

MF GLOBAL GOES BANKRUPT, LAYS OFF WHOLE STAFF



When you look at the website of MF Global the first button you see is labeled "Relentless Pursuit". Apparently, they were not relentless enough, because the next thing that you see on their site is the following notice: "Due to MF Global Holdings Ltd. and its finance subsidiary, MF Global Finance USA Inc., filing for Chapter 11 Bankruptcy Petition, the CME Group, NYMEX and ICE are accepting "liquidation only" orders from MF Global clients, and have restricted electronic access to their markets. This means that you may place offsetting orders for current open positions at MF Global, but may not place any new orders. Performance of your trades is guaranteed by exchange clearinghouses. " As you can imagine this type of news is never good for the employees of the company, because when the time comes to get some cash in hand removing them is the easiest way to do it. When you sell products, or facilities, you have to have a buyer. Even with the help a liquidation firm that can take weeks, or even months. Employees are a fast way to reduce expenses. All a company has to do is issue a piece of paper and all of those little expenses have been free ranged back onto the job market. In light of the current situation the company has had two waves of layoffs. The initial wave was rather small, with only 165 members getting the shaft. Those workers were primarily in finance, IT, human resources and other back-office positions. Those workers who thought that maybe the ax would be kind to them found out that they were dead wrong over the weekend, when the pink slips went out to the other members of the 1,066 worker brokerage firm. Of course, when it comes to the world of finance things are never that simple. This case of the disappearing jobs has not one, but two very direct connections to the government. The first connection has to do with missing money. Currently about \$600 million in customer funds cannot be accounted for by the company, and an investigation by federal regulators and the FBI has swung into full force to figure out where the money has ended up. While \$600 million is the current figure regulators are saying that this number may change by the end of the investigation. The Department of Justice and the Commodity Futures Trading Commission were not able at the current moment to give a time line on the investigation. The second connection is to New Jersey Governor, Jon S. Corzine, who resigned from the Board of Directors of MF Global on the fourth of November. Governor Corzine ran his initial gubernatorial campaign on a platform of fiscal solvency. The company's only statement on his departure was very brief, stating only, "The Board of Directors of MF Global Holdings Ltd. announced the resignation of Jon S. Corzine from all posts at MF Global. Mr. Corzine has confirmed that he will not seek severance payments in connection with his resignation. Edward L. Goldberg, the lead director of the Board of Directors, and Bradley I. Abelow, the Company's President and Chief Operating Officer, will continue in their current positions. "

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