

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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**ORDER AUTHORIZING DEBTORS TO RETAIN
AND COMPENSATE PROFESSIONALS
USED IN THE ORDINARY COURSE OF BUSINESS**

Upon the Motion (the "Motion")¹ of Refco Inc. ("Refco") and certain of its subsidiaries and affiliates (collectively, the "Debtors"), debtors and debtors-in-possession in the above-captioned cases, for an order under sections 105(a), 327, 330 and 331 of title 11 of the United States Code (as amended, the "Bankruptcy Code") authorizing the Debtors to retain and to compensate professionals used by the Debtors in the ordinary course of business (collectively, the "Ordinary Course Professionals"), without the necessity of additional Court approval; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and the Court having considered the Limited Objection to the Motion by Capital Select Fund Ltd.; and the Court having held a hearing on the Motion on December 8, 2005; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that

1. The Motion is granted.

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

2. Under 11 U.S.C. §§ 105, 327, 330, and 331, the Debtors are authorized but not required to employ and retain Ordinary Course Professionals identified on Exhibit A to the Motion, as may be supplemented from time to time in accordance with the below provisions, without the need to file individual retention applications and obtain retention orders for each professional.

3. Within ten (10) business days after the date of entry of this Order, the Debtors shall serve this Order upon each Ordinary Course Professional listed on Exhibit A to the Motion.

4. No later than twenty (20) days after the date of entry hereof, each Ordinary Course Professional shall file with the Court, and serve upon the Debtors, the U.S. Trustee, counsel for any trustee appointed in these cases, counsel for the Debtors, counsel for any official committee appointed in these cases and counsel for the Debtors' proposed postpetition secured lenders (collectively, the "Interested Parties"), a copy of the Declaration, in substantially the same form as attached as either Exhibit B or Exhibit C to the Motion, as applicable.

5. Upon service of a Declaration, the Interested Parties shall have ten (10) days to object to the Ordinary Course Professional's retention (the "Objection Deadline"). The objection shall be served on the Interested Parties and the Ordinary Course Professional in question on or before the Objection Deadline. If any such objection cannot be resolved and withdrawn within ten (10) days after receipt, the matter will be scheduled for a hearing before the Court on the next regularly-scheduled omnibus hearing or date otherwise agreeable to the involved parties. If no objection is received by the Objection Deadline, or if an objection is withdrawn, the Debtors are authorized to retain the Ordinary Course Professional as a final matter without further order of the Court, *nunc pro tunc* to the Petition Date.

6. The Debtors are authorized to employ and retain additional Ordinary Course Professionals, not currently listed on Exhibit A, as future circumstances require (the "Additional Ordinary Course Professionals"), without the need to file individual retention applications or provide further hearing or notice to any party, by filing with this Court a supplement to Exhibit A (the "Supplement") and serving a copy of the Supplement upon the Interested Parties.

7. For purposes of complying with the procedures herein, within twenty (20) days of filing the Supplement, Additional Ordinary Course Professionals thereafter are required to file and serve a Declaration on the Interested Parties. Interested Parties then have ten (10) days after service of each required Declaration to object to the retention of the Additional Ordinary Course Professional in question. The objection must be served on the Interested Parties and the respective Ordinary Course Professional on or before the Objection Deadline. If any such objection cannot be resolved and withdrawn within ten (10) days after receipt, the matter will be scheduled for a hearing before the Court on the next regularly-scheduled omnibus hearing or date otherwise agreeable to the involved parties. If no objection is received by the Objection Deadline, or if an objection is withdrawn, the Debtors are authorized to retain the Additional Ordinary Course Professional as a final matter without further order.

8. The Debtors are authorized but not directed to make monthly compensation and reimbursement of expenses payments in the full amount to each Ordinary Course Professional in the Debtors' customary manner, upon receipt of reasonably detailed invoices indicating the nature of the services rendered and calculated in accordance with such professional's standard billing practices (without prejudice to the Debtors' right to dispute any such invoices); provided, however, that fees paid to an Ordinary Course Professional, excluding

expenses and disbursements, shall not exceed either (a) \$50,000 per month per Ordinary Course Professional or (b) \$500,000 in the aggregate per Ordinary Course Professional in these cases.

9. Payments to any one Ordinary Course Professional shall be subject to the approval of the Court in accordance with 11 U.S.C. §§ 330 and 331, the Federal Rules of Bankruptcy Procedure, the Local Rules of the United States Bankruptcy Court, and such procedures as may be approved by order of the Court for professionals involved in the conduct of these cases, if payments to such Professional exceed \$50,000 in any month, or exceed an aggregate of \$500,000 in these cases.

10. Approximately every one hundred and twenty (120) days, the Debtors shall file with this Court, and serve upon the Interested Parties, a statement that includes the following information for each Ordinary Course Professional: (a) the name of the Ordinary Course Professional; (b) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by each Ordinary Course Professional during the statement period; (c) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by each Ordinary Court Professional during the postpetition period; and (d) a general description of the services rendered by each Ordinary Course Professional. This quarterly statement shall first be filed on February 8, 2006.

11. Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation or reimbursement of expenses of any Ordinary Course Professional or the right of any party-in-interest to contest the allocation of payment of such compensation or reimbursement of expenses or that there is insufficient property of the estate to pay such amounts.

12. Each Ordinary Course Professional shall maintain separate time records for Refco Capital Markets, Ltd. ("RCM") and the issue of whether charges to RCM constitute charges for administering property of the estate is preserved.

13. This Order does not alter or supersede, in any respect, the rights of any party-in-interest under the Order Under 11 U.S.C. §§ 363 And 553 Authorizing (I) Continued Use of Existing Cash Management System, and (II) Preservation of Intercompany Setoff Rights (Docket No. 635) (the "Cash Management Order"), and is specifically subject to paragraph 22 of the Cash Management Order, which controls expense allocation.

14. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

15. The requirement under Local Rule 9013-1(b) that the Debtors file a memorandum of law in support of the Application is hereby waived.

Dated: December 13, 2005
New York, New York

/s/ ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE