELEVANT TO INVESTIGATION (0.60); ASSIST WITH INTERVIEW OF BEHRMANN (2.40); CONFERENCE WITH LATHAM TEAM REGARDING SAME (0.50)
DAVID	10/20/05	9.50	ONSITE AT REFCO COLLECTING DOCUMENTS
ROSALEZ	10/20/05	6.40	ATTENTION TO DOCUMENT COLLECTION (6.00); CONFER WITH CUSTODIANS (0.40)
SU	10/20/05	12.00	CONDUCT WITNESS INTERVIEWS (8.0); COLLECT DOCUMENTS FROM CUSTODIANS (4.0)

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
MONTGOMERY	10/20/05	12.00	CONDUCT INTERVIEWS AND COLLECT VARIOUS CUSTODIAN DOCUMENTS WITH J. SU AND A. ALVAREZ (12.00)
BRODSKY	10/21/05	2.80	TELEPHONE CALLS WITH M. MITCHELL, J. LERNER; F. WHITE REGARDING REFCO ASSETS (1.30); TELEPHONE CALLS WITH D. ESSEKS., N. HOCHBERG REGARDING SAME (0.80) TELEPHONE CALL WITH D. KLEJNA REGARDING SAME (0.20); TELEPHONE CALL WITH N. HOCHBERG REGARDING DISTRIBUTION BY RGHI AFTER LEE CAPITAL INFUSION (0.50)
LOUGHLIN	10/21/05	2.50	REVIEW OF DOCUMENTS (2.50)
GREENBURG	10/21/05	2.10	REVIEW AND ANALYSIS OF CERTAIN ACCOUNT STATEMENTS (2.10)
HUR	10/21/05	7.00	CREATE CHRONOLOGY (2.20); CREATE REVISED ORGANIZATIONAL CHART (1.10); ORGANIZE INFORMAL INTERVIEW NOTES PREPARED TO DATE (1.10); CREATE INTERVIEW CHART (0.70); REVISE ISSUE CHART (0.40); REVIEW POTENTIALLY HOT DOCUMENTS AND CIRCULATE THEM TO TEAM (1.50)
ALVAREZ	10/21/05	5.50	MEET WITH AND COLLECT DOCUMENTS FROM VARIOUS REFCO CUSTODIANS (5.50)
DAVID	10/21/05	6.10	ONSITE AT REFCO COLLECTING DOCUMENTS
ROSALEZ	10/21/05	8.00	ATTENTION TO DOCUMENT COLLECTION (7.30); CONFER WITH CUSTODIANS (0.70)
SU	10/21/05	6.00	COLLECT DOCUMENTS AND CONDUCT INTERVIEWS
MONTGOMERY	10/21/05	6.00	CONDUCT INTERVIEWS AND COLLECT VARIOUS CUSTODIAN DOCUMENTS WITH J. SU AND A. ALVAREZ (6.00)
BRODSKY	10/22/05	1.00	L&W - FTI CONFERENCE CALL REGARDING ASSETS (1.00)
HUR	10/22/05	5.80	ORGANIZE PRELIMINARY INTERVIEW NOTES (0.70); REVISE DOCUMENT COLLECTION CHART (0.60); REVISE CHRONOLOGY (0.60); REVIEW POTENTIALLY HOT DOCUMENTS (3.90)
HUR	10/23/05	1.50	ORGANIZE DOCUMENTS (1.00); REVISE STATUS REPORT (0.50)
BRODSKY	10/26/05	1.00	PREPARE FOR AND HOLD CONFERENCE CALL WITH PRICEWATER HOUSE COOPER AND KPMG REGARDING COMMODITY POOL ISSUES (1.00)
BRODSKY	11/03/05	1.40	G. SHERER INTERVIEW (1.00); PREPARE MEMORANDUM FOR G. SHERER INTERVIEW (0.40)
GREENBURG	11/03/05	2.30	PREPARE FOR, ARRANGE AND CONDUCT FOLLOW-UP INTERVIEW OF P. JAMES AND PREPARE SUMMARY OF SAME AND COMMUNICATIONS REGARDING SAME (1.10); REVIEW AND REVISE DRAFT TALKING POINTS AND CONFERENCE WITH J. SU REGARDING SAME (1.20)
SU	11/03/05	7.30	PARTICIPATE IN INTERVIEW WITH P. JAMES (0.40); DRAFT AND EDIT INVESTIGATION STATUS SUMMARY AND SUPPORTING DOCUMENTS (6.90)

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **COMMUNICATION/COORDINATION WITH DEBTORS' COUNSEL**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
LOUGHLIN	10/18/05	0.50	CONFERENCE WITH SKADDEN TEAM REGARDING FACT UPDATES (0.50)
GREENBURG	10/18/05	0.50	CONFERENCE CALLS WITH SKADDEN ARPS (0.50)
HUR	10/18/05	0.20	CALL WITH M. MITCHELL OF SKADDEN REGARDING STATUS OF LATHAM'S INVESTIGATION (0.20)
LOUGHLIN	10/19/05	2.00	MULTIPLE CONFERENCE CALLS WITH SKADDEN ARPS TEAM REGARDING FACTS DISCOVERED (2.00)
GREENBURG	10/19/05	1.00	TELEPHONE CONFERENCE WITH SKADDEN ARPS REGARDING COORDINATION OF PRODUCING DOCUMENTS TO THE GOVERNMENT (1.00)
SU	10/25/05	0.20	CORRESPOND WITH G. HACKER (0.20)
DAVID	10/27/05	7.60	RECEIVE AND OVERSEE SKADDEN'S REVIEW AND COLLECTION OF HARD COPY DOCUMENTS, COORDINATE SEARCH, DUPLICATION AND RETURN OF DOCUMENTS TO L. CASTALDO'S AND V. ZARATE AT REFCO (7.6)
GREENBURG	10/28/05	0.50	COMMUNICATIONS WITH SKADDEN AND LATHAM ATTORNEYS REGARDING REFCO EMPLOYEES NEED FOR DOCUMENT COPIES AND TRANSITION OF HARD COPY DOCUMENTS TO SKADDEN (0.50)
DAVID	10/28/05	1.50	RECEIVE AND OVERSEE SKADDEN'S REVIEW AND COLLECTION OF HARD COPY DOCUMENTS (1.50)
MONTGOMERY	10/28/05	2.50	SUPERVISE MOVE OF REFCO ORIGINAL BOXES BY SKADDEN ARPS (2.50)
GREENBURG	10/31/05	0.20	COMMUNICATIONS REGARDING TRANSFER OF DOCUMENTS AND RELATED ISSUES (0.20)
SU	11/01/05	0.50	CONFERENCE WITH M. DAVID OF LATHAM AND G. HACKER OF SKADDEN REGARDING PROCESS FOR ROUTING MAIL FOR CERTAIN INDIVIDUALS (0.50)
HUR	11/02/05	0.70	DISCUSSION WITH G. HACKER OF SKADDEN REGARDING VARIOUS DOCUMENTS COLLECTED FROM REFCO (0.50); CALLS WITH M. DAVID REGARDING SAME (0.20)
DAVID	11/02/05	2.00	OPERATE ONSITE AT REFCO TO COORDINATE TRANSFER OF DOCUMENTS AND TRANSFER OF ARTWORK TO SKADDEN
GREENBURG	11/22/05	0.40	PHONE CONFERENCE WITH P. SINCLAIR OF SKADDEN REGARDING OFELIA CASTILLO (0.10); REVIEW AND ANALYSIS OF NOTES REGARDING CASTILLO INTERVIEW (0.30)
GREENBURG	11/23/05	0.50	PREPARE FOR AND GIVE BRIEFING ON WITNESS INTERVIEW TO SKADDEN ATTORNEYS
BRODSKY	12/01/05	0.50	MEETING WITH SKADDEN REGARDING REFCO PRESENTATIONS TO THE REGULATORS (0.50)
HUR	12/06/05	0.90	PREPARE REVISED CHARTS OF PRELIMINARY INTERVIEWS CONDUCTED TO DATE AT THE REQUEST OF SKADDEN (0.60); DISCUSSIONS WITH J. SU AND A. ALVAREZ REGARDING SAME (0.30)

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **RESPONSES TO REGULATORS**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
BRODSKY	10/18/05	1.00	REFCO UPDATES WITH SEC, CFTC, NASD, US ATTORNEY (1.00)
GREENBURG	10/18/05	0.50	CONFERENCE CALLS WITH GOVERNMENT PERSONNEL (0.50)
HUR	10/18/05	0.30	CONFERENCE CALL WITH U.S. ATTORNEY'S OFFICE (M. ISAAKSON) REGARDING STATUS OF LATHAM'S INVESTIGATION (0.30)
DAVID	10/18/05	0.50	REFCO CORRESPONDENCE REGARDING TEAM COORDINATION FOR US ATTORNEY'S PRODUCTION REQUEST
BRODSKY	10/19/05	1.00	UPDATE REGULATORS (1.00)
LOUGHLIN	10/19/05	1.00	CONFERENCE CALL WITH M. ISAACSON (1.00)
GREENBURG	10/19/05	0.50	COMMUNICATIONS WITH USG PERSONNEL (0.50)
HUR	10/19/05	0.40	CALL WITH B. KAPLAN AT NASD TO GIVE UPDATE ON INVESTIGATION (0.40)
DAVID	10/19/05	0.50	RETRIEVE DOCUMENTS FOR US ATTORNEY'S PRODUCTION REQUEST
GREENBURG	10/20/05	0.50	TELEPHONE CONFERENCES WITH GOVERNMENT INVESTIGATORS (0.50)
BRODSKY	10/21/05	0.50	REFCO UPDATE WITH SEC, CFTC, NASD (0.50)
LOUGHLIN	10/21/05	0.50	TELEPHONE CONFERENCE WITH US ATTORNEY ESSEKS (0.50)
GREENBURG	10/21/05	2.50	TELEPHONE CONFERENCES WITH FTI TEAM, VARIOUS LATHAM AND WATKINS ATTORNEYS, ASSISTANT USA ATTORNEY ESSEKS AND E. SCHWARTZ OF SKADDEN (2.0); COORDINATE PRODUCTION OF CERTAIN ACCOUNT STATEMENTS TO US ATTORNEY'S OFFICE (0.50)
BRODSKY	10/22/05	3.00	REFCO PHONE CALLS AND EMAIL TO SKADDEN, FTI, USAO, D. GREENBURG REGARDING ASSETS (2.50); EMAIL TO D. ESSEKS (0.50)
GREENBURG	10/22/05	1.30	TELEPHONE CONFERENCES AND E-MAILS REGARDING RESPONDING TO USAO REQUESTS
HUR	10/22/05	0.40	CONFERENCE CALLS WITH TEAM REGARDING DOCUMENT REQUEST FROM U.S. ATTORNEY'S OFFICE (0.40)
BRODSKY	10/24/05	0.50	TELEPHONE CALL WITH D. KLEJNA REGARDING SAME (0.20); REFCO UPDATE WITH SEC, CFTC, NASD (0.50)
BRODSKY	10/25/05	0.50	TELEPHONE CALL WITH D. ESSEKS (0.50)
GREENBURG	10/26/05	0.70	TELEPHONE CONFERENCE AND E-MAIL COMMUNICATION WITH ASSISTANT US ATTORNEY ISAACSON (0.20); REVIEW NOTES REGARDING SAME (0.30); COMMUNICATIONS WITH P. LOUGHLIN AND A. ALVAREZ REGARDING SAME (0.20)
BRODSKY	11/15/05	0.30	TELEPHONE CALL WITH YOUNGJUN PARK REGARDING AUDIT COMMITTEE MINUTES AND BACK UP (0.30)
BRODSKY	12/01/05	1.00	PARTICIPATION IN MEETINGS WITH REGULATORS (1.00)
HUR	12/01/05	3.80	ATTEND MEETING WITH ASSISTANT U.S. ATTORNEYS, POSTAL INSPECTOR, SEC AND NASD (HELD AT SKADDEN) TO DISCUSS INTERNAL INVESTIGATION CONDUCTED BY FTI AND LATHAM (2.5); DISCUSSIONS WITH D. BRODSKY REGARDING SAME (0.3); PREPARE FOR THIS MEETING (1.0)
ROSALEZ	12/01/05	0.80	ATTENTION TO DOCUMENT REQUESTS FOR MEETING WITH U.S. ATTORNEY, REGULATORS AND SKADDEN TEAM (0.50); DRAFT CORRESPONDENCE TO LATHAM TEAM REGARDING SAME (0.30)
DAVID	12/01/05	0.50	ASSIST T. HUR VIA EMAIL IN PREPARATION FOR MEETING
ROSALEZ	12/13/05	1.20	REVIEW RECORDS OF CORRESPONDENCE AND CASE FILES FOR RESPONSE TO REQUEST FOR DOCUMENTS FROM U.S. ATTORNEY (0.90); OFFICE CONFERENCE WITH T. HUR AND A. ALVAREZ AND TELECONFERENCE WITH J. SU REGARDING SAME (0.30)
SU	12/13/05	5.10	PREPARE INTERVIEW SUMMARIES FOR TRANSMISSION TO SKADDEN AND TO U.S. ATTORNEY (4.60); CONFERENCE WITH T. HUR, R. ROSALEZ, AND A. ALVAREZ REGARDING SAME AND THE GATHERING INFORMATION FOR SAME (0.50)
ROSALEZ	12/14/05	0.50	ATTENTION TO RESPONSE TO REQUEST FOR DOCUMENTS FROM U.S. ATTORNEY (0.40); DRAFT CORRESPONDENCE REGARDING SAME (0.10)
SU	12/14/05	2.10	PREPARE INTERVIEW SUMMARIES FOR TRANSMISSION (1.80); CONFERENCE WITH D. GREENBURG, T. HUR, R. ROSALEZ AND A. ALVARES REGARDING

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
			SAME (0.30)
GREENBURG	12/15/05	0.20	COMMUNICATIONS REGARDING REQUEST FROM U.S. ATTORNEY REGARDING INTERVIEW SUMMARIES
DAVID	12/15/05	1.00	ATTENTION TO RESPONSE TO REQUEST FOR DOCUMENTS FROM DISTRICT ATTORNEY (0.40); ATTENTION TO RECORDS AND CASE FILES (0.60)
GREENBURG	12/17/05	1.80	PREPARATION OF INTERVIEW SUMMARIES REGARDING G. SHERER AND J. MAZUREK PER REQUEST OF U.S. ATTORNEY'S OFFICE
GREENBURG	12/19/05	0.50	REVIEW NOTES AND PREPARE INTERVIEW SUMMARY PER REQUEST OF U.S. ATTORNEY'S OFFICE (0.30); COMMUNICATIONS REGARDING SAME (0.20)

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **RETENTION ISSUES**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
GREENBURG	10/27/05	2.80	COMMUNICATIONS REGARDING 327(E) FILING (1.20); REVIEW AND ANALYSIS OF PAPERWORK REGARDING SAME (0.50) ; COORDINATE PREPARATION OF SAME (0.80); COMMUNICATIONS WITH SKADDEN REGARDING SAME (0.30)
HUR	10/27/05	1.80	NUMEROUS PHONE CALLS WITH LATHAM'S CONFLICTS DEPARTMENT IN CONNECTION WITH PREPARING RETENTION APPLICATION (0.50); PREPARE PRELIMINARY DRAFT OF RETENTION APPLICATION PAPERS (0.90); DISCUSSIONS WITH SKADDEN'S K. LAMANIA REGARDING SAME (0.40)
GREENBURG	10/28/05	1.10	COMMUNICATIONS WITH T. HUR, D. BRODSKY AND P. GILHULLY REGARDING PREPARATION OF NECESSARY PAPERS TO FILE IN BANKRUPTCY COURT (0.80); ANALYSIS OF ISSUES REGARDING SAME (0.30)
HUR	10/28/05	4.00	NUMEROUS CONFERENCE CALLS WITH LATHAM'S CONFLICT DEPARTMENT IN CONNECTION WITH PREPARING RETENTION APPLICATION (0.80); EMAIL DISCUSSION WITH D. GREENBURG AND D. BRODSKY REGARDING RETENTION APPLICATION (0.40); CALLS WITH SKADDEN'S BANKRUPTCY LAWYERS, INCLUDING K. LAMANIA (0.60); MEET WITH R. ROSALEZ, M. DAVID AND J. SU (BY PHONE) TO DISCUSS RETENTION APPLICATION PAPERS (0.60); PREPARE FOR THIS MEETING (1.60)
DAVID	10/28/05	3.50	CREATE AND EDIT REFCO BANKRUPTCY RETENTION DOCUMENTS (3.50)
ROSALEZ	10/28/05	3.40	OFFICE CONFERENCE WITH TEAM REGARDING APPLICATION AS SPECIAL COUNSEL(0.40); REVIEW OF MATERIALS FOR APPLICATION AS SPECIAL COUNSEL (3.00)
SU	10/28/05	2.50	DRAFT APPLICATION FOR AUTHORIZATION TO RETAIN LATHAM & WATKINS (2.50)
MONTGOMERY	10/28/05	0.50	MEETING WITH REFCO TEAM TO DISCUSS APPLICATION FILING IN BANKRUPTCY COURT (0.50)
HUR	10/29/05	1.30	CONFERENCE CALLS WITH LATHAM'S CONFLICTS SPECIALISTS IN CONNECTION WITH PREPARING RETENTION APPLICATION
DAVID	10/29/05	3.70	CREATE AND EDIT REFCO BANKRUPTCY RETENTION DOCUMENTS
ROSALEZ	10/29/05	4.80	REVIEW OF MATERIALS FOR APPLICATION AS SPECIAL COUNSEL (1.20); DRAFT AND EDIT APPLICATION MATERIALS AND SUPPORTING DOCUMENTS (3.60)
SU	10/29/05	3.20	DRAFT AND EDIT BANKRUPTCY CODE SECTION 327(E) APPLICATION
ROSENBERG	10/31/05	0.50	CONFERENCE WITH D. BRODSKY REGARDING RETENTION ISSUES
DAVID	10/31/05	0.70	EDIT REFCO BANKRUPTCY RETENTION DOCUMENTS (0.70)
ROSALEZ	10/31/05	1.10	DRAFT AND EDIT APPLICATION MATERIALS AND SUPPORTING DOCUMENTS (1.10)
GREENBURG	11/01/05	0.70	REVIEW AND ANALYSIS OF DRAFT 327(E) PETITION (0.50); COMMUNICATIONS REGARDING SAME (0.20)
ROSALEZ	11/01/05	1.10	DRAFT CORRESPONDENCE TO ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS SPECIAL INVESTIGATION COUNSEL (0.30); EDIT APPLICATION MATERIALS (0.80)
SU	11/01/05	3.50	EDIT BANKRUPTCY FILING DOCUMENTS (3.50)
HUR	11/02/05	1.00	DISCUSSIONS WITH CONFLICT SPECIALISTS REGARDING ADDITIONAL ENTITIES TO BE CHECKED FOR POTENTIAL CONFLICTS (0.80); DISCUSSIONS WITH D. BRODSKY REGARDING SAME (0.20)
ROSALEZ	11/02/05	0.20	EDIT RETENTION APPLICATION MATERIALS (0.10); DRAFT CORRESPONDENCE TO TEAM REGARDING SAME (0.10)
ROSALEZ	11/03/05	2.10	EDIT RETENTION APPLICATION MATERIALS (2.10)
ROSALEZ	11/04/05	1.40	DRAFT CORRESPONDENCE TO ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS SPECIAL INVESTIGATION COUNSEL (0.10); EDIT APPLICATION MATERIALS (1.30)
ROSALEZ	11/07/05	2.20	DRAFT CORRESPONDENCE TO ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
SU	11/07/05	2.00	SPECIAL INVESTIGATION COUNSEL (0.50); EDIT APPLICATION MATERIALS (1.20); DRAFT CORRESPONDENCE TO TEAM REGARDING SAME (0.50)
ROSALEZ	11/08/05	7.40	EDIT BANKRUPTCY FILINGS
WEISS	11/09/05	0.20	COORDINATE WITH ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS SPECIAL INVESTIGATION COUNSEL (0.40); DRAFT AND EDIT APPLICATION MATERIALS (5.80); OFFICE CONFERENCES WITH D. BRODSKY, J. WEISS AND A. ALVAREZ REGARDING SAME (1.20)
ALVAREZ	11/09/05	1.50	RESPONDED TO R. ROSALEZ'S QUESTIONS REGARDING PREPARATION OF RETENTION APPLICATION AND RELATED DOCUMENTATION FOR LATHAM REVIEW AND REVISE RETENTION PAPERS (1.20); CONFERENCE WITH R. ROSALEZ REGARDING SAME (0.30)
ROSALEZ	11/09/05	10.50	COORDINATE WITH ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS SPECIAL INVESTIGATION COUNSEL (0.90); DRAFT AND EDIT APPLICATION MATERIALS (8.10); DRAFT CORRESPONDENCE TO TEAM REGARDING SAME (0.20); OFFICE CONFERENCES WITH D. BRODSKY, J. WEISS AND A. ALVAREZ REGARDING SAME (1.30)
WEISS	11/10/05	0.40	CONFERENCE WITH R. ROSALEZ REGARDING PREPARATION OF LATHAM RETENTION DOCUMENTS
ALVAREZ	11/10/05	0.70	REVIEW UPDATED RETENTION PAPERS (0.50); CONFERENCE WITH R. ROSALEZ REGARDING SAME (0.20)
ROSALEZ	11/10/05	9.00	COORDINATE WITH ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING INFORMATION REQUIRED FOR APPLICATION AS SPECIAL INVESTIGATION COUNSEL (0.60); DRAFT AND EDIT APPLICATION MATERIALS (7.30); OFFICE CONFERENCES WITH D. BRODSKY, J. WEISS AND ALVAREZ REGARDING SAME (1.10)
ROSALEZ	11/11/05	0.30	TELECONFERENCE WITH K. LAMAINA REGARDING BANKRUPTCY APPLICATION MATERIALS (0.20); DRAFT CORRESPONDENCE TO TEAM REGARDING SAME (0.10)
SU	11/11/05	0.40	REVIEW RETENTION FILING
ROSALEZ	11/14/05	1.20	OFFICE CONFERENCE WITH T. HUR REGARDING BANKRUPTCY APPLICATION MATERIALS (0.40); DRAFT CORRESPONDENCE TO ADMINISTRATIVE AND PROFESSIONAL STAFF REGARDING SAME (0.20); DRAFT AND EDIT RETENTION APPLICATION (0.60)
LOUGHLIN	11/15/05	0.50	CONFERENCE CALL WITH CLIENT AND D. BRODSKY REGARDING RETENTION
LOUGHLIN	11/30/05	1.50	TELEPHONE CALL TO U.S. TRUSTEE; CONSULTATION WITH D. BRODSKY AND T. HUR REGARDING BANKRUPTCY COURT APPLICATION (0.80); TELEPHONE CONFERENCE WITH U.S. TRUSTEE (0.50); MEMORANDUM REGARDING SAME TO D. BRODSKY (0.20)
ROSALEZ	11/30/05	0.30	DRAFT CORRESPONDENCE TO TEAM REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL AND SUPPORTING DOCUMENTS
BRODSKY	12/02/05	0.20	RETENTION APPLICATION ISSUE (0.20)
HUR	12/09/05	0.90	CALLS WITH K. LAMANIA AT SKADDEN REGARDING REFCO RETENTION APPLICATION (0.40); DISCUSSIONS WITH D. BRODSKY REGARDING SAME (0.50)
BRODSKY	12/13/05	1.00	PREPARE FOR THE CONFERENCE CALL WITH US TRUSTEE REGARDING REFCO AUDIT COMMITTEE FEE APPLICATION (0.30); CONFERENCE CALL WITH US TRUSTEE REGARDING SAME (0.70)
BRODSKY	12/14/05	3.00	TELEPHONE CALL WITH S. EDELMAN AND L. DESPINS AT MILBANK REGARDING CREDITORS COMMITTEE OPPOSITION TO L&W REPRESENTATION (0.50); REVISE REFCO RETENTION APPLICATION TO DEAL WITH OBJECTIONS (1.00); MEETING WITH R. ROSALEZ REGARDING REVISIONS OF REFCO RETENTION APPLICATION (1.50)
SEIDER	12/14/05	1.30	REVIEW RETENTION AND COMPENSATION DOCUMENTS (1.10); EMAIL TO D. BRODSKY REGARDING SAME (0.20)
ROSALEZ	12/14/05	5.90	OFFICE CONFERENCE WITH D. BRODSKY AND T. HUR REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL AND SUPPORTING DOCUMENTS (1.50); DRAFT AND EDIT SAME (3.0); DRAFT

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
			CORRESPONDENCE REGARDING SAME (0.90); DRAFT CORRESPONDENCE AND TELECONFERENCES WITH ADMINISTRATIVE STAFF REGARDING INFORMATION REQUIRED FOR THE APPLICATION (0.50)
BRODSKY	12/15/05	2.00	REVISE REFCO APPLICATION PAPERS (1.20); MEETING WITH M. SEIDER REGARDING APPLICATION PAPERS (0.10); MEETING WITH R. ROSALEZ REGARDING REFCO APPLICATION (0.70)
HUR	12/15/05	0.70	DISCUSSION WITH D. BRODSKY AND R. ROSALEZ REGARDING REVISING RETENTION APPLICATION PAPERS
ROSALEZ	12/15/05	8.60	OFFICE CONFERENCES WITH D. BRODSKY, M. SEIDER AND T. HUR REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL AND SUPPORTING DOCUMENTS (0.70); DRAFT AND EDIT SAME (6.70); DRAFT CORRESPONDENCE REGARDING SAME (0.50); DRAFT CORRESPONDENCE AND TELECONFERENCES WITH ADMINISTRATIVE STAFF REGARDING INFORMATION REQUIRED FOR THE APPLICATION (0.30); DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING APPLICATION PROCEDURES AND DETAILS (0.40)
ROSALEZ	12/16/05	1.70	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING PROCEDURES AND DETAILS ASSOCIATED WITH APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (1.40); ATTENTION TO CORRESPONDENCE WITH LATHAM TEAM REGARDING SAME AS WELL AS VARIOUS DOCUMENT ISSUES RELATED TO THE FILING (0.30)
ROSALEZ	12/19/05	0.50	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.30); ATTENTION TO CORRESPONDENCE WITH T. HUR AND LATHAM TEAM REGARDING SAME (0.20)
MALIONEK	12/20/05	2.40	CONFERENCE AND EMAILS WITH D. BRODSKY REGARDING REFCO AUDIT COMMITTEE ETHICS ISSUE (1.60); ASSIGN RESEARCH REGARDING SAME (0.80)
ROSALEZ	12/20/05	0.30	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.20); ATTENTION TO CORRESPONDENCE WITH T. HUR AND LATHAM TEAM REGARDING SAME (0.10)
BRODSKY	12/21/05	1.50	REVIEW AUDIT COMMITTEE ISSUES FOR BANKRUPTCY COURT APPEARANCE (0.50); REVISE MEMORANDUM (1.0)
MALIONEK	12/21/05	2.10	REVIEW MEMOS AND RESEARCH REGARDING REPRESENTATION ISSUES
ROSALEZ	12/21/05	0.40	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING APPLICATION TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.10); ATTENTION TO CORRESPONDENCE WITH T. HUR AND LATHAM TEAM REGARDING SAME (0.10); REVIEW OBJECTIONS TO APPLICATION (0.20)
BRODSKY	12/22/05	2.00	REFCO BANKRUPTCY COURT HEARING
MALIONEK	12/22/05	1.60	ASSIGN RESEARCH REGARDING DISQUALIFICATION IN BANKRUPTCY AND EMAILS REGARDING SAME
BRODSKY	12/27/05	1.00	TELEPHONE CALL WITH R. ROSALEZ REGARDING AUDIT COMMITTEE RETENTION APPLICATION
BRODSKY	12/30/05	0.30	TELEPHONE CALL WITH R. ROSALEZ REGARDING RETENTION APPLICATION
BRODSKY	01/06/06	0.50	MEETING WITH R. ROSALEZ REGARDING DRAFT OF RETENTION APPLICATION
BRODSKY	01/09/06	0.50	MEETING WITH M. KUH REGARDING REFCO AUDIT COMMITTEE RETAINER
ROSALEZ	01/09/06	1.50	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING FINAL ORDER TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.20); REVIEW DOCUMENTS (0.50); OFFICE CONFERENCES WITH D. BRODSKY AND J. WEISS (0.50); DRAFT AND EDIT FINAL ORDER AND DRAFT CORRESPONDENCE REGARDING SAME (0.30)
WEISS	01/09/06	0.60	CONFERENCE WITH R. ROSALEZ REGARDING LATHAM RETENTION ORDER, FEE PROCEDURES AND RELATED ISSUES (0.40); REVIEW LATHAM'S INTERIM RETENTION ORDER AND COMPENSATION PROCEDURES ORDER TO RESPOND TO SAME (0.20)

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
ROSALEZ	01/10/06	0.50	OFFICE CONFERENCES WITH D. BRODSKY REGARDING NOTICE OF FINAL ORDER TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.20); EDIT FINAL ORDER AND DRAFT CORRESPONDENCE REGARDING SAME (0.30)
BRODSKY	01/11/06	2.00	MEETING WITH R. ROSALEZ REGARDING AUDIT COMMITTEE RETENTION PAPERS AND REGARDING REFCO FINAL RETENTION ORDER (1.50); TELEPHONE CALL WITH N. HOCHBERG REGARDING RETENTION ISSUES COMMON TO L&W AND FTI (0.50);
ROSALEZ	01/11/06	0.70	REVIEW AND EDIT FINAL ORDER TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.30); DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING SAME (0.40)
WEISS	01/11/06	0.20	TELEPHONE CONFERENCE WITH R. ROSALEZ REGARDING FEE AND RETENTION ISSUES
ROSALEZ	01/13/06	0.30	DRAFT CORRESPONDENCE TO AND TELECONFERENCES WITH K. LAMAINA REGARDING FINAL ORDER TO RETAIN LATHAM AS SPECIAL INVESTIGATION COUNSEL (0.20); DRAFT CORRESPONDENCE TO LATHAM TEAM REGARDING SAME (0.10)
BRODSKY	01/20/06	0.50	MEETING WITH R. ROSALEZ REGARDING STATUS OF RETENTION APPLICATION
BRODSKY	01/24/06	0.30	TELEPHONE CALL WITH D. O'DONNELL REGARDING CREDITORS COMMITTEE ISSUES
BRODSKY	01/27/06	0.80	REVIEW MILLBANK OPPOSITION PAPERS AND CASES (0.50); TELEPHONE CALL WITH G. DANILOW (0.30)
HUR	01/27/06	3.10	REVIEW CREDITOR COMMITTEE'S LIMITED OBJECTIONS TO RETENTION OF LATHAM AS SPECIAL COUNSEL, AS WELL AS RELATED DOCUMENTS (E.G. HEARING TRANSCRIPT) (0.60); REVIEW CASE LAW CITED IN THE OBJECTIONS AND PERFORM LEGAL RESEARCH REGARDING THE CONFLICT ISSUES REFERENCED IN THE OBJECTIONS (2.50)
ROSALEZ	01/28/06	8.00	RESEARCH (6.80); TELECONFERENCES WITH D. BRODSKY, T. HUR AND J. WEISS REGARDING OBJECTION TO ENTRY OF FINAL ORDER AUTHORIZING RETENTION OF LATHAM (1.00); DRAFT CORRESPONDENCE TO TEAM REGARDING STATUS (0.20)
WEISS	01/28/06	0.40	TELEPHONE CALL WITH R. ROSALEZ REGARDING RETENTION ISSUES RAISED BY COMMITTEE AND POSSIBLE STRATEGIES REGARDING SAME
ROSALEZ	01/29/06	9.30	RESEARCH (9.00); TELECONFERENCE WITH K. LAMAINA REGARDING OBJECTION TO ENTRY OF FINAL ORDER AUTHORIZING RETENTION OF LATHAM (0.20); DRAFT CORRESPONDENCE TO TEAM REGARDING STATUS (0.10)
ROSALEZ	01/30/06	8.50	RESEARCH (5.80); OFFICE CONFERENCES WITH D. BRODSKY AND T. HUR REGARDING OBJECTION TO ENTRY OF FINAL ORDER AUTHORIZING RETENTION OF LATHAM AND THE HEARING (1.00); PREPARATION FOR HEARING (1.70)
BRODSKY	01/31/06	1.50	BANKRUPTCY COURT HEARING
ROSALEZ	01/31/06	6.40	ATTEND BANKRUPTCY HEARING REGARDING FINAL ORDER AUTHORIZING RETENTION OF LATHAM (5.50); OFFICE CONFERENCES WITH D. BRODSKY AND T. HUR (0.50); TELECONFERENCE WITH COUNSEL FOR DEBTORS (0.20); TELECONFERENCE WITH COUNSEL FOR CREDITORS' COMMITTEE (0.20)

CLIENT: **REFCO INC. AUDIT COMMITTEE.**
MATTER: **INTERNAL INVESTIGATION AND RETENTION MATTERS**
PROJECT: **FEE APPLICATION**

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
ROSALEZ	01/23/06	1.00	COMMUNICATIONS WITH TEAM REGARDING FEES AND BILLING
WEISS	01/23/06	0.20	REVIEW AND RESPOND TO INQUIRY OF R. ROSALEZ REGARDING FEE APPLICATION PROCEDURES
GREENBURG	01/25/06	0.70	REVIEW TIME SHEETS AND COMMUNICATIONS REGARDING SAME
ROSALEZ	01/25/06	1.00	COMMUNICATIONS WITH TEAM REGARDING FEES AND BILLING (0.7); REVIEW AND EDIT TIME ENTRIES (0.3)
SU	01/25/06	0.50	REVIEW TIMESHEETS (0.30); CONFERENCES WITH D. GREENBURG AND R. ROSALEZ REGARDING SAME (0.20)
ROSALEZ	01/26/06	1.30	COMMUNICATIONS WITH TEAM REGARDING FEES AND BILLING (1.1); REVIEW AND EDIT TIME ENTRIES (0.2)

EXHIBIT B

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

----- X
In re: : **Chapter 11**
: :
: :
Refco Inc. et al.¹ : **Case No. 05 – 60006 (RDD)**
: :
: **Jointly Administered**
Debtor. :
----- X

**CERTIFICATION WITH RESPECT TO FIRST AND FINAL
APPLICATION OF LATHAM & WATKINS LLP FOR
ALLOWANCE AND PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS SPECIAL INVESTIGATION
COUNSEL TO THE AUDIT COMMITTEE OF
THE DEBTORS’ BOARD OF DIRECTORS**

David M. Brodsky, a partner at Latham & Watkins LLP (“Latham”) and special investigation counsel to the above-captioned debtors and debtors in possession (collectively the “Debtors”), in compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines,” and collectively with the Local Guidelines, the “Guidelines”), hereby certifies as follows:

¹ In addition to Refco Inc., the following entities are debtors in these related cases: Bersec International LLC, Kroeck & Associates, LLC, Marshall Metals LLC, New Refco Group Ltd., LLC, Refco Administration LLC, Refco Capital LLC, Refco Capital Holdings LLC, Refco Capital Management LLC, Refco Capital Markets, Ltd., 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 Ltd., Refco Global Futures LLC, Refco Global Holdings LLC, Refco Group Ltd., LLC, Refco Information Services LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies LLC, and Summit Management LLC..

1. I have reviewed the First and Final Application of Latham & Watkins LLP for Allowance and Payment of Compensation and Reimbursement of Expenses as Special Investigation Counsel to the Audit Committee of the Debtors' Board of Directors, dated March 24, 2006 (the "Application"), for the period commencing October 18, 2005 through January 31, 2006, which seeks approval of certain fees and expenses rendered to the Debtor in connection with the above captioned Chapter 11 cases.

As required by Section B. 1 of the Local Guidelines, I certify that:

- (a) I have read the Application;
- (b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;
- (c) the fees and disbursements sought are charged in accordance with practices customarily employed by Latham and generally accepted by Latham's clients; and
- (d) in providing a reimbursable service, Latham does not make a profit on that service, whether the service is performed by Latham in-house or through a third party.

2. As set forth in the Application, Latham has not prepared any monthly fee statements in this case, nor has it been paid or reimbursed for any services or expenses in this case.

3. As required by Section B. 3 of the Local Guidelines, I certify that the Counsel for the Official Committee of Unsecured Creditors, Counsel for the Debtor, and the Office of the United States Trustee for the Southern District of New York will each be provided with a copy of this Application at least 10 days in advance of the hearing to consider this Application.

I certify the foregoing to be true and correct.

Dated: March 24, 2006
New York, New York

/s/ David M. Brodsky
David M. Brodsky

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER APPROVING FIRST AND FINAL APPLICATION OF
LATHAM & WATKINS LLP FOR ALLOWANCE AND
PAYMENT OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
OCTOBER 18, 2005 THROUGH JANUARY 31, 2006**

Upon the application ("Application") of Latham & Watkins LLP ("Latham") for an order under 11 U.S.C. §§ 330 and 331 (a) allowing compensation for professional services rendered on behalf of the Debtors and authorizing payment of compensation not previously received and (b) allowing actual, necessary expenses incurred in connection with the rendition of such professional services and authorizing reimbursement of expenses not previously received, for the period from October 18, 2005 through January 31, 2006; and the Court having determined that the relief requested in the Application is in the best interests of the Debtors, their estates, creditors and other parties in interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that

1. The Application is granted.
2. The requested compensation for those services detailed in the Application represents compensation for reasonable and necessary services rendered by Latham to the

Debtors and the reimbursement for expenses detailed in the Application represents reimbursement for actual and necessary expenses incurred by Latham in these chapter 11 cases.

3. The Debtors are authorized and directed to pay Latham the amounts set forth on Exhibit A, to the extent not previously paid.

4. The requirement of Local Bankr. R. 9013-1(b) that any motion or application filed shall be accompanied by a separate memorandum of law is deemed satisfied by the First Application.

Dated: _____, 2006
New York, New York

The Honorable Robert D. Drain
United States Bankruptcy Judge

Exhibit A

Case No.: 05-60006

Refco Inc., et al.

PERIOD FROM OCTOBER 18, 2005 THROUGH JANUARY 31, 2006					
Applicant	Docket No. / Application Date	Fees Requested	Fees Awarded	Expenses Requested	Expenses Awarded
Latham & Watkins LLP	Docket No. ____ March 24, 2006	\$285,980.50	\$285,980.50	\$15,660.77	\$15,660.77