

EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MICHAEL RUBIN,

Plaintiff,

v.

MF GLOBAL, LTD., et al.,

Defendants.

Case No. 08 Civ. 2233 (VM)

**DECLARATION OF JOHN J. GALLAGHER, JR., EXECUTIVE DIRECTOR
OF THE POLICEMEN'S ANNUITY & BENEFIT FUND OF CHICAGO,
IN SUPPORT OF FINAL APPROVAL OF SETTLEMENT
AND AN AWARD TO COUNSEL OF ATTORNEYS' FEES AND
REIMBURSEMENT OF LITIGATION EXPENSES**

I, JOHN J. GALLAGHER, JR., executive director of the Policemen's Annuity & Benefit Fund of Chicago ("PABF"), declare as follows:

1. I am the executive director of PABF. In this regard, I am responsible for, among other things, working with outside counsel when the PABF is involved with securities and corporate governance litigation relating to the PABF's investments. I submit this declaration in support of lead plaintiffs' application for approval of the proposed settlement of this case and an award of attorneys' fees and reimbursement of litigation expenses.

2. I am aware of and understand the requirements and responsibilities of a lead plaintiff in a securities class action as set forth in the Private Securities Litigation Reform Act. I have personal knowledge of matters related to PABF, and of the other matters set forth in this declaration, having been directly involved in the prosecution, mediation and settlement in this case, and I could and would testify competently thereto.

3. PABF is a governmental defined-benefit pension plan qualified under Section 401(a) of the Internal Revenue Code for the benefit of current and retired employees of the Chicago Police Department. PABF is responsible for the retirement income of employees of the Chicago Police Department, providing benefits to over 25,000 active and retired employees and their families. At the end its last fiscal year, PABF had over \$3 billion in net assets under management. During the class period covered by this litigation, PABF purchased 111,560 shares of common stock of MF Global and suffered damages as a result of the violations of law alleged in the complaint filed in this case. On June 23, 2008, the Court appointed PABF as one of four co-lead plaintiffs for this litigation.

4. PABF is familiar with securities class action litigation, as it was involved in the prosecution and resolution of several cases, including *In re Apollo Group, Inc. Securities Litigation*, No. CV 04-2147 (D.Az.); and *In re DaimlerChrysler AG Securities Litigation*, Civil Action No. 1:00cv00993 (D.Del.).

5. As discussed more fully below, on behalf of PABF, I had regular communications concerning the case with Barrack, Rodos & Bacine (“Barrack”), a co-lead counsel for the class, including when important decisions had to be made and when documents had to be filed with the Court. When necessary, I also briefed PABF’s board of trustees on the status of the case. Among other things, PABF considered, internally and with Barrack: (a) the amount of losses PABF sustained on its class period purchases of MF Global common stock; (b) whether to seek appointment as a lead plaintiff in the case; (c) the alleged misconduct; (d) the legal and procedural issues involved in prosecuting the case; (e) the prosecution of an appeal of the District Court’s decisions to the United States Court of Appeals for the Second Circuit; and (f) decisions regarding the settlement of the case.

PABF Participated in the Prosecution and Settlements of the Action

6. PABF was appointed co-lead plaintiff by Order entered June 23, 2008. PABF reviewed and approved all submissions made in connection with the motion for its appointment as lead plaintiff prior to filing.

7. On behalf of PABF, I closely supervised, carefully monitored, and have been actively involved in all material aspects of the prosecution of the case. PABF received periodic reports from Barrack on case developments, and participated in regular discussions with attorneys from Barrack concerning the prosecution of the case. As PABF's executive director, I supervised and monitored the progress of this litigation and actively participated in its prosecution. Among other things, I reviewed and commented on pleadings and other papers submitted in this case; consulted with Barrack regarding the retention of an investigator to develop facts needed for the preparation of an amended complaint; participated in discussions with Barrack concerning significant developments in this litigation, including the defendants' motions to dismiss and the appeal of the dismissal to the Court of Appeals.

8. PABF was also intimately involved in overseeing and participating in the negotiations and mediation sessions that ultimately led to the settlements in the case.

9. Among other things, I reviewed and commented on the statements submitted in connection with the mediation sessions and consulted with lead counsel concerning strategy on the mediation.

10. In addition, as the specific terms of the settlements and settlement documentation were negotiated, I also conferred with counsel and approved the settlement agreements. I also reviewed the briefs and other documents that are presently being submitted in support of: (a) final approval of the settlements and approval of lead plaintiffs' proposed plan of allocation; and

(b) approval of lead counsel's application for an award of attorneys' fees and reimbursement of litigation expenses.

PABF Endorses the Settlement and Lead Counsel's Application for Awards of Attorneys' Fees and Reimbursement of Litigation Expenses

11. Based on PABF's oversight of the prosecution and mediations in this case, PABF strongly endorses the settlement, and believes it provides an excellent recovery for the class, especially when measured against the maximum amount of recoverable damages, and in view of the substantial risks plaintiffs faced in establishing liability, loss causation and damages in this case.

12. PABF further believes that lead counsel's requested fee is fair and reasonable in light of the work they performed on behalf of the plaintiffs and the class. I evaluated that fee by comparing it to lead counsel's and other assisting plaintiffs' counsel's lodestar, by considering the outstanding result obtained for the class notwithstanding the vigorous defenses raised by each set of defendants in the case and the fact that lead counsel achieved the result only after succeeding on appeal.

13. PABF further believes, after reviewing the expenses incurred by both lead counsel and the other firms involved in prosecuting this case, that the litigation expenses being requested for reimbursement are reasonable, and represent costs and expenses necessary for the prosecution and resolution of this securities fraud action.

14. PABF understands that reimbursement of a lead plaintiff's reasonable costs and expenses, including lost wages, is authorized under the PSLRA. For this reason, in connection with the fee and expense application, PABF determined the costs it incurred in connection with this case. Such costs relate to the time that I incurred in overseeing the prosecution and resolution of the case. In this regard, PABF seeks reimbursement for the cost of the time I

devoted to supervising and participating in this case in the amount of \$5,300 (26.5 hours at \$200 per hour).

15. In sum, as an authorized representative of PABF who was intimately involved throughout the commencement, prosecution, mediation and settlement of this case, I: (i) support the settlement obtained for the class as fair, reasonable and adequate, and believe that they represent an outstanding recovery; (ii) endorse the plan of allocation, and believe that it provides a fair and reasonable method for valuing claims submitted by class members and for distributing the net settlement fund; and (iii) endorse and approve the attorneys' fee and litigation expense reimbursement application, and believe that it represents fair and reasonable compensation for plaintiffs' counsel in light of the recovery for the class and the litigation risks. Accordingly, I respectfully request that the Court approve the settlement, the plan of allocation and the attorneys' fee and litigation expense reimbursement application.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on October __, 2011.



JOHN J. GALLAGHER, JR.