UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 7
	)	
PEREGRINE FINANCIAL GROUP, INC.,	)	Case No. 12-27488
	)	
	)	Honorable Judge Carol A. Doyle
Debtor.	)	
	)	

ORDER APPROVING TRANSFER OF FUNDS AND ACCOUNTS OF CERTAIN COMMODITY CUSTOMERS OF THE DEBTOR TO VISION FINANCIAL MARKETS LLC

Upon consideration of the motion (the "Motion") of Ira Bodenstein, not personally, but as chapter 7 trustee (the "Trustee") for the estate of Peregrine Financial Group, Inc. d/b/a PFG Best (the "Debtor" or "PFG"), pursuant to sections 105(a), 764 and 766 of title 11 of the United States Code (the "Bankruptcy Code") and 17 C.F.R. §§ 190.01 through 190.10, seeking the entry of an order: (i) authorizing and approving the transfer and distribution of segregated cash and other funds to certain of the Debtor's commodity customers via either (a) other futures commission merchants ("FCMs") through a bulk transfer, or (b) as appropriate, through checks or wire transfer distributions directly to certain of the Debtor's commodity customers; and (ii) authorizing and approving the requested procedures for the Trustee to solicit offers from other FCMs to receive the Bulk Transfer of the Debtor's commodity customer accounts (capitalized terms used herein shall have the meanings ascribed thereto in the Motion); sufficient notice having been provided; the Court having core jurisdiction to hear and determine the Motion; the Court being otherwise fully advised in the premises; this Court having entered the Order Regarding Trustee's Motion for an Order Approving (I) Transfers and Interim Distributions to Certain Commodity Customers of the Debtor, and (II) Procedures for Soliciting Offers from Futures Commission Merchants to Receive Such Transfers on Account of Commodity

Customers on September 13, 2012 (the "First Order") [Docket No. 172]; the Court having held a hearing on this matter on October 4, 2012 (the "Hearing") and based upon statements made by the Trustee on the record at the Hearing; it is **HEREBY ORDERED**:

1. The Trustee is authorized to make a bulk transfer (the "Bulk Transfer") to Vision Financial Markets LLC ("Vision") of (a) approximately $123,000,000 (the "Interim Distribution Amount") to or for the benefit of the Debtor's 4d, delivery and 30.7 futures customers (collectively, the "Futures Customers"), as follows: (i) with respect to 4d and Delivery Customers, the Trustee is authorized to transfer cash equal to approximately thirty percent (30%) of the 4d and Delivery Customers' account balances (approximately $111,750,000) (the "4d Funds"), and (ii) with respect to 30.7 Customers, the Trustee is authorized to transfer cash equal to approximately forty percent (40%) of the 30.7 Customers' account balances (approximately $11,250,000) (the "30.7 Funds"), and (b) all of the Debtor's approximately 13,586 (4d Accounts) and 1,053 (30.7 Accounts) (the "Covered Futures Accounts"), along with any open positions in commodity contracts; it being understood that the Covered Futures Accounts do not include, and the Trustee shall not transfer to Vision, those accounts (and the corresponding account balances) that are denominated as proprietary accounts, as defined in Commodity Futures Trading Commission ("CFTC") Regulation 1.3(y), pursuant to the Debtor's books and records; and provided, however, that those Futures Customer accounts (and the corresponding account balances) that the Trustee is still investigating and are subject to a Validity Assessment (as defined in the Motion) shall be deferred from the Bulk Transfer as provided in Paragraph 2 (the "Deferred Accounts"). Additionally, the Motion and this Order does not address and the Bulk Transfer does not include those Futures Accounts that have Specifically Identifiable Property ("SIP") or Treasury securities associated with them ("Other Accounts"). The Trustee will file a separate motion seeking authority to transfer the Other Accounts and corresponding cash,

Treasury securities or other non-cash property to Vision at such time as the Trustee and the Holder (defined below) have addressed the SIP or liquidated the applicable Treasury securities (for which Vision will pay no additional consideration).

2.   Pursuant to the procedures set forth in the First Order, the Trustee will make his Validity Assessment of the Deferred Accounts. Once the Trustee has made a positive Validity Assessment with respect to a Deferred Account, such account (and the corresponding account balance) shall be transferred to Vision. To the extent that the Trustee determines that he cannot make a positive Validity Assessment as to any particular Deferred Account (a "Denial"), he shall advise the holder of such Deferred Account (the "Holder") in writing of that Denial and the reasons therefore within three (3) business days of such Denial. The Holder shall have the right to contact the Trustee to discuss the Denial and provide such additional information as required by the Trustee to change his Validity Assessment. Additionally, the Holder may file a motion with the Bankruptcy Court seeking the entry of an order providing for the inclusion of such Deferred Account in the Bulk Transfer to Vision notwithstanding the Denial on no less than seven (7) days prior notice to the Trustee.   Any Deferred Account that has not be resolved, either by agreement or pursuant to order of the Bankruptcy Court, on or before December 31, 2012 shall be permanently excluded from the Bulk Transfer and shall be dealt with through the claims process and direct distribution to the Holder.

3.   For sixty (60) days following Vision's receipt of the Bulk Transfer (the "Transition Period"), Vision shall hold the Interim Distribution Amount in two separate deposit accounts at a bank or trust company (separate and apart from any other segregated or secured amount accounts used by Vision), as follows: (a) one account to hold the 4d Funds, which shall be established and maintained as a segregated account pursuant to and in accordance with CFTC Regulation 1.20 and related regulations, and (b) one account to hold the 30.7 Funds, which shall

be established and maintained as a "secured amount" account pursuant to and in accordance with CFTC Regulation 30.7. During the Transition Period, any Holder of a Covered Futures Accounts may request (the "Request") that Vision open a trading account at Vision, or return some or all funds in its account to such Holder or to a third party. In the event that Vision receives a Request for a return of funds to the Holder, at the election of the Holder, Vision shall either (a) issue a check for the account balance to the Holder within two (2) business days of Vision's receipt of the Request (including reasonable documentation) for no fee, (b) return the funds in the account to the applicable Holder within three (3) business days of Vision's receipt of the Request (including reasonable documentation) via a wire transfer less any amounts related to wire transfer fees (the "Wire Transfer Fees"), or (c) transfer the funds in the account to a designated FCM or other financial institution within three (3) business days of Vision's receipt of the Request (including reasonable documentation) less a transfer fee of Twenty Five and 00/100 Dollars ($25.00), and if the Request for transfer is via wire transfer, also less the Wire Transfer Fee. In no event shall the Wire Transfer Fees during the Transition Period exceed Twenty Five and 00/100 Dollars ($25.00) per transfer.

4.   Following the expiration of the Transition Period, any Covered Future Account shall be deemed an active Vision account and subject to normal and reasonable charges (e.g., applicable wire fees) to further disburse any customer funds or to transfer customer funds to a subsequent FCM.

5.   Vision has agreed to and is hereby ordered to pay to the Trustee Three Hundred Twenty Five Thousand and 00/100 Dollars ($325,000.00) (the "Purchase Price") by wire transfer, pursuant to the Trustee's wire transfer instructions, within one (1) business day following the entry of this Order in consideration of the Bulk Transfer.

6.　　　The Trustee shall cause the Bulk Transfer to occur and Vision shall accept the Bulk Transfer within ten (10) business days following the entry of this Order (the "Transfer Time").

7.　　　Vision shall use its best efforts to complete the transfer of the Covered Futures Accounts, including opening of the accounts within its books and records, as expeditiously as possible, and in any event within the Transfer Time.　Vision shall cooperate with the Trustee and his professionals to promptly address and resolve any errors or problems that may arise in connection with the Bulk Transfer.　The Trustee has the right to extend the Transfer Time if in his judgment that is appropriate.

8.　　　Upon entry of this Order, the Trustee is authorized to and shall within the Transfer Time (a) assign to Vision those agreements with Futures Customers that are still in effect and transfer to Vision copies of all customer account documents, and (b) export to Vision file layout to at least include name, address, tax id number, type of account, e-mail address, phone number(s), PFG account number, office or sales-code, and other available relevant information.

9.　　　To the extent that any of the Interim Distribution Amount is unclaimed after two year from the date of the Bulk Transfer, Vision shall return all such unclaimed funds to the Trustee and any Covered Futures Account associated with such unclaimed funds shall be deemed returned to the Debtor.

10.　　　As between Vision and the Trustee, Vision is solely responsible for any errors in allocating correctly the amount specified by the Trustee to each Covered Futures Account and will indemnify the Trustee, his agents, attorneys, professionals and the Debtor's estate (the "Estate") against, and will hold such persons and parties harmless from, any liabilities, damages,

losses, claims (including claims of any customer of a Covered Futures Account), actions, suits, costs or expenses (including reasonable attorneys' fees) arising from any such error.

11.   Vision is solely responsible for any costs or expenses Vision incurs in connection with the Bulk Transfer, including operational costs for opening the Covered Futures Accounts as futures customer accounts within Vision's books and records, costs associated with accepting transfer of customer funds and, as applicable, transfer of any open positions, and operational costs associated with allocating customer funds in the correct amounts to the respective Covered Futures Accounts. Vision expressly waives the right to seek reimbursement or recovery of any of the foregoing from either the Trustee or the Estate.

12.   Vision is solely responsible for any follow-up to "re-paper" the Covered Futures Accounts with Vision's own account opening documents, and for any "know your customer" or anti-money laundering review that Vision may decide to undertake.

13.   Vision is responsible for any tax reporting obligations for all tax reportable items for the Covered Futures Accounts that are processed or arise after Vision's receipt of the Bulk Transfer, and Vision is not responsible for any tax reporting obligations for any tax reportable items for the Covered Futures Accounts that were processed or arose prior Vision's receipt of the Bulk Transfer.

14.   Vision shall have no liability for receiving the transfer pursuant to § 764(b) of the Bankruptcy Code. Vision shall have no liability to Holders for any claims that the Holders may have against the Debtor or its estate.

15.   This Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

16.   Any stay of this Order provided by the Bankruptcy Rules or other applicable law shall not be applicable to this Order and this Order shall be effective and enforceable upon entry.

ENTER:

Dated: _____

_____
United States Bankruptcy Judge

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