ALERTS

# LBIE Update — UK Supreme Court Upholds Decision Expanding Client Money Pool Scope and Eligibility

**March 1, 2012**

On Feb. 29, 2012, the Supreme Court (the "Supreme Court"), the UK's highest court, issued a majority decision upholding the U.K. Court of Appeal's Aug. 2, 2010 ruling[1] regarding the scope of, and participation in distributions from, the Lehman Brothers Europe (International) ("LBIE") pool of client money.[2] The Supreme Court's landmark decision applies to all customers who agreed with their investment firm counterparty that their money would be treated as client money under the U.K.'s Financial Services Authority's Rules (the "FSA Rules"), whether or not such money was actually segregated by the investment firm in accordance with the FSA Rules. The decision thus may impact not only holders of client money claims against LBIE, but also similarly situated holders of client money claims against MF Global UK, the London arm of futures merchant MF Global Inc.

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