

“**Bankruptcy Code**”). I am knowledgeable and familiar with GLBR’s day-to-day operations, business and financial affairs, books and records, and the circumstances leading to the commencement of this chapter 11 case (the “**Chapter 11 Case**”).

3. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon (a) my personal knowledge, (b) my review of relevant documents, (c) information provided to me by officers of GLBR or employees or officers of non-debtor Affiliates or the advisors and counsel to GLBR, or (d) my opinion based upon my experience, knowledge, and information concerning GLBR’s business. If called upon, I would testify competently to the facts set forth in this Declaration.

4. This Declaration is submitted pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) for the purpose of apprising the Court and parties in interest of the circumstances that led to the commencement of this Chapter 11 Case and in support of the motions and applications that the Debtor has filed with the Court, including the “first day motions” (the “**First Day Pleadings**”). I am authorized to submit this Declaration on behalf of the Debtor.

5. Section I describes the Debtor’s business. Section II describes the circumstances that led to the commencement of the Chapter 11 Case and the Plan. Section III describes the Debtor’s corporate and capital structure. Section IV provides a summary of the First Day Pleadings and the factual bases for the relief requested therein. Section V identifies the attached schedules of information required by Local Rule 1007-2.

I. GLBR’s Business

6. The Debtor is a holding company with limited business operations. Its primary asset is its ownership of limited liability company membership interests in Global Brokerage Holdings, LLC (“**Holdings**”), which represent 100% of the outstanding Class A

membership interests in Holdings. Holdings is also a holding company with limited business operations. Holdings' primary asset is its ownership of limited liability company interests in FXCM Group, LLC ("**FXCM**"), which represent 50.1% of the Class A membership interests in FXCM. FXCM and its subsidiaries (collectively, the "**FXCM Entities**") are operating companies that provide online foreign exchange (forex) trading, CFD trading, spread betting and related services. Neither Holdings, FXCM nor any other FXCM Entity is or is expected to be a debtor under the Bankruptcy Code nor has any obligation with respect to the Existing Notes (as defined below).

7. The Debtor derives all of its revenue from distributions and payments made by Holdings to it. Holdings derives all of its revenue from distributions and payments made by FXCM to Holdings. FXCM is an operating company whose revenues are used to pay expenses incurred in its operations, to maintain required regulatory reserves, to maintain margin deposits with liquidity providers, to pay debt service and for other corporate purposes of FXCM. Excess revenues are available for distribution to members of FXCM, including Holdings, in accordance with the provisions of the FXCM Agreement (as defined below). Holdings has no source of revenues other than from distributions and payments made by FXCM to it, and in turn, the Debtor has no source of revenue other than from distributions and payments made by Holdings to the Debtor. Prior to January 2015, the business and operations of FXCM were conducted by Holdings. On January 15, 2015, the customers of Holdings and the FXCM Entities who were subsidiaries of Holdings suffered significant losses and generated negative equity balances ("**debit balances**") owed to it of approximately \$275.1 million. This was due to the unprecedented volatility in the EUR/CHF currency pair after the Swiss National Bank ("**SNB**"), without any advance notice to the marketplace, discontinued its currency floor of 1.2 CHF per

EUR on that date. These debit balances resulted in a temporary breach of certain regulatory capital requirements and subjected operations to being immediately shut down.

8. On January 16, 2015, to address the deficit capital requirements, Holdings formed FXCM and contributed all of the equity interests owned by Holdings in its operating subsidiaries to FXCM. Holdings and FXCM then entered into the Leucadia Credit Agreement, with Leucadia National Corporation, as administrative agent, and certain lenders thereto, pursuant to which Leucadia National Corporation (together with LUK-FX Holdings, LLC, “**Leucadia**”) provided a \$300 million, two year term loan to Holdings and FXCM (the “**Leucadia Credit Agreement**”). The financing provided to FXCM and Holdings by Leucadia enabled FXCM to maintain compliance with regulatory capital requirements and continue operations.

9. On September 1, 2016, FXCM, Holdings and Leucadia agreed to amend the terms of the Leucadia Credit Agreement to, among other things, extend the maturity to January 2018, and FXCM, LUK-FX Holdings, and Holdings entered into an Amended and Restated Limited Liability Company Agreement of FXCM (the “**FXCM Agreement**”). Pursuant to the FXCM Agreement, LUK-FX Holdings, LLC became an owner of 49.9% of the Class A Units of FXCM, with Holdings owning the remaining 50.1% of the Class A Units. The FXCM Agreement restricts (with certain exceptions) distributions on account of FXCM’s equity interests until the Leucadia Credit Agreement is repaid in full. The FXCM Agreement further specifies how certain distributions from FXCM are to be allocated between LUK-FX Holdings, LLC and Holdings, after the Leucadia Credit Agreement is repaid.

II. Circumstances Leading to Chapter 11 Case and the Plan

10. GLBR is the issuer of certain notes, the terms of which are: \$172.5 million aggregate principal amount of 2.25% Convertible Senior Notes Due in 2018 and governed by a

certain Indenture, dated as of June 3, 2013 (as amended, restated, modified or supplemented from time to time), by and among GLBR, as issuer, and Bank of New York Mellon, as indenture trustee (the “**Existing Notes**”). The Existing Notes pay interest semi-annually on June 15 and December 15 at a rate of 2.25% per year. The indenture governing the Existing Notes does not prohibit GLBR from incurring additional senior debt or secured debt, nor does it prohibit any of GLBR’s subsidiaries from incurring additional liabilities.

11. Until November 15, 2017, GLBR’s Class A Common Stock was traded on the NASDAQ Global Market (“**NASDAQ**”) under the symbol “GLBR.” On May 2, 2017, NASDAQ notified GLBR that, for the prior thirty (30) consecutive business days, the market value of GLBR’s publicly held shares was less than \$15.0 million, and as a result, GLBR did not meet the requirement for continued listing under NASDAQ’s listing rules. NASDAQ further notified GLBR that the market value of GLBR’s Class A Common Stock must exceed \$15.0 million for ten (10) consecutive business days between May 2, 2017 and October 30, 2017 to avoid such stock being delisted by NASDAQ.

12. The market value of GLBR’s Class A Common Stock did not exceed \$15.0 million for ten (10) consecutive business days between May 2, 2017 and October 30, 2017. Thus, on November 6, 2017, NASDAQ provided written notice to GLBR that its Class A Common Stock would be delisted from the NASDAQ Global Market effective November 15, 2017.⁴ The failure of GLBR to remain listed on NASDAQ Global Market is a “Fundamental Change,” under the Existing Notes Indenture, which results in each holder of the Existing Notes having the right, following a notice period of up to 55 days, at such holder’s option, to require GLBR to purchase for cash all of such holder’s Existing Notes at a purchase price equal to 100%

⁴ GLBR was approved by NASDAQ to have its stock traded on the NASDAQ Capital Market through the end of 2017, effective November 13, 2017.

of the principal amount thereof, plus any accrued and unpaid interest. GLBR does not have sufficient funds to repurchase the Existing Notes should one or more of the holders require repurchase. The failure to satisfy the repurchase obligations constitutes an event of default under the Existing Notes Indenture.

13. GLBR is also obligated to make a scheduled interest payment to holders of the Existing Notes on December 15, 2017, subject to a thirty (30) day grace period. GLBR does not have and does not anticipate having sufficient liquidity to make the December 15, 2017 interest payment. Absent a waiver or forbearance from the holders of the Existing Notes, the failure by GLBR to make this interest payment could result in the acceleration of the maturity of the Existing Notes. GLBR does not currently have sufficient liquidity, nor does it anticipate having sufficient liquidity on or before January 14, 2018, to repay the Existing Notes in full if the holders of the Existing Notes elected to accelerate the maturity of the Existing Notes.

14. Moreover, the Existing Notes mature by their own terms in June 2018. GLBR does not have sufficient funds and does not anticipate having sufficient funds to repay the Existing Notes at maturity. GLBR does not believe that it will be able to refinance the Existing Notes prior to maturity, other than on the terms set forth in the Plan.

15. In light of the notice of delisting by NASDAQ, the impending December 15, 2017 interest payment and the impending June 2018 maturity of the Existing Notes, GLBR engaged Holdings, FXCM and their key constituencies, including an ad hoc group of holders of Existing Notes (collectively, the “**Consenting Noteholders**”), and Leucadia in extensive arm’s length negotiations regarding a potential restructuring of GLBR’s obligations under the Existing Notes. Those negotiations resulted in an agreement and on November 10, 2017, the Debtor executed the RSA with Holdings, FXCM, the Consenting Noteholders, and Leucadia (the “**Plan**”).

Support Parties”) pursuant to which the Consenting Noteholders agreed to vote in favor of and support confirmation of the Plan.

16. The Debtor’s solicitation for votes to accept or reject its Plan was completed on December 4, 2017 (the “**Voting Deadline**”) prior to the commencement of this Chapter 11 Case. Holders of more than 78.5% in dollar amount of the Existing Notes claims voted to accept the Plan, and no holder voted to reject the Plan.

17. Pursuant to the RSA and the Plan, GLBR will exchange the Existing Notes for New Notes with an extended maturity of approximately five years, which New Notes are secured by the assets of GLBR and Holdings, have a 7% interest rate, and provide holders with additional governance rights at Holdings. The maturity of the Leucadia Credit Agreement will also be extended for one year. These modifications will enhance the likelihood of distributions being made from FXCM to Holdings and Holdings to GLBR to permit GLBR to pay its obligations. The terms of the FXCM Agreement and the Leucadia Credit Agreement will be amended to permit FXCM to make certain distributions to Holdings, thus enabling Holdings to make distributions to GLBR, including for certain interest payments on the New Notes.

18. All of the Debtor’s other creditors are unimpaired under the Plan and their claims will be satisfied in full in the ordinary course of business. Shareholders will retain their equity under the Plan. Accordingly, the Debtor believes the Plan maximizes the value of the business and maintains GLBR’s business for the benefit of all stakeholders through this prepackaged Chapter 11 Case.

19. The Plan seeks consensual releases for the benefit of certain non-debtor parties including the Debtor’s officers and directors, Holdings, FXCM, Leucadia and the Consenting Noteholders. The third-party releases are a fundamental and necessary part of the

bargained-for exchange by the Plan Support Parties to obtain, among other things, the concessions made by Leucadia, FXCM, Holdings and the Consenting Noteholders in the RSA and the Transaction Documents, including the Plan and the New Notes. The only holders of classified claims or interest who are granting releases are Class 3 claimants (holders of Existing Notes) who voted in favor of the Plan. Both the Plan and the ballots fully disclosed the release in bold type. Creditors and Interest Holders who are deemed to be unimpaired under the Plan are not granting releases. Class 3 claimants who voted to reject the Plan or alternatively, who did not vote on the Plan, are not granting releases. The releases were narrowly tailored, fully disclosed and consensual.

III. Corporate and Capital Structure

A. Corporate Structure

20. GLBR's current board of directors is comprised of seven (7) members, including four (4) independent directors: (a) Kenneth Grossman; (b) David Sakhai; (c) Robin Davis, independent; (d) Arthur Gruen, independent; (e) Bryan L. Reyhani, independent; (f) Ryan Silverman, independent; and (g) Eduard Yusupov.

21. I, Kenneth Grossman, serve as CEO. Robert Lande serves as Chief Financial Officer. David Sakhai serves as Chief Operating Officer. Margaret Deverell serves as Senior Chief Accounting Officer. David Sassoon serves as Senior Vice President, General Counsel, and Secretary.

22. In connection with my appointment as CEO, GLBR and I entered into an employment agreement (the "**Grossman Employment Agreement**"), dated as of May 15, 2017. The terms of the Grossman Employment Agreement provide that I will serve as CEO of GLBR until no later than May 31, 2018 (the "**Grossman Employment Term**"), compensation of \$600,000 per annum, and a bonus of \$1,000,000 upon completion of the Grossman Employment

Term. As set forth in Article V, the Plan provides that executory contracts, including the Grossman Employment Agreement, not previously assumed, assumed and assigned, or rejected shall be deemed automatically assumed on the Effective Date.

23. The Grossman Employment Agreement was not negotiated in anticipation of a bankruptcy filing. Nor have any changes been made to the Grossman Employment Agreement in anticipation of a bankruptcy filing.

24. I am the only person on the Debtor's payroll. All other officers are paid by non-debtor Affiliates.

25. Additional information regarding GLBR's officers is set forth in **Schedule 10** annexed hereto.

B. Capital Structure

Equity Ownership

26. On or around December 1, 2010, GLBR completed an initial public offering of its Class A Common Stock. GLBR is thus a public company and files annual and quarterly reports with, and furnishes other information to, the Securities and Exchange Commission. From September 26, 2016 to November 12, 2017, GLBR Class A Common Stock was listed on the NASDAQ Global Market under the symbol "GLBR." Beginning on November 13, 2017, GLBR Class A Common Stock has been listed on the NASDAQ Capital Market. There are over 8 million shares of Class A Common Stock currently outstanding.

27. On December 8, 2017, GLBR announced that it notified NASDAQ of its intention to voluntarily withdraw its Class A common stock from listing on NASDAQ, with the anticipated last day of trading on NASDAQ to be December 28, 2017.

28. There are no shares of Class B common stock ("**Class B Common Stock**") currently outstanding. Shares of Class B Common Stock are not publicly traded.

29. The Debtor has not issued any priority stock.

IV. **First Day Pleadings**

30. It is imperative that the Debtor make a seamless transition into chapter 11 to preserve the Debtor's business and quickly effectuate the restructuring embodied in the RSA and the Plan. During what the Debtor anticipates will be a short Chapter 11 Case, operations must continue in the ordinary course of business to preserve the value of the business and implement the reorganization transaction. Accordingly, the Debtor has filed a number of First Day Pleadings designed to facilitate its transition into this Chapter 11 Case. The Debtor anticipates that the Court will conduct a hearing soon after the Petition Date at which the Court will hear and consider many of the First Day Pleadings.⁵

31. I have reviewed each of the First Day Pleadings with the Debtor's counsel, and I believe that the relief sought is tailored to meet the goals described above and will be necessary and critical to the Debtor's ability to execute the Plan and is in the best interests of the Debtor's estate and creditors. A description of the relief requested and the facts supporting each of the pleadings is set forth below.

A. **Administrative Motions**

- (i) **Motion of Debtor to Request (A) Scheduling a Combined Hearing to Consider Adequacy of the Disclosure Statement and Confirmation of the Plan; (B) Establishing Procedures for Objecting to the Disclosure Statement and Plan; (C) Approving Form, Manner, and Sufficiency of Notice of Combined Hearing, Commencement of Chapter 11 Case, and Deferral of Meeting of Creditors and Equity Holders; (D) Directing that Section 341(a) Meeting is Deferred until Confirmation of the Plan; and (E) Granting Related Relief**

⁵ Capitalized terms used below in the descriptions of the First Day Pleadings and not otherwise defined have the meanings given to them in the applicable First Day Pleading.

32. The Debtor believes that, in order to preserve the value of the estate, this Chapter 11 Case must proceed in an expeditious manner. The Debtor's stakeholders have supported the Debtor's business leading up to the bankruptcy filing in anticipation of a prompt restructuring that does not impact the Debtor's business. To ensure that result, the Debtor negotiated a favorable transaction with the parties to the RSA. In exchange for that consideration, the parties to the RSA have insisted that chapter 11 costs be minimized and that the restructuring be effectuated promptly to avoid delay and loss of value. Accordingly, this motion should be considered a First Day Pleading and the Debtor will seek court approval of the motion at the First Day Hearing.

33. The terms of the RSA reflect that belief and include milestones for confirmation and consummation of the Plan. Accordingly, the Debtor proposes the following timeline for this Chapter 11 Case (subject to the Court's calendar):

<u>Proposed Timeline</u>	
Plan Supplement Deadline	January 5, 2018
Objection Deadline	January 10, 2018
Reply Deadline	January 15, 2018
Combined Hearing	January 17, 2018

34. The Debtor requests that the Court enter an order setting a combined hearing to (i) approve the Disclosure Statement and confirm the Plan; (ii) approve objection procedures and deadlines in connection with the Plan and Disclosure Statement; and (iii) approve the process of soliciting votes in connection with the Plan. The Debtor also seeks deferral of the section 341(a) meeting of creditors unless the Plan is not confirmed within sixty (60) days after the Petition Date and seeks Court approval of the combined notice of (a) commencement of this

Chapter 11 Case, (b) deferral of the section 341(a) meeting, and (c) the combined hearing of the Plan and Disclosure Statement and related deadlines.

35. The holders of Class 3 claims, who hold Existing Notes Claims, are the only class entitled to vote on the Plan. Accordingly, on November 10, 2017, following execution of the RSA, Prime Clerk LLC (the Debtor's solicitation and notice agent) ("**Prime Clerk**") transmitted a Solicitation Package (defined below) to holders of Class 3 claims. The Solicitation Package included: master ballots and ballots for beneficial holders of the Existing Notes containing instructions on how to vote on the Plan, copies of the Disclosure Statement, and the exhibits to the Disclosure Statement, which included the Plan, the RSA, the Prepetition Organizational Chart, Audited Consolidated Financial Statements for GLBR and its non-debtor Affiliates for the Fiscal Year Ending December 31, 2016, the Liquidation Analysis, and the Reorganized Debtor's Projected Financial Information (the "**Solicitation Package**"). Prime Clerk transmitted the Solicitation Package to the nominee banks and brokers of holders of Class 3 claims, which, in turn, transmitted the packages to the holders of Class 3 claims. The Debtor set a voting deadline of December 4, 2017, giving the holders of Class 3 claims twenty-four days to review the Disclosure Statement and vote on the Plan.

36. I understand from counsel that the Debtor's solicitation of the Plan is in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and the Guidelines for Prepackaged Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of New York. I also believe that the proposed service of the Combined Notice will provide sufficient notice to all parties in interest in the Debtor's Chapter 11 Case of the commencement of the case, the date, time, and place of the Combined Hearing, and the procedures for objecting to the adequacy of the Disclosure Statement and the confirmation of the

Plan. Finally, I believe that the setting of a combined hearing on the Plan and Disclosure Statement, in combination with the aforementioned noticing and solicitation procedures, is necessary to allow the Debtor to prosecute this Chapter 11 Case in an expeditious manner, thereby minimizing administrative costs and delays and avoiding disruption to the Debtor's business for the benefit of all parties in interest.

(ii) **Application of Debtor for Appointment of Prime Clerk LLC as Claims and Noticing Agent**

37. The Debtor requests authority to appoint Prime Clerk LLC as its claims and noticing agent ("**Claims and Noticing Agent**") in accordance with the terms and conditions of that certain Engagement Agreement dated November 7, 2017, by and between Debtor and Prime Clerk (the "**Engagement Agreement**"), effective *nunc pro tunc* to the Petition Date. Prime Clerk's duties will include assuming full responsibility for the distribution of notices and the maintenance, processing, and docketing of proofs of claim filed in this Chapter 11 Case. I believe the Debtor's selection of Prime Clerk to serve as its Claims and Noticing Agent has satisfied the Court's Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c).

38. I believe that Prime Clerk's rates are competitive and reasonable given Prime Clerk's quality of services and expertise. The terms of Prime Clerk's retention are set forth in the Engagement Agreement attached to the application. Appointing Prime Clerk as the Debtor's Claims and Noticing Agent will maximize the efficiency of the distribution of notices, as well as relieve the Office of the Clerk of the Bankruptcy Court of the administrative burden of processing a large number of notifications. Although the Debtor has not yet filed its schedule of assets and liabilities, it anticipates that there will be in excess of 100 entities to be noticed. By separate application, the Debtor will seek authorization to retain and employ Prime Clerk as

administrative advisor in this chapter 11 case pursuant to section 327(a) of the Bankruptcy Code because the administration of this chapter 11 case will require Prime Clerk to perform duties outside the scope of 28 U.S.C. § 156(c).

(iii) Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a) and 521(a), Fed R. Bankr. P. 1007(a) and (c), 2002(f), and (I), and 9006(b), and Local Rule 1007-1 for Entry of an Order (i) Extending Time to File Schedules of Assets and Liabilities and Statement of Financial Affairs, (ii) Waiving the Same Upon Confirmation of the Debtor's Plan, and (iii) Waiving Requirement to File a List of Equity Holders

39. The Debtor requests entry of an order extending the time to file its schedules of assets and liabilities and statements of financial affairs (the “**Schedules and Statements**”) to allow the Debtor a total of sixty (60) days following the Petition Date (the “**Deadline**”) to file its Schedules and Statements and a waiver of the same upon confirmation of the Plan on or before the Deadline. Completing the Schedules and Statements would be unnecessarily expensive and time consuming. This is particularly true if the Plan is confirmed since unsecured creditors and equity holders are unimpaired under the Plan. Additionally, the Debtor seeks a waiver of the requirement to file a list of equity security holders, assuming the Plan is ultimately confirmed. The Debtor is a public company and, as of the Petition Date, has approximately 8.2 million outstanding shares of common stock. In order to effectuate the adjourned filing date, this motion should be considered a First Day Pleading and the Debtor will seek approval of the motion at the First Day Hearing.

40. The Debtor proposes to retain Prime Clerk as a claims and noticing agent to assist the Debtor in preparing creditor lists and mailing initial notices. With such assistance, the Debtor will be prepared to file a computer-readable list of creditors upon request and will be capable of undertaking all necessary mailings in a timely and efficient manner. I believe that the

relief requested by this motion is necessary and appropriate to maximize the value of the Debtor's estate.

B. Operational Motions Requesting Immediate Relief

41. The Debtor intends to ask for immediate interim relief with respect to the following First Day Pleadings and, therefore, will present these motions at the First Day Hearing.

(i) Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363 for Authorization to Continue Using Its Existing Bank Account and Business Forms

42. The Debtor maintains a single bank account (the "**Bank Account**") at Signature Bank ("**Signature Bank**").⁶ Signature Bank is designated as an authorized depository by the Office of the United States Trustee (the "**U.S. Trustee**") for Region 2, pursuant to the U.S. Trustee's Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (the "**UST Guidelines**"). The Debtor seeks the entry of an order authorizing and directing Signature Bank to continue to treat, service, and administer the Bank Account as an account of the Debtor as debtor in possession without interruption and in the usual and ordinary course, and to receive, process, honor, and pay all checks, drafts, wires, or Automated Clearing House Payments drawn on the Bank Account after the Petition Date; provided that any payments issued or made prior to the Petition Date will not be honored absent direction of the Debtor and an order of the Court.

43. The Debtor uses the funds in the Bank Account to fund its ongoing operations. Funds are automatically transferred from the Bank Account to fulfill authorized draws made on the Bank Account.

⁶ The last four digits of the account number are 6391.

44. To minimize expenses, the Debtor seeks authorization to continue using all Business Forms substantially in the forms used immediately prior to the Petition Date, without reference to the Debtor's status as a debtor in possession; provided that in the event that the Debtor generates new Business Forms during the pendency of this case other than from its existing stock, such Business Forms will include a legend referring to it as "Debtor-In-Possession." To the extent practicable, the Debtor also will laser print such legend on any Business Forms electronically generated during this case.

(ii) **Motion of Debtor for Authority to Pay Prepetition Claims of General Unsecured Creditors in Ordinary Course of Business Pursuant to Sections 105, 362, 363, and 503 of the Bankruptcy Code**

45. In the ordinary course of business, the Debtor incurred various fixed, liquidated, and undisputed payment obligations (the "**Trade Claims**") to various third-party providers of services (the "**Trade Creditors**") that facilitate the Debtor's business operations. The Trade Claims include, but are not limited to, claims of (i) providers of services necessary to the Debtor's business operations; (ii) providers of professional services including accounting and legal services; and (iii) other general operational expenses that are not addressed in other First Day Pleadings. For the 12 months prior to the Petition Date, the Debtor's average aggregate monthly payment to Trade Creditors was approximately \$250,000.

46. The Debtor estimates that the aggregate amount of Trade Claims is approximately \$250,000. Pending entry of the final order granting the Motion, the Debtor seeks interim authority to pay prepetition amounts owed on account of Trade Claims in aggregate amount not to exceed \$300,000, in the ordinary course of business and subject to the terms and conditions set forth in the proposed interim order. The Debtor requests authority to pay all Trade

Claims in full in the ordinary course of business upon entry, and subject to the terms and conditions, of the final order.

47. It is a sound exercise of the Debtor's business judgment to pay the Trade Claims as they become due in the ordinary course of business because doing so will avoid value-destructive business interruption and will not prejudice the Debtor's other stakeholders. The Plan provides for the full and uninterrupted payment of such claims. As a result, no party in interest will be prejudiced by the relief requested because the Debtor seeks only to alter the timing, not the amount or priority, of such payments. In addition many of the Trade Claims enjoy statutory or other priority and are otherwise entitled to be paid in full.

48. The Debtor is concerned that failure to pay the Trade Claims as they become due may result in non-performance by the Trade Creditors. Nonperformance by numerous Trade Creditors could disrupt the Debtor's operations (e.g., compliance with its SEC reporting obligations) to the detriment of all of the Debtor's stakeholders.

49. The Debtor anticipates that all of its prepetition Trade Claims will become due and payable over the next four weeks in the ordinary course of business. Accordingly, the Debtor seeks authority to pay prepetition amounts owed on account of Trade Claims in full, in each case, in the ordinary course of business and subject to the terms and conditions set forth in the proposed order without any limitation in amount other than the overall aggregate capped amount of \$300,000. If the Debtor was limited to an interim cap, it would be forced to delay payments to certain of its vendors, which would be disruptive to its business, or seek emergency relief. In light of the prepackaged nature of this Chapter 11 Case and the unimpaired treatment of General Unsecured Creditors under the Plan, the Debtor requests that the Court authorize

payment of all prepetition amounts in the ordinary course of business upon entry of the interim order.

(iii) **Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a), 327, and 330 for Authority to Employ Professionals Used in the Ordinary Course of Business**

50. The Debtor seeks authority to: (i) establish certain procedures to retain and compensate those professionals that the Debtor employs in the ordinary course of business (collectively, the “**Ordinary Course Professionals**”), effective as of the Petition Date, without (a) the submission of separate employment applications or (b) the issuance of separate retention orders for each individual Ordinary Course Professional, and (ii) compensate and reimburse such professionals without individual fee applications.

51. The Ordinary Course Professionals provide to the Debtor professional services relating to litigation, regulatory matters, general corporate matters, and tax and accounting matters, as well as other issues and matters that have a direct and significant impact on the Debtor’s day-to-day operations as a public company. It is essential that the employment of the Ordinary Course Professionals, many of whom are familiar with the Debtor’s business, be continued to avoid disruption of the Debtor’s operations.

(iv) **Motion of the Debtor Pursuant to 11 U.S.C. §§ 362 and 105(a) for the Entry of an Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtor**

52. In this motion (the “**NOL Motion**”), the Debtor seeks to establish procedures to protect the potential value of the Debtor’s net operating loss carryforwards (“**NOLs**”) and certain other tax attributes (“**Tax Attributes**”). The proposed procedures would impose certain restrictions and notification requirements with respect to the following stock issued by the Debtor: (1) Class A Common Stock; and (2) options and similar rights (within the

meaning of applicable U.S. Treasury regulations) to acquire such stock. More specifically, the proposed procedures require any holder of the Debtor's Stock that is or becomes a Substantial Stockholder (defined as an entity or person possessing 4.5% of all issued and outstanding shares of Class A Common Stock) to provide notice to the Debtor using a proposed form included in the motion. The proposed procedures also require notice before (and in one instance precludes) certain transactions that could jeopardize the Debtor's ability to utilize the Tax Attributes.

53. The Debtor estimates that, as of September 30, 2017, the Debtor had approximately \$288 million of consolidated NOLs for U.S. federal income tax purposes in addition to certain other Tax Attributes. These Tax Attributes are valuable assets of the Debtor's estate because the Tax Code generally permits corporations to carry over their Tax Attributes to reduce future taxable income. Accordingly, absent any intervening limitations, the Tax Attributes could substantially reduce the Debtor's U.S. federal income tax liability during the pendency of this Chapter 11 Case (such as in connection with the disposition of assets) or, potentially, in the event of a future transaction, to offset future income tax liabilities. The Tax Attributes could thus translate into future tax savings over time and any such savings could enhance the Debtor's cash position for the benefit of all parties in interest. Accordingly, the trading procedures seek authority to monitor and approve certain changes in the ownership of Class A Common Stock in the Debtor (including by claiming a worthlessness deduction) to protect against the occurrence of an ownership change during the pendency of the bankruptcy case.

54. The need for the relief sought by the NOL Motion is evidenced by the recent trading volume of GLBR's Class A Common Stock. As of December 7, 2017, the average daily trading volume of the Debtor's Class A shares for the past 52 weeks was less than 50,000 shares and the total annual volume of shares traded was approximately 12.1 million shares.

However, on December 7, 2017, more than 13.2 million shares were traded, and on December 8, 2017, more than 30.5 million shares were traded.

55. I have been advised that the relief requested in the NOL Motion would prevent diminution of this valuable asset of the Debtor's estate.

VI. Information Required by Local Rule 1007-2

56. In accordance with Local Rule 1007-2, the schedules attached hereto provide certain information related to the Debtor.

57. Pursuant to Local Rule 1007-2(a)(3), **Schedule 1** hereto lists the names and addresses of the members of, and attorneys for, any official committee organized prior to the Petition Date and a brief description of the circumstances surrounding the formation of the committee and the date of its formation.

58. Pursuant to Local Rule 1007-2(a)(4), **Schedule 2** hereto lists the holders of the Debtor's twenty (20) largest unsecured claims on a consolidated basis, excluding claims of insiders.

59. Pursuant to Local Rule 1007-2(a)(5), **Schedule 3** hereto lists the holders of the five (5) largest secured claims against the Debtor on a consolidated basis.

60. Pursuant to Local Rule 1007-2(a)(6), **Schedule 4** hereto provides a summary of the (unaudited) consolidated assets and liabilities for the Debtor and its non-debtor Affiliates.

61. Pursuant to Local Rule 1007-2(a)(7), **Schedule 5** hereto provides the following information: the number and classes of shares of stock, debentures, and other securities of the Debtor that are publicly held and the number of record holders thereof; and the number and classes of shares of stock, debentures, and other securities of the Debtor that are held by the Debtor's directors and officers, and the amounts so held.

62. Pursuant to Local Rule 1007-2(a)(8), **Schedule 6** hereto provides a list of all of the Debtor's property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity and the location of the court in which any proceeding relating thereto is pending.

63. Pursuant to Local Rule 1007-2(a)(9), **Schedule 7** hereto provides a list of the premises owned, leased, or held under other arrangement from which the Debtor operates its business.

64. Pursuant to Local Rule 1007-2(a)(10), **Schedule 8** hereto provides the location of the Debtor's substantial assets, the location of its books and records, and the nature, location, and value of any assets held by the Debtor outside the territorial limits of the United States.

65. Pursuant to Local Rule 1007-2(a)(11), **Schedule 9** hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtor or its property where a judgment against the Debtor or a seizure of its property may be imminent.

66. Pursuant to Local Rule 1007-2(a)(12), **Schedule 10** hereto provides a list of the names of the individuals who comprise the Debtor's existing senior management, their tenure with the Debtor, and a brief summary of their relevant responsibilities and experience.

67. Pursuant to Local Rule 1007-2(b)(1)-(2)(A), **Schedule 11** hereto provides the estimated amount of weekly payroll to the Debtor's employees (not including officers, directors, stockholders, and partners) and the estimated amount to be paid to officers, stockholders, directors, members of any partnerships, and financial and business consultants

retained by the Debtor for the thirty (30) day period following the filing of the Debtor's Chapter 11 Case as the Debtor intends to continue to operate its business.

68. Pursuant to Local Rule 1007-2(b)(3), **Schedule 12** hereto provides, for the thirty (30) day period following the filing of the Chapter 11 Case, a list of estimated cash receipts and disbursements, net cash gain or loss, obligations, and receivables expected to accrue that remain unpaid, other than professional fees.

Conclusion

69. This declaration sets forth the factors that have precipitated the commencement of the Chapter 11 Case and the critical need for the Debtor to implement the reorganization strategy embodied in the Plan.

[Remainder of Page Intentionally Blank]

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed this 11th day of December, 2017

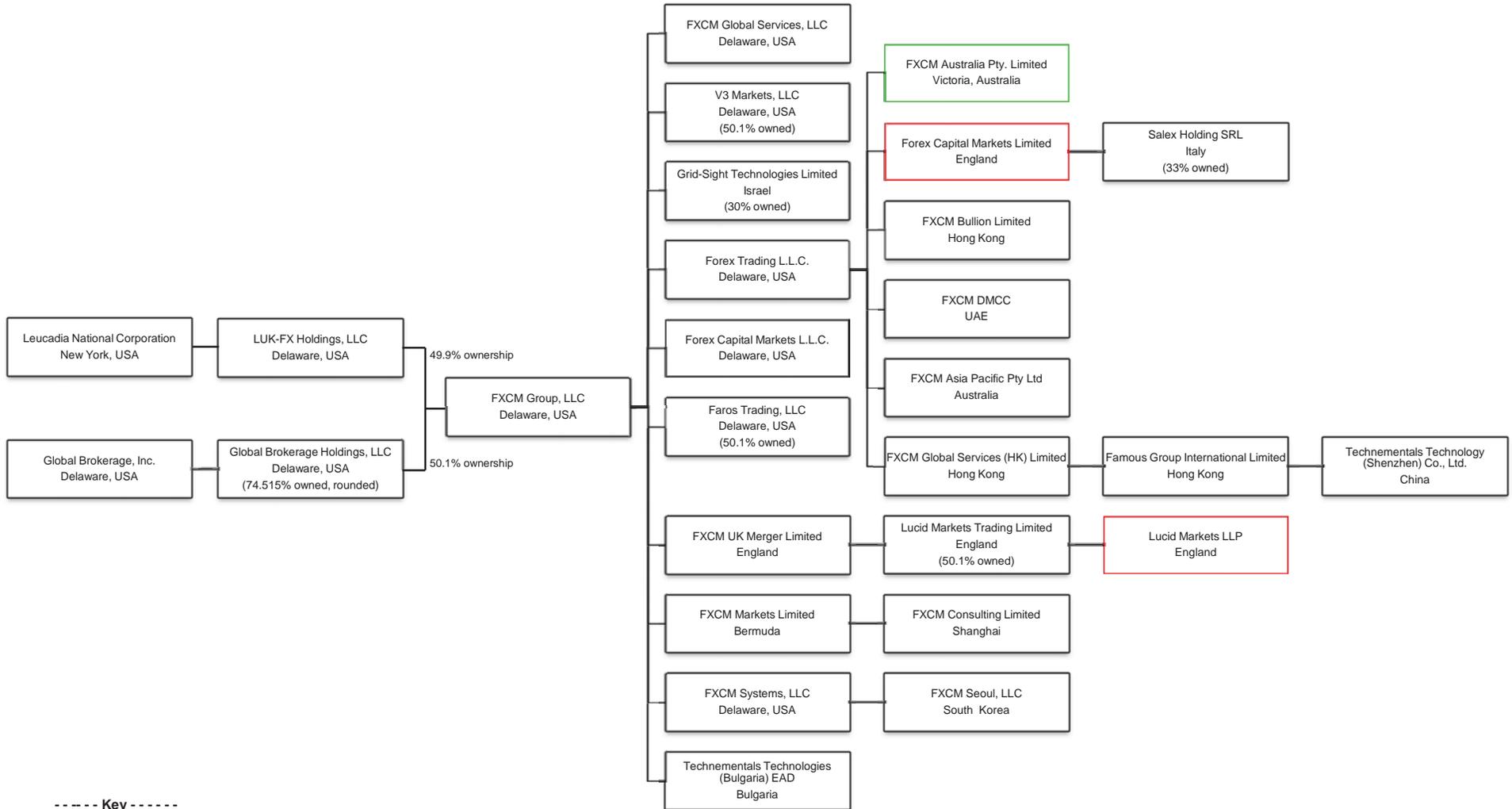
/s/ Kenneth Grossman
Kenneth Grossman
Chief Executive Officer

Global Brokerage, Inc.

EXHIBIT A

Corporate Organization Chart

FXCM GROUP CORPORATE STRUCTURE CHART



----- Key -----

- Regulated by UK FCA
- Regulated by AU ASIC

Notes: (1) this structure chart is current as of 15 August 2017; (2) unless otherwise noted, each entity is 100% wholly-owned by its direct parent.

SCHEDULE 1

Committees

Pursuant to Local Rule 1007-2(a)(3), to the best of the Debtor's knowledge and belief, no official committee has been organized prior to the Petition Date. An unofficial ad hoc group of holders of more than 68.5% of the Existing Notes was formed prior to the execution of the RSA.

SCHEDULE 2

Consolidated List of 20 Largest Unsecured Claims (Excluding Insiders)

Pursuant to Local Rule 1007-2(a)(4), the following is a list of creditors holding, as of December 1, 2017 the twenty (20) largest, unsecured claims against the Debtor, on a consolidated basis, excluding claims of insiders as defined in 11 U.S.C. § 101.

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Amount of claim	Contingent, Liquidated, Disputed, or Partially Secured
1	THE BANK OF NEW YORK MELLON, AS INDENTURE TRUSTEE	101 Barclay Street, Floor 7W, New York, NY 10286	Debt	\$172,500,000 plus accrued and unpaid interest	
3	ERNST & YOUNG	David Stollow Ernst & Young 5 Times Square New York, NY 10036	Trade debt	\$30,000	Liquidated
4	MORRIS, NICHOLS, ARSHT & TUNNELL LLP	Kenneth Nachbar 1201 North Market Street PO Box 1347 Wilmington, DE 19899	Trade debt	\$7,834.91	Liquidated
5	D.F. KING & CO., INC.	DF King 48 Wall Street New York, NY 10005	Trade debt	\$2,254.11	Liquidated
6	S2 FILING, LLC.	S2 Filings 5670 Wilshire Blvd, Suite 1530 Los Angeles, CA 90036	Trade debt	\$395	Liquidated
7					
8					

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Amount of claim	Contingent, Liquidated, Disputed, or Partially Secured
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

SCHEDULE 3

Consolidated List of Holders of Five Largest Secured Claims

Pursuant to Local Rule 1007-2(a)(5), to the best of the Debtor's knowledge, belief, and understanding, there are no secured, non-contingent claims against the Debtor.

SCHEDULE 5

Publicly Held Securities

Pursuant to Local Rule 1007-2(a)(7), the following lists the number and classes of shares of stock, debentures, and other securities of the Debtor that are publicly held (“**Securities**”) and the number of holders thereof. The Securities held by the Debtor’s directors and officers are listed separately.

Global Brokerage, Inc. Common Stock

Type of Security	Approximate Number of Shares	Approximate Number of Record Holders	As of
Class A Common Stock, \$0.01 par value	8,244,394	12 ¹	December 11, 2017
Class B Common Stock, \$0.01 par value (not publicly traded)	0	0	December 11, 2017
Preferred stock	0	0	December 11, 2017

¹ The number of record holders does not include persons who hold Class A Common Stock in nominee or “street name” accounts through brokers.

Global Brokerage, Inc. Common Stock Held by the Debtor's Executive Officers

Name of Executive Officer	Approximate Number of Shares²	As of
Kenneth Grossman	0	December 11, 2017
Robert Lande	0	December 11, 2017
David Sakhai	0	December 11, 2017
Margaret Deverell	299	December 11, 2017
David Sassoon	139	December 11, 2017

² Only includes stock directly owned by the executive officer.

Schedule 6

Debtor's Property Not in the Debtor's Possession

Pursuant to Local Rule 1007-2(a)(8), to the best of the Debtor's knowledge and belief, no property of the Debtor is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity.

Schedule 7

Pursuant to Local Rule 1007-2(a)(9), the following lists the property or premises owned, leased, or held under other arrangement from which the Debtor operates its business.

Property Used by the Debtor

Debtor	Street Address	City	State	Zip Code	Country
Global Brokerage, Inc.	55 Water Street, 50th Floor ¹	New York	NY	10041	USA

¹ The lease for this location is between a non-debtor Affiliate and a third party landlord.

Schedule 8

Location of Debtor's Assets, Books, and Records

Pursuant to Local Rule 1007-2(a)(10), the following lists the locations of the Debtor's substantial assets, the location of its books and records, and the nature, location, and value of any assets held by the Debtor outside the territorial limits of the United States.

Location of Debtor's Substantial Assets

As of December 11, 2017, the Debtor had cash and cash equivalent assets of approximately \$500,000, with substantial assets in New York.

Books and Records

The Debtor's books and records are located at 55 Water Street, 50th Floor, New York NY 10041.

Debtor's Assets Outside the United States

The Debtor does not have significant assets located outside of the territorial limits of the United States.

Schedule 9

Litigation

Pursuant to Local Rule 1007-2(a)(11), to the best of the Debtor's knowledge, belief, and understanding, the following actions or proceedings pending or threatened against the Debtor or its property, as of the Petition Date, where a judgment against the Debtor or a seizure of its property may be imminent:

- *Kandell v. Dror Niv, et al*, C.A. No. 11812-VCG (Del. Ch.)
- *In re Global Brokerage, Inc. f/k/a FXCM Inc. Securities Litig.*, No. 1:17-cv-916-RA (S.D.N.Y.), consolidated with No. 1:17-cv-955-RA, 1:17-cv-1028-RA, 1:17-cv-2035-RA, 1:17-cv-2506-RA
- *Nguyen v. FXCM Inc., et al.*, No. 1:17-cv-02729 (S.D.N.Y.), consolidated with *Cardi v. FXCM Inc., et al.*, No. 1:17-cv-04699-PAC (S.D.N.Y.)
- *Ret. Bd. of the Policemen's Annuity v. FXCM Inc.*, No. 1:15-cv-03599-KMW (S.D.N.Y.)
- *Raul v. Global Brokerage, et al.*, No. 1:17-cv-02035-RA (S.D.N.Y.)
- *Wills v. Sakhai, et al.*, No. 1:17-cv-01200-CCC (D. Del.)
- *Nachmany v. FXCM, Inc.*, Case No. 1:16-cv-225-DAB (S.D.N.Y.)

Schedule 10

Senior Management

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtor’s existing senior management, a description of their tenure with the Debtor, and a brief summary of their relevant responsibilities and experience.

Name & Position	Responsibilities & Experience
Kenneth Grossman – Chief Executive Officer	I have served as the Debtor’s CEO since May 2017. I have been the Managing Director of GLBR since 1999 and I am one of the original founding partners of FXCM. From 1999 to 2007, I served as Chief Financial Officer of FXCM. Prior to co-founding FXCM, I served as the Chief Financial Officer and in other senior management roles at Berisford Capital Markets. I graduated from Brooklyn College with a degree in Accounting and I received a law degree with honors from Brooklyn Law School. I am in charge of overseeing the Debtor’s business.
Robert Lande – Chief Financial Officer	Mr. Lande has been the Chief Financial Officer of GLBR since February 2017. He served as the Chief Financial Officer of FXCM from January 2010 through February 2017. He previously served as the Chief Operating Officer and Managing Partner of Riveredge Capital Partners LLC. Mr. Lande graduated from McGill University with a degree in Economics and Concordia University with a Masters of Business Administration. He manages the Debtor’s finances.
David Sakhai – Chief Operating Officer	Mr. Sakhai served as the Chief Operating Officer of Forex Capital Markets LLC until February 27, 2017. Mr. Sakhai has been the Chief Operating Officer of GLBR since 1999. Prior to co-founding FXCM, Mr. Sakhai worked in real-estate management, holding several senior positions at Saks Brothers Realty. He has been a Director of GLBR since 2010 and Forex Capital Markets LLC since February 27, 2017. He graduated from the School of Management at Binghamton University. He oversees the Debtor’s operations.
Margaret Deverell – Senior Chief Accounting Officer	Ms. Deverell has served as the Chief Accounting Officer of GLBR since February 2017. She previously served as a Controller for FXCM. She holds an accounting degree from Montclair State University and is a Certified Public Accountant. She manages the Debtor’s accounting needs.
David Sassoon – Senior Vice President, General Counsel, and Secretary	Mr. Sassoon has served as the Secretary and General Counsel for the Debtor since February 2017. He previously served as the Secretary and General Counsel for FXCM. He possess a degree in political science from Queen’s College and a law degree from Brooklyn Law School. He serves as the Debtor’s primary legal counsel.

Schedule 11

Payroll

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the Debtor has no employees other than Kenneth Grossman, Chief Executive Officer, and the estimated amount to be paid to officers, stockholders, and directors, and financial and business consultants retained by the Debtor for the 30-day period following the filing of the Chapter 11 Case.

Payments to Officers, Stockholders, and Directors	\$75,000
Payments to Financial and Business Consultants	\$100,000

Schedule 12

**Cash Receipts and Disbursements,
Net Cash Gain or Loss, Unpaid Obligations and Receivables**

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the filing of the Chapter 11 Case, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Cash Receipts	\$0
Cash Disbursements	\$250,000 ²
Net Cash Loss	-\$250,000
Unpaid Obligations	\$0
Uncollected Receivables	\$0

² Figures based on historical monthly averages.