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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

RECEIVED  
JUDGE KAPLAN'S CHAMBERS

In re LEHMAN BROTHERS SECURITIES  
AND ERISA LITIGATION

Case No. 09-MD-2017 (LAK)

ECF CASE

This Document Applies To:

*In re Lehman Brothers Equity/Debt  
Securities Litigation, 08-CV-5523-LAK*

**PRETRIAL ORDER No. 28**

**PROPOSED ORDER CONCERNING PROPOSED SETTLEMENT WITH THE  
SETTLING UNDERWRITER DEFENDANTS**



**WHEREAS:**

A. Lead Plaintiffs and certain of the Settling Underwriter Defendants<sup>1</sup> (the "First Group of Settling Underwriter Defendants") entered into a Stipulation of Settlement and Release on December 2, 2011 (the "First Underwriter Stipulation"); and

<sup>1</sup> The Settling Underwriter Defendants are: A.G. Edwards & Sons, Inc.; ABN AMRO Inc.; ANZ Securities, Inc.; Banc of America Securities LLC; BBVA Securities Inc.; BNP Paribas; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Caja de Ahorros y Monte de Piedad de Madrid; Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank); CIBC World Markets Corp.; Citigroup Global Markets Inc.; Charles Schwab & Co., Inc.; Commerzbank Capital Markets Corp.; Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets); DZ Financial Markets LLC; Edward D. Jones & Co., L.P.; Fidelity Capital Markets Services (a division of National Financial Services LLC); Fortis Securities LLC; BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.); HSBC Securities (USA) Inc.; HVB Capital Markets, Inc.; Incapital LLC; ING Financial Markets LLC; Loop Capital Markets, LLC; Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC); Merrill Lynch, Pierce, Fenner & Smith Inc.; Mizuho Securities USA Inc.; Morgan Stanley & Co. Inc.; MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners); Muriel Siebert & Co., Inc. and Siebert Capital Markets; nabCapital Securities, LLC (n/k/a nabSecurities, LLC); National Australia Bank Ltd.; Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC); Raymond James & Associates, Inc.; RBC Capital Markets, LLC (f/k/a RBC Dain Rauscher Inc.); RBS Greenwich Capital (n/k/a RBS Securities

B. Lead Plaintiffs and the remaining Settling Underwriter Defendants (the "Second Group of Settling Underwriter Defendants") entered into a Stipulation of Settlement and Release (the "Second Underwriter Stipulation") on December 9, 2011, which largely adopted the terms of the First Underwriter Stipulation; and

C. Together, the First Underwriter Stipulation and Second Underwriter Stipulation (together, the "Stipulations") set forth the terms and conditions of Lead Plaintiffs' proposed settlement with the Settling Underwriter Defendants and the release of the claims and dismissal of the Action against the Settling Underwriter Defendants with prejudice upon the terms and conditions set forth therein (the "UW Settlement");

D. Lead Plaintiffs have moved the Court, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order concerning the proposed UW Settlement;

E. The Settling Underwriter Defendants do not oppose this request; and

F. The Court is familiar with and has reviewed the record in the Action and has reviewed the Stipulations, including the exhibits attached to the Stipulations, and found good cause for entering the following Order.

**NOW, THEREFORE, IT IS HEREBY ORDERED:**

1. The Court, for the purposes of this Order, adopts all defined terms as set forth in the First Underwriter Stipulation for purposes of the settlement with the First Group of Settling Underwriter Defendants and all defined terms as set forth in the Second Underwriter Stipulation

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Inc.); Santander Investment Securities Inc.; Scotia Capital (USA) Inc.; SG Americas Securities LLC; Sovereign Securities Corporation, LLC; SunTrust Robinson Humphrey, Inc.; TD Securities (USA) LLC; UBS Securities LLC; Utendahl Capital Partners, L.P.; Wachovia Capital Finance; Wachovia Securities, LLC n/k/a Wells Fargo Securities, LLC; Wells Fargo Securities, LLC and Williams Capital.

for purposes of the settlement with the Second Group of Settling Underwriter Defendants, unless otherwise defined herein.

**CLASS CERTIFICATION**

2. The Court finds, upon a preliminary evaluation, that for purposes of the UW Settlement only, the requirements of Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been met and the Court preliminarily certifies the following class for purposes of the UW Settlement only: all persons and entities who purchased or acquired Lehman Securities identified in Appendix A to the First Underwriter Stipulation pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and who were damaged thereby (the "UW Settlement Class"). The UW Settlement Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First Underwriter Stipulation, who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Excluded from the UW Settlement Class are (i) Defendants; (ii) the officers and directors of each Defendant; (iii) any entity (other than a Managed Entity) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the "Underwriter Settlement Class Period") owned, a majority interest; (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party; and (v) Lehman. Also excluded from the UW Settlement Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement

Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "UW Notice").

3. The Court hereby finds based upon a preliminary evaluation that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the UW Settlement only, the following are adequate class representatives and preliminarily certifies the following as Settlement Class Representatives for the UW Settlement Class: Alameda County Employees' Retirement Association; Government of Guam Retirement Fund; Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Montgomery County Retirement Board; Teamsters Allied Benefit Funds; John Buzanowski; and Ann Lee. The Court further certifies Lead Counsel as Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. The Court finds, based on a preliminary evaluation, for purposes of the UW Settlement only, that as to the UW Settlement Class, the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of UW Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the UW Settlement Class; (c) the claims of the UW Settlement Class Representatives are typical of the claims of the UW Settlement Class; (d) the UW Settlement Class Representatives and Lead Counsel have and will fairly and adequately represent the interests of the UW Settlement Class; (e) the questions of law and fact common to the UW Settlement Class predominate over any questions affecting only

individual members of the UW Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

**MAILING AND PUBLICATION OF NOTICE**

5. The Court authorizes Lead Counsel to retain, and the Court hereby appoints, The Garden City Group, Inc. as the Claims Administrator to supervise and administer the notice procedures, as well as the processing of claims as more fully set forth below:

a. No later than 20 business days following entry of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the UW Notice and Claim Form, annexed hereto as Exhibits A-1 and A-2, respectively, to be mailed by first-class mail, postage prepaid, to those members of the UW Settlement Class who may be identified through reasonable effort, including those identified in the records of Lehman or its transfer agent(s) as provided to the Claims Administrator in connection with the D&O Settlement (as defined below);

b. The UW Notice and Claim Form will be mailed along with notice of the D&O Settlement (collectively, the "Notice Packet") to potential UW Settlement Class Members;

c. A joint summary notice (the "Summary Notice"), annexed hereto as Exhibit A-3, shall be published once in the national edition of *The Wall Street Journal* and *Investor's Business Daily* no later than 10 business days after the Notice Date; and

d. The UW Notice, the Summary Notice and the Claim Form shall also be placed on the Claims Administrator's website, or a website created for the settlements obtained in this Action, on or before the Notice Date.

6. The Court approves the form of the UW Notice and Summary Notice (together, the "Notices") and the Claim Form, and finds that the procedures established for publication, mailing and distribution of such Notices substantially in the manner and form set forth in

Paragraph 5 of this Order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27(a)(7) of the Securities Act of 1933, 15 U.S.C. § 77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), the Constitution of the United States, and any other applicable law, and constitute the best notice practicable under the circumstances.

7. The Settling Underwriter Defendants shall provide information reasonably available to them that, in their judgment, will identify potential UW Settlement Class Members for the purpose of sending notification of the UW Settlement within ten (10) business days of the entry of this Order, at no expense to the UW Settlement Class, Lead Counsel, or the Settlement Funds.

8. No later than 35 calendar days prior to the Approval Hearing (as defined below), Lead Counsel shall cause to be filed with the Court affidavits or declarations showing that the mailing and publication have been made in accordance with this Order.

#### **NOMINEE PROCEDURES**

9. Nominees who purchased Lehman Securities for beneficial owners who are UW Settlement Class Members are directed to, within fourteen (14) calendar days of receipt of the Notice Packet: (a) request additional copies of the Notice Packet from the Claims Administrator for such beneficial owners; or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator. If a nominee elects to send the Notice Packet to beneficial owners, such nominee is directed to mail the Notice Packet within fourteen (14) calendar days of receipt from the Claims Administrator, and upon such mailing, the nominee shall send a statement to the Claims Administrator confirming that the mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible

future notice to the UW Settlement Class. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely mailing of the Notice Packet, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Funds.

**THE FAIRNESS HEARING**

10. The Court will hold a settlement hearing (the "Settlement Hearing" or "Approval Hearing") on ~~April 12~~ <sup>April 2</sup>, 2012, at ~~4:00 p.m.~~ <sup>4:00 p.m.</sup>, in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007, Courtroom 12D, for the following purposes: (i) to determine whether the UW Settlement should be approved as fair, reasonable, adequate and in the best interests of the UW Settlement Class; (ii) to determine whether a Judgment substantially in the form attached as Exhibit B to the Second Underwriter Stipulation, should be entered dismissing and releasing the Settled Claims (as that term is defined in the First Underwriter Stipulation and in the Second Underwriter Stipulation) with prejudice; (iii) to rule upon the Plan of Allocation; (iv) to rule upon Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses; and (v) to consider any other matters that may properly be brought before the Court in connection with the UW Settlement.

11. The Court reserves the right to (a) adjourn or continue the Approval Hearing, or any adjournment or continuance thereof, without further notice to UW Settlement Class

Members and (b) approve the Stipulations with modification and without further notice to UW Settlement Class Members.

12. The Released Underwriter Parties shall have no responsibility or liability whatsoever with respect to the Plan of Allocation or Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses. The Plan of Allocation and Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses will be considered separately from the fairness, reasonableness and adequacy of the UW Settlement. At or after the Approval Hearing, the Court will determine whether Lead Counsel's proposed Plan of Allocation should be approved, and the amount of attorneys' fees and Litigation Expenses to be awarded to Lead Counsel. Any appeal from any orders relating solely to the Plan of Allocation or solely to Lead Counsel's application for an award of attorneys' fees and Litigation Expenses, or any reversal or modification thereof, shall not operate to terminate or cancel the UW Settlement, or affect or delay the finality of the Judgment approving the Stipulations and the UW Settlement set forth therein.

13. If approved, all UW Settlement Class Members will be bound by the proposed UW Settlement provided for in the Stipulations, and by any judgment or determination of the Court affecting UW Settlement Class Members, regardless of whether or not a UW Settlement Class Member submits a Claim Form. All UW Settlement Class Members shall be bound by all determinations and judgments in the Action concerning the UW Settlement, whether favorable or unfavorable to the UW Settlement Class.

14. Papers in support of the UW Settlement, the Plan of Allocation and Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses shall be

filed no later than 35 calendar days prior to the Approval Hearing. Reply papers shall be filed no later than 7 calendar days prior to the Approval Hearing.

**APPEARANCE AND OBJECTIONS AT THE FAIRNESS HEARING**

15. Any member of the UW Settlement Class may appear at the Approval Hearing and show cause why the proposed UW Settlement embodied in the Stipulations should or should not be approved as fair, reasonable, adequate and in the best interests of the UW Settlement Class, or why the Judgment should or should not be entered thereon, and/or to present opposition to the Plan of Allocation or to the application of Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses. However, no UW Settlement Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the UW Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the terms of the Plan of Allocation or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, unless, no later than 21 calendar days prior to the Approval Hearing, that UW Settlement Class Member or person (i) filed said objections, papers and briefs with the Clerk of the United States District Court for the Southern District of New York; and (ii) has served written objections, by hand or first-class mail, including the basis therefor, as well as copies of any papers and/or briefs in support of his, her or its position upon each of the following counsel for receipt no later than 21 calendar days prior to the Approval Hearing: David Stickney, Bernstein Litowitz Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, CA 92130 and David Kessler, Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087 on behalf of the Lead Plaintiffs; Mitchell Lowenthal, Esq., Victor Hou, Esq., and Roger Cooper, Esq., Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, NY 10006 on behalf of the First Group of Settling

Underwriter Defendants; and Kenneth G. Hausman, Esq., Howard Rice Nemerovski Canady Falk & Rabkin PC, Three Embarcadero Center, Seventh Floor, San Francisco, CA 94111-4024 on behalf of the Second Group of Settling Underwriter Defendants.

16. Any objection must include: (a) the full name, address, and phone number of the objecting UW Settlement Class Member; (b) a list and documentation of all of the UW Settlement Class Member's transactions involving Lehman Securities during the Underwriter Settlement Class Period, including brokerage confirmation receipts or other competent documentary evidence of such transactions, including the amount and date of each purchase, acquisition or sale and the price paid and/or received; (c) a written statement of all grounds for the objection accompanied by any legal support for the objection; (d) copies of any papers, briefs or other documents upon which the objection is based; (e) a list of all persons who will be called to testify in support of the objection; (f) a statement of whether the objector intends to appear at the Approval Hearing; (g) a list of other cases in which the objector or the objector's counsel has appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (h) the objector's signature, even if represented by counsel. If the objector intends to appear at the Approval Hearing through counsel, the objection must also state the identity of all attorneys who will appear on his, her or its behalf at the Approval Hearing. Any UW Settlement Class Member who does not make his, her or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the UW Settlement as reflected in the Stipulations, to the Plan of Allocation or to the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. By objecting, or otherwise requesting to be heard at the Approval Hearing, a person or entity shall be deemed to have submitted to the jurisdiction of the

Court with respect to the person's or entity's objection or request to be heard and the subject matter of the UW Settlement, including, but not limited to, enforcement of the terms of the UW Settlement (including, but not limited to, the release of the Settled Claims provided for in the Stipulations and the Judgment).

17. Any member of the UW Settlement Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

#### **CLAIMS PROCESS**

18. In order to be entitled to participate in the UW Settlement, a UW Settlement Class Member must complete and submit a Claim Form in accordance with the instructions contained therein. To be valid and accepted, Claim Forms submitted in connection with the UW Settlement must be postmarked no later than 120 calendar days after the Notice Date.

19. Any UW Settlement Class Member who does not timely submit a valid Claim Form shall not be eligible to share in the Settlement Funds, unless otherwise ordered by the Court, but will otherwise be bound by all of the terms of the Stipulations and UW Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for therein.

#### **REQUEST FOR EXCLUSION FROM THE UW SETTLEMENT CLASS**

20. Any requests for exclusion must be submitted for receipt no later than 21 calendar days prior to the Approval Hearing. Any UW Settlement Class Member who wishes to be excluded from the UW Settlement Class must provide (i) name, (ii) address, (iii) telephone number, (iv) number and type of Lehman security purchased or acquired, (v) prices or other consideration paid or received for such Lehman securities, (vi) the date of each purchase,

acquisition or sale transaction, and (vii) a statement that the person or entity wishes to be excluded from the UW Settlement Class. It must also be signed by the person or entity requesting exclusion. All persons who submit valid and timely requests for exclusion in the manner set forth in this paragraph shall have no rights under the Stipulations, shall not share in the distribution of the Net Settlement Funds, and shall not be bound by the Stipulations or any final judgment.

21. Any member of the UW Settlement Class who does not request exclusion from the UW Settlement Class in the manner stated in this Order shall be deemed to have waived his, her or its right to be excluded from the UW Settlement Class, and shall forever be barred from requesting exclusion from the UW Settlement Class in this or any other proceeding, and shall be bound by the UW Settlement and the Judgment, including, but not limited to the release of the Settled Claims against the Released Underwriter Parties provided for in the Stipulations and the Judgment, if the Court approves the UW Settlement.

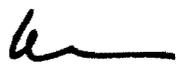
22. If a person or entity excludes him/her/itself only from the UW Settlement Class in the manner stated in this Order, he/she/it is not automatically excluded from the settlement class in the settlement Lead Plaintiffs reached with the director and officer defendants (the "D&O Settlement"), which is separate and apart from the UW Settlement, or any other settlement class. Likewise, if a person or entity requests exclusion only from the settlement class in the D&O Settlement, or the class in any subsequent settlement of this Action, he/she/it is not automatically excluded from the UW Settlement Class. In the event the person or entity does not specify which settlement class he/she/it seeks to be excluded from, the request will be interpreted as seeking exclusion from both the D&O Settlement Class and the UW Settlement Class.

**THE SETTLEMENT FUND AND NOTICE AND ADMINISTRATION COSTS**

23. Only UW Settlement Class Members and Lead Counsel shall have any right to any portion of, or any rights in the distribution of, the Settlement Funds, unless otherwise ordered by the Court or otherwise provided in the Stipulations.

24. All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Stipulations and/or further order of the Court.

25. Notwithstanding the fact that the Effective Date has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from the Settling Underwriter Defendants ~~or further order~~ *but with the prior approval of* of this Court, all reasonable Notice and Administration Costs actually incurred. In the event that the UW Settlement is terminated pursuant to the terms of the Stipulations, all Notice and Administration Costs reasonably paid or reasonably incurred, including any related fees, shall not be returned or repaid to the Settling Underwriter Defendants, any Released Underwriter Party or any person or entity who or which contributed any portion of the Settlement Amount.



**THE USE OF THIS ORDER**

26. The fact and terms of this Order and the UW Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the UW Settlement, and any act performed or document signed in connection with this Order and the UW Settlement, shall not, in this or any other Court, administrative agency, arbitration forum or other tribunal, constitute an admission of, or evidence of, or be deemed to create any inference of, (i) any acts of wrongdoing or lack of wrongdoing, (ii) any liability on the part of the Settling Underwriter Defendants to Lead Plaintiffs, the UW Settlement Class or anyone else, (iii) any deficiency of

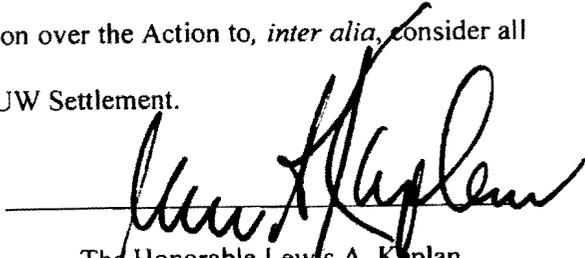
any claim or defense that has been or could have been asserted in this Action, (iv) any damages or lack of damages suffered by Lead Plaintiffs, the UW Settlement Class or anyone else, or (v) that the Settlement Amount (or any other amount) represents the amount that could or would have been recovered in this Action against the Settling Underwriter Defendants if it was not settled at this point in time. The fact and terms of this Order and the UW Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the UW Settlement, and any act performed or document signed in connection with this Order and the UW Settlement, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum or other tribunal, except as necessary to enforce the terms of this Order and/or the UW Settlement, including, but not limited to, the Judgment and the release of the Settled Claims provided for in the Stipulations and the Judgment.

**TERMINATION OF THE UW SETTLEMENT**

27. In the event that the UW Settlement fails to become effective in accordance with the terms in the Stipulations, or if the Judgment is not entered or is reversed, vacated or materially modified on appeal (and, in the event of material modification, if any party elects to terminate the UW Settlement), this Order (except Paragraphs 25 and 26) shall be null and void, the Stipulations shall be deemed terminated, and the Settling Parties shall return to their positions without prejudice in any way, as provided for in the Stipulations.

28. The Court retains exclusive jurisdiction over the Action to, *inter alia*, consider all further matters arising out of or connected with the UW Settlement.

Dated: Dec. 15, 20 11

  
The Honorable Lewis A. Kaplan  
United States District Judge

**EXHIBIT A-1**

**NOTICE OF PENDENCY OF CLASS ACTION AND  
PROPOSED SETTLEMENT WITH THE SETTLING  
UNDERWRITER DEFENDANTS, SETTLEMENT FAIRNESS  
HEARING AND MOTION FOR ATTORNEYS' FEES AND  
REIMBURSEMENT OF LITIGATION EXPENSES**

**IF YOU PURCHASED OR ACQUIRED  
THE LEHMAN SECURITIES DESCRIBED BELOW,  
YOU COULD GET PAYMENTS FROM  
LEGAL SETTLEMENTS WITH CERTAIN DEFENDANTS.**

*A U.S. Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

- Multiple settlements have been reached in the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation*, No. 08-CV-5523-LAK (S.D.N.Y.) (the "Action"). This notice addresses the settlements reached with all but one of the underwriters named as defendants in the Action (the "Underwriter Settlement").<sup>1</sup> The initial settlement was reached with the first group of settling Underwriter Defendants in the amount of \$417,000,000 pursuant to a Stipulation of Settlement and Release executed on December 2, 2011 (the "First Underwriter Stipulation"). The second settlement was reached with the second group of settling Underwriter Defendants<sup>2</sup> for additional monetary recoveries in the aggregate amount of \$9,018,000 pursuant to a Stipulation of Settlement and Release executed on December 9, 2011 (the "Second Underwriter Stipulation" and together with the First Underwriter Stipulation, the "Stipulations"). The Second Underwriter Stipulation largely adopts the terms of the First Underwriter Stipulation. This notice is directed at all persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A hereto (the "Lehman Securities") pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby (the "Underwriter Class").<sup>3</sup>
  - The Underwriter Settlement is comprised of \$426,018,000 in cash (the "Underwriter Settlement Amount") plus any interest or income earned thereon (the "Underwriter Settlement Fund") for the benefit of the Underwriter Class. Estimates of average recovery per damaged security are set forth on Appendix C hereto. Underwriter Class

<sup>1</sup> The \$90 million settlement reached with the director and officer defendants (the "D&O Settlement") is addressed briefly below in Question 6.

<sup>2</sup> The first group of settling Underwriter Defendants and the second group of settling Underwriter Defendants shall be jointly referred to as the "Settling Underwriter Defendants," as defined in Part 1 of the Section entitled "Basic Information," below.

<sup>3</sup> The Shelf Registration Statement refers to the shelf registration statement filed by Lehman Brothers Holdings Inc. ("LBHI") with the U.S. Securities and Exchange Commission ("SEC") on Form S-3 and dated May 30, 2006, together with any amendments thereto, as well as any materials incorporated by reference therein. The Offering Materials refer to the materials incorporated by reference in the Shelf Registration Statement.

Members should note, however, that these are only estimates based on the overall number of potentially damaged securities in the Underwriter Class. Some Underwriter Class Members may recover more or less than these estimated amounts depending on, among other factors, how many Underwriter Class Members submit claims, when and the prices at which their Lehman Securities were purchased, acquired or sold, and what security they purchased, acquired or sold. In addition, as set forth in Question 19 below, Lead Counsel (as defined below) will seek approval for attorneys' fees in an amount not to exceed 17.5% of the Underwriter Settlement Amount, plus interest thereon, and for reimbursement of costs incurred by Lead Counsel and other counsel to Named Plaintiffs (as defined below) in connection with commencing and prosecuting the Action and the costs and expenses of the Lead Plaintiffs (as defined below) (collectively, the "Litigation Expenses") in an amount not to exceed \$2.5 million, plus interest thereon. The total amount of Litigation Expenses awarded by the Court will be paid to Lead Counsel from the D&O Settlement and the Underwriter Settlement in *pro rata* amounts. If the Court approves Lead Counsel's application for attorneys' fees and Litigation Expenses (as set forth in Question 19 below), the estimated average cost per damaged security will be as set forth on Appendix C hereto.

- If the Underwriter Settlement is approved by the Court, it will result in (i) the distribution of the Underwriter Settlement Fund, minus certain Court-approved fees, costs and expenses as described herein, to investors who submit valid claim forms; (ii) the release of the Settling Underwriter Defendants (as defined below) and certain other related parties, as identified in Question 1 below, from further lawsuits that are based on, arise out of, or relate in any way to the facts and claims alleged, or that could have been alleged, in the Action; and (iii) the dismissal with prejudice of the claims against the Settling Underwriter Defendants. The Underwriter Settlement also avoids the costs and risks of further litigation against these defendants.
- The Underwriter Settlement does not resolve claims against any other defendant in the Action, and the Action will continue against Ernst & Young, LLP ("E&Y"), Lehman Brothers Holdings Inc.'s outside auditor during the relevant time period, and the remaining, non-settling underwriter defendant, UBS Financial Services, Inc. (the "Non-Settling Defendants"). Please Note: The Underwriter Settlement is separate and apart from the D&O Settlement, the proposed \$90 million settlement Lead Plaintiffs reached with certain of Lehman's officers and directors during the relevant time period. You should have received a notice for the D&O Settlement along with this Notice. See Question 6 below for more details. You are not automatically in both settlements as they cover different securities in some instances, so you should read both notices to determine if you are eligible to participate in each settlement.

<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment. Instructions as to how to request a claim form are contained below.
<b>EXCLUDE YOURSELF</b>	Get no payment. The only option that might let you sue the defendants that settled concerning the claims

	being resolved in the Underwriter Settlement.
<b>OBJECT</b>	Write to the Court about why you do not like the Underwriter Settlement or any aspect thereof.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the Underwriter Settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Underwriter Settlement. If it does, it will take time to process all of the claim forms and to distribute payments. Please be patient.

[END OF COVER PAGE]



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**BASIC INFORMATION**



A U.S. Court authorized this Notice to inform you about a settlement reached with certain of the defendants (the Settling Underwriter Defendants) in a class action lawsuit. This Notice explains the lawsuit, the Underwriter Settlement and your legal rights and options in connection with the Underwriter Settlement before the Court decides whether to give "final approval" to the Underwriter Settlement. The Honorable Lewis A. Kaplan of the United States District Court for the Southern District of New York is presiding over the case known as *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiffs are referred to as Lead Plaintiffs. The Underwriter Defendants who have agreed to settle (*i.e.*, A.G. Edwards & Sons, Inc.; ABN AMRO Inc.; ANZ Securities, Inc.; Banc of America Securities LLC; BBVA Securities Inc.; BNP Paribas; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Caja de Ahorros y Monte de Piedad de Madrid; Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank); CIBC World Markets Corp.; Citigroup Global Markets Inc.; Charles Schwab & Co., Inc.; Commerzbank Capital Markets Corp.; Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets); DZ Financial Markets LLC; Edward D. Jones & Co., L.P.; Fidelity Capital Markets Services (a division of National Financial Services LLC); Fortis Securities LLC; BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.); HSBC Securities (USA) Inc.; HVB Capital Markets, Inc.; Incapital LLC; ING Financial Markets LLC; Loop Capital Markets, LLC; Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC); Merrill Lynch, Pierce, Fenner & Smith Inc.; Mizuho Securities USA Inc.; Morgan Stanley & Co. Inc.; MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners); Muriel Siebert & Co., Inc. and

Siebert Capital Markets; nabCapital Securities, LLC (n/k/a nabSecurities, LLC); National Australia Bank Ltd.; Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC); Raymond James & Associates, Inc.; RBC Capital Markets LLC (f/k/a RBC Dain Rauscher Inc.); RBS Greenwich Capital (n/k/a RBS Securities Inc.); Santander Investment Securities Inc.; Scotia Capital (USA) Inc.; SG Americas Securities LLC; Sovereign Securities Corporation LLC; SunTrust Robinson Humphrey, Inc.; TD Securities (USA) LLC; UBS Securities LLC; Utendahl Capital Partners, L.P.; Wachovia Capital Finance; Wachovia Securities, LLC (n/k/a Wells Fargo Securities, LLC) Wells Fargo Securities, LLC and Williams Capital) are referred to as the "Settling Underwriter Defendants." The proposed Underwriter Settlement will resolve all claims against the Settling Underwriter Defendants and certain other released parties (the "Released Underwriter Parties" as set forth in paragraph 1(gg) of the First Underwriter Stipulation and paragraph 1(gg) of Exhibit A to the Second Underwriter Stipulation) only; it will not resolve the claims against the Non-Settling Defendants, which Lead Plaintiffs will continue to pursue.

Receipt of this Notice does not necessarily mean that you are an Underwriter Class Member or that you will be entitled to receive proceeds from the Underwriter Settlement. If you wish to participate in the distribution of the proceeds from the Underwriter Settlement, you will be required to submit the Claim Form that is included with this Notice, as described in Question 13 below.

The operative complaint in the Action, the Third Amended Class Action Complaint dated April 23, 2010 (the "Complaint"), asserts (i) claims under the Securities Act of 1933 against certain current and/or former Lehman officers and directors, E&Y, and certain alleged underwriters of certain Lehman offerings, and (ii) claims under the Securities Exchange Act of 1934 against certain former Lehman officers and E&Y. The Complaint alleges, among other things, that during the Settlement Class Period (June 12, 2007 through September 15, 2008, inclusive) and in connection with the Offering Materials, defendants made misrepresentations and omissions of material facts concerning certain aspects of Lehman's financial results and operations. On September 15, 2008, Lehman Brothers Holdings Inc. ("LBHI"), the issuer of the securities, and certain of its subsidiaries and affiliates filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code (the "Lehman Bankruptcy Proceedings") and, for this reason, is not named as a defendant in this Action. On September 19, 2008, a proceeding under the Securities Investor Protection Act (the "LBI SIPA Proceeding") was commenced against Lehman Brothers Inc. ("LBI"), the lead underwriter of the securities at issue, and, for this reason, LBI is not named as a defendant in this Action. On July 27, 2011, the court issued an order granting the defendants' motions to dismiss regarding certain of the claims in the Complaint and denying the defendants' motions to dismiss with respect to other claims.

In a class action lawsuit, one or more persons or entities known as class representatives – in this case the "Lead Plaintiffs" are Alameda County Employees' Retirement Association, Government of Guam Retirement Fund, Northern Ireland Local Government Officers' Superannuation Committee, City of Edinburgh Council as Administering Authority of the Lothian Pension Fund,

and Operating Engineers Local 3 Trust Fund – assert legal claims on behalf of all persons and entities with similar legal claims.<sup>3</sup> The Lead Plaintiffs sued on behalf of others who have similar claims. All of these people together are referred to as a “settlement class” or as “settlement class members.” One Court resolves the issues for all settlement class members, except for any persons or entities who choose to exclude themselves from the settlement class (*see* Question 17 below), if the Court determines that a class action is an appropriate method to do so.

The Settling Underwriter Defendants have agreed to settle the Action. The Court did not decide in favor of the Lead Plaintiffs or the Settling Underwriter Defendants. Lead Plaintiffs and the Settling Underwriter Defendants (the “Settling Parties”) disagree on both liability and the amount of damages that could be won if Lead Plaintiffs had prevailed at trial. Specifically, the Settling Parties disagree, among other things, on (1) whether the statements made or facts allegedly omitted were material, false or misleading, (2) whether the Settling Underwriter Defendants are otherwise liable under the securities laws for those statements or omissions, and (3) the average amount of damages per security, if any, that would be recoverable if Lead Plaintiffs were to prevail. Instead of continuing to litigate the Action, both sides agreed to a settlement. That way, the Settling Parties avoid the cost of a trial, and the people affected – the Underwriter Class Members – will get compensation. Based upon their investigation, negotiation and mediation efforts, and after considering (a) the attendant risks of litigation and (b) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulations, Lead Plaintiffs and their lawyers believe that the Underwriter Settlement is in the best interests of the Underwriter Class Members.

The Settling Underwriter Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Underwriter Defendants have agreed to the settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the settlement may not be construed as an admission of any Settling Underwriter Defendant’s wrongdoing.

No. The Underwriter Settlement includes only the Settling Underwriter Defendants and the lawsuit is continuing against E&Y, Lehman’s outside auditor during the relevant time period, and UBS Financial Services, Inc., an additional underwriter of certain Lehman offerings as set forth in the Complaint. A copy of the Complaint can be found on the settlement website at [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com). Further, the Lehman directors and officers

<sup>3</sup> The Lead Plaintiffs who purchased Lehman Securities are Alameda County Employees’ Retirement Association and Government of Guam Retirement Fund, and additional named plaintiffs in this Action who purchased Lehman Securities are Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Montgomery County Retirement Board; Teamsters Allied Benefit Funds; John Buzanowski; and Ann Lee (all collectively, “Named Plaintiffs”).

named in the Action (the "Individual Defendants" or "D&O Defendants") have reached a separate \$90 million settlement with Lead Plaintiffs. A separate notice addresses the D&O Settlement in detail (the "D&O Notice"). If you did not receive a copy of the D&O Notice along with this Notice, you can obtain a copy by visiting the settlement website listed above or by contacting the claims administrator.

Lead Plaintiffs have obtained a \$90 million cash settlement with the Individual Defendants, which is separate and apart from the proposed settlement with the Settling Underwriter Defendants. You should have received a similar notice explaining the D&O Settlement along with this Notice. The Underwriter Class is a subset of the settlement class for the D&O Settlement. Therefore, if you are an Underwriter Class Member you are also a settlement class member in the D&O Settlement and therefore, eligible to participate in both settlements.

As explained in Question 13 below, you must submit a Claim Form in order to participate in either or both settlements. The Claim Form you submit in connection with the Underwriter Settlement will also be reviewed in connection with the D&O Settlement. **You do not have to submit a separate Claim Form for the D&O Settlement.** Please be sure to include all of your transactions in the Lehman securities listed on the Claim Form.

#### WHO IS IN THE UNDERWRITER SETTLEMENT

To see if you will get money from the Underwriter Settlement, you first have to determine if you are an Underwriter Class Member.

Judge Kaplan has determined that everyone who fits the following description is an Underwriter Class Member, unless you are excluded from the Underwriter Class as described in Question 8 below: *All persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A hereto (the "Lehman Securities") pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby.*

Yes. Excluded from the Underwriter Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity, defined below) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the "Underwriter Settlement Class Period") owned, a majority interest, (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party, and (v) Lehman. "Lehman" means LBHI and those of its subsidiaries and affiliates that, together with LBHI, are debtors in the Lehman Bankruptcy Proceedings or the LBI SIPA Proceeding. The Underwriter Class includes registered mutual funds, managed accounts, or entities with

nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First Underwriter Stipulation, who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Also excluded are any persons or entities who timely and validly request exclusion from the Underwriter Class as set forth in this Notice. If you requested exclusion from the D&O Settlement, you are not automatically excluded from the Underwriter Settlement. You must specifically indicate that you wish to be excluded from the "Underwriter Settlement."

If you are not sure whether you are an Underwriter Class Member, you may visit [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com) or you can contact the Claims Administrator for the settlement, GCG, Inc. by writing to *In Re: Lehman Brothers Equity/Debt Securities Litigation – Settling Underwriter Defendants Settlement*, c/o GCG, Inc., P.O. Box 9821, Dublin, OH 43017-5721 or by calling (800) 505-6901. You may also want to contact your broker to see if you bought Lehman Securities.

#### THE UNDERWRITER SETTLEMENT BENEFITS – WHAT YOU GET

A settlement fund for \$426,018,000 (the "Underwriter Settlement Fund") has been established. If the Underwriter Settlement is approved, the Underwriter Settlement Fund, less Court-awarded attorneys' fees and expenses, the costs of administering the Underwriter Settlement and taxes, if any (the "Underwriter Net Settlement Fund"), will be distributed to eligible Underwriter Class Members.

The proposed Plan of Allocation provides for distribution of the Underwriter Net Settlement Fund to Authorized Claimants. Each person claiming to be a claimant entitled to share in the Underwriter Net Settlement Fund ("Authorized Claimant") shall be required to submit a separate Claim Form signed under penalty of perjury and supported by such documents as specified in the Claim Form as are reasonably available to the Authorized Claimant.

All Claim Forms must be postmarked no later than \_\_\_\_\_, 2012 addressed as follows:

***In Re: Lehman Brothers Equity/Debt Securities Litigation***  
c/o GCG, Inc.  
Claims Administrator  
P.O. Box 9821  
Dublin, OH 43017-5721

Unless otherwise ordered by the Court, any Underwriter Class Member who fails to submit a properly completed and signed Claim Form within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the Underwriter Settlement, but

will in all other respects be subject to the provisions of the Stipulations entered into by the Settling Parties and the final judgment entered by the Court.

The Plan of Allocation is a matter separate and apart from the proposed Underwriter Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Underwriter Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Settling Parties, or another plan of allocation, without further notice to Underwriter Class Members.

The proposed Plan of Allocation, which is subject to Court approval, is attached as Appendix B to this Notice. Please review the Plan of Allocation carefully.

If the Underwriter Settlement is approved by the Court and becomes final, you will be releasing the Settling Underwriter Defendants (as set forth in Question 1 above) and the Released Underwriter Parties (as set forth in Question 1 above) for all of the Settled Claims defined in paragraph 1(ii) of the First Underwriter Stipulation and paragraph 1(ii) of Exhibit A to the Second Underwriter Stipulation. These claims are called "Settled Claims" and are those brought in this case or that could have been raised in the case, as fully defined in the First Underwriter Stipulation and Second Underwriter Stipulation. Copies of the Stipulations are available at [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com). The First Underwriter Stipulation describes the Settled Claims with specific description, in necessarily accurate legal terminology, so please read it carefully.

The Settling Parties will also seek, among other things, a judgment reduction order in connection with the Judgment in the Action. A judgment reduction order generally reduces the liability of non-settling defendants and/or certain other parties for common damages by the greater of the settlement amount paid by or on behalf of the settling defendants for common damages or the percentage share of responsibility of the settling defendants for common damages.<sup>4</sup>

If you are an Underwriter Class Member you will need to submit a Claim Form and the necessary supporting documentation to establish your potential eligibility to share in the Underwriter Net Settlement Fund. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator, [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com), to request that a Claim Form be mailed to you. Submitting a Claim Form does not necessarily guarantee that you will receive a payment. Please

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<sup>4</sup> The Settling Parties will also seek to include in the Judgment a "bar order" that will, among other things, bar certain claims for contribution and indemnification against or by the Settling Underwriter Defendants and/or certain other related parties. The bar order typically does not apply to class members.

refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the Underwriter Settlement Fund will be allocated.

Please retain all records of your ownership of and transactions in Lehman Securities, as they may be needed to document your claim.

If the Underwriter Settlement is approved, it will take time for the Claims Administrator to review all of the Claim Forms that are submitted and to decide pursuant to the Plan of Allocation how much each claimant should receive. This could take many months. Furthermore, distribution may be postponed until the end of the case, so that any additional money collected from any future settlements may be distributed at the same time. Please check the website for updates.

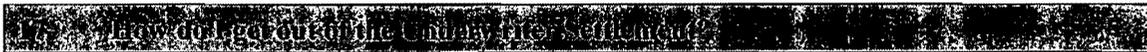
### **EXCLUDING YOURSELF FROM THE UNDERWRITER SETTLEMENT**

If you do not want a payment from the Underwriter Settlement, but you want to keep the right to sue or continue to sue the Settling Underwriter Defendants on your own about the same claims being released in the Underwriter Settlement, then you must take steps to exclude yourself from the settlement. This is sometimes referred to as "opting out" of the Underwriter Class. See Question 17 below.

No. If you exclude yourself from the Underwriter Class, you will not be able to request a payment from the Underwriter Settlement, and you cannot object to the Underwriter Settlement. You will not be bound by anything that happens in this lawsuit with respect to the Settling Underwriter Defendants, and you may be able to sue the Settling Underwriter Defendants on your own in the future. Excluding yourself from the Underwriter Class will not automatically exclude you from any other, or subsequent, settlement class relating to any future settlement with other defendants. Accordingly, excluding yourself from the Underwriter Class will not automatically exclude you from the settlement class in the D&O Settlement referenced above. A request for exclusion should specifically indicate that you wish to be excluded from the Underwriter Class, the D&O Settlement Class, or both. In the event that you do not specify which settlement class you seek to be excluded from, your request will be interpreted as seeking to be excluded from both the Underwriter Class and the settlement class in the D&O Settlement.

No. Unless you exclude yourself, you give up any right to sue the Settling Underwriter Defendants or any of the other released parties for the claims being released by the Underwriter Settlement. If you have a pending lawsuit relating to the claims being released in the Action

against any of the Settling Underwriter Defendants, you should speak to your lawyer in that case immediately.



To exclude yourself from the Underwriter Class, you must send a letter by mail saying that you want to be excluded from the Underwriter Class in the *In re Lehman Brothers Equity/Debt Securities Litigation – Settling Underwriter Defendants Settlement*, Case No. 08-CV-5523 (LAK). Be sure to include your name, address and telephone number. You must also include information concerning your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of Lehman Securities. The request for exclusion must be signed by the person or entity requesting exclusion. Requests for exclusion will not be valid if they do not include the information set forth above. You must mail your exclusion request so that it is **received** no later than \_\_\_\_\_, 2012 to:

***In Re: Lehman Brothers Equity/Debt Securities Litigation***  
c/o GCG, Inc.  
**Claims Administrator**  
**P.O. Box 9821**  
**Dublin, OH 43017-5721**

\*Please keep a copy of everything you send by mail, in case it is lost or destroyed during mailing.

You cannot exclude yourself over the phone or by e-mail.

Pursuant to the terms of separate supplemental agreements between Lead Plaintiffs and the two groups of Settling Underwriter Defendants, each group of Settling Underwriter Defendants shall have the option to terminate their settlement in the event that members of the Underwriter Class, who purchased and/or acquired a certain amount of Lehman Securities and would otherwise be entitled to participate in the Underwriter Class, timely and validly request exclusion in accordance with the requirements set forth in this Notice.

#### **THE LAWYERS REPRESENTING YOU**



The Court has appointed the law firms of Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP to represent you and the other Underwriter Class Members. These lawyers are called Lead Counsel. You may contact them as follows: David R. Stickney, Esq., Bernstein Litowitz Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, CA 92130 (866) 648-2524, [blbg@blbgllaw.com](mailto:blbg@blbgllaw.com), or David Kessler, Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, [info@ktmc.com](mailto:info@ktmc.com). You will not be separately charged for these lawyers beyond your *pro rata* share of any attorneys' fees and expenses awarded by the Court that will be paid from the

Underwriter Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

Lead Counsel have not received any payment for their services in pursuing claims against the Settling Underwriter Defendants on behalf of the Underwriter Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the Underwriter Settlement, Lead Counsel intend to apply to the Court for an award of attorneys' fees, as compensation for investigating the facts, litigating the case and negotiating the settlement, on behalf of all Plaintiffs' Counsel not to exceed 17.5% of the Underwriter Settlement Amount, plus interest thereon. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$2.5 million, plus interest thereon. The total amount of Litigation Expenses awarded by the Court will be paid to Lead Counsel from the D&O Settlement and the Underwriter Settlement in *pro rata* amounts. Litigation Expenses may include reimbursement of the expenses of Lead Plaintiffs in accordance with 15 U.S.C. § 77z-1(a)(4). The Court may award less than the requested amounts. Any payments to the attorneys for fees or expenses, now or in the future, will first be approved by the Court.

### OBJECTING TO THE UNDERWRITER SETTLEMENT

You can tell the Court that you do not agree with the Underwriter Settlement or some part of it.

If you are an Underwriter Class Member, you can object to the Underwriter Settlement if you do not like any part of it. To object, you must send a letter to each of the below addressees saying that you object to the Underwriter Settlement in the *In re Lehman Brothers Equity/Debt Securities Litigation - Settling Underwriter Defendants Settlement*, Case No. 08-CV-5523 (LAK) and the reasons why you object to the Underwriter Settlement. Be sure to include your name, address, telephone number and your signature. You must also include information concerning all of your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities to confirm that you are a member of the Underwriter Class, including brokerage confirmation receipts or other competent documentary evidence of such transactions. The objection must include a written statement of all grounds for an objection accompanied by any legal support for the objection; copies of any papers, briefs or other documents upon which the objection is based; a list of all persons who will be called to testify in support of the objection; a statement of whether the objector intends to appear at the fairness hearing (*see* Questions 22-24 below); a list of other cases in which the objector or the objector's counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and the objector's signature, even if represented by counsel. If you are not a member of the Underwriter Class, you cannot object to the settlement as it does not affect you. Any objection to the Underwriter Settlement must be **received** by each of the following by \_\_\_\_\_, 2012:

OBJECTION	LEAD COUNSEL	UNDERWRITER DEFENDANTS
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK Clerk of the Court 500 Pearl Street New York, NY 10007	BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP David Stickney 12481 High Bluff Drive, Suite 300 San Diego, CA 92130-3582  KESSLER TOPAZ MELTZER & CHECK, LLP David Kessler John Kehoe 280 King of Prussia Road Radnor, PA 19087	<p><b><u>For the First Group of Settling Underwriter Defendants:</u></b>                      CLEARY GOTTLIEB STEEN &amp; HAMILTON LLP                      Mitchell Lowenthal                      Victor L. Hou                      Roger Cooper                      One Liberty Plaza                      New York, NY 10006</p> <p><b><u>For the Second Group of Settling Underwriter Defendants:</u></b>                      HOWARD RICE NEMERORSKI CANADY FALK &amp; RABKIN PC                      Kenneth G. Hausman                      Three Embarcadero Center                      Seventh Floor                      San Francisco, CA 94111-4024</p>

Unless the Court orders otherwise, any Underwriter Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Underwriter Settlement, the proposed Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Underwriter Class Members do not need to appear at the fairness hearing (*see* Questions 22-24 below) or take any other action to indicate their approval.

**21. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the Underwriter Settlement, the Plan of Allocation, and/or the application for attorneys' fees and Litigation Expenses. You can object *only if* you stay in the Underwriter Class. Excluding yourself is telling the Court that you do not want to be part of the Underwriter Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to consider whether to approve the Underwriter Settlement, the Plan of Allocation and the application for attorneys' fees and Litigation Expenses. You may attend and you may ask to speak, but you do not have to.

**Which do you want to do: object, exclude, or approve the Underwriter Settlement?**

The Court will hold a fairness hearing at \_\_\_\_\_ m., on \_\_\_\_\_, 2012, before the Honorable Lewis A. Kaplan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St, New York, NY 10007, Courtroom 12D. At this hearing, the Court will consider whether the Underwriter Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Kaplan will listen to people who have asked to speak at the hearing. Judge Kaplan may also consider Lead Counsel's application for attorneys' fees and Litigation Expenses at this time. The fairness hearing may occur on a different date without additional notice, so it is a good idea to check [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com) for updated information.

No. Lead Counsel will answer any questions Judge Kaplan may have. But, you are welcome to attend the hearing at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as your written objection was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in the *In re Lehman Brothers Equity/Debt Securities Litigation*, Case No. 08-MD-CV-5523 (LAK)." Be sure to include your name, address, telephone number, your signature, and also identify your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities. Your notice of intention to appear must be received no later than \_\_\_\_\_, 2012, and must be sent to the Clerk of the Court, Lead Counsel, and Representative Counsel for the Settling Underwriter Defendants, at the addresses listed in Question 20 above. You cannot speak at the hearing if you exclude yourself from the Underwriter Class.

### IF YOU DO NOTHING

If you do nothing, you will receive no money from this Underwriter Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Settling Underwriter Defendants or other released parties about the same claims being released in the Underwriter Settlement. You will be able to act on any rights you have against the Non-Settling Defendants.

### GETTING MORE INFORMATION

This notice summarizes the settlement. More details are contained in the Stipulations. You can get a copy of the Stipulations and more information about the Underwriter Settlement by visiting [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com). You may also write to the Claims Administrator at, *In re Lehman Brothers Equity/Debt Securities Litigation*, c/o GCG, Inc., Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721.

### INFORMATION FOR BROKERS AND OTHER NOMINEES

If you bought eligible Lehman Securities (*i.e.*, the Lehman securities identified in Appendix A hereto purchased pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement) as a nominee for a beneficial owner, the Court has directed that, **within fourteen (14) days after you receive the Notice**, you must either:

- (1) provide the names and addresses of such persons and entities to the Claims Administrator, GCG, Inc., and GCG, Inc. will send a copy of the Notice and Claim Form to the beneficial owners; or
- (2) send a copy of the Notice and Claim Form by first class mail to the beneficial owners of such Lehman Securities. You can request copies of these documents by contacting the Claims Administrator or by going to [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).

If you verify and provide details about your assistance with either of these options, you may be reimbursed from the Underwriter Settlement Fund for the actual expenses you incur to send the Notice and Claim Form, including postage and/or the reasonable costs of determining the names and addresses of beneficial owners. Please send any requests for reimbursement, along with appropriate supporting documentation, to: *In Re: Lehman Brothers Equity/Debt Securities Litigation – Settling Underwriter Defendants Settlement*, c/o GCG, Inc., Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721, or visit [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).

### DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

Dated: \_\_\_\_\_, 2012

By Order of the Clerk of the Court  
United States District Court  
Southern District of New York

**APPENDIX A**

ISSUE DATE	SECURITY (CUSIP)
February 5, 2008 (the "Series J Offering")	7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares") (52520W317)
July 19, 2007	6% Notes Due 2012 (52517P4C2)
July 19, 2007	6.50% Subordinated Notes due 2017 (524908R36)
July 19, 2007	6.875% Subordinated Notes Due 2037 (524908R44)
September 26, 2007	6.2% Notes Due 2014 (52517P5X5)
September 26, 2007	7% Notes Due 2027 (52517P5Y3)
December 21, 2007	6.75% Subordinated Notes Due 2017 (5249087M6)
January 22, 2008	5.625% Notes Due 2013 (5252M0BZ9)
February 5, 2008	Lehman Notes, Series D (52519FFB6)
April 24, 2008	6.875% Notes Due 2018 (5252M0FD4)
April 29, 2008	Lehman Notes, Series D (52519FFM8)
May 9, 2008	7.50% Subordinated Notes Due 2038 (5249087N4)

## Appendix B

### PLAN OF ALLOCATION FOR THE UNDERWRITER NET SETTLEMENT FUND

#### A. Preliminary Matters

Pursuant to the settlements with the Settling Underwriter Defendants<sup>1</sup> (the “Underwriter Settlement”), the Settling Underwriter Defendants have caused to be paid \$426,018,000 in cash (the “Underwriter Settlement Amount”). The Underwriter Settlement Amount and the interest earned thereon is the “Underwriter Gross Settlement Fund.” The Underwriter Gross Settlement Fund, after deduction of Court-approved attorneys’ fees and Litigation Expenses, notice and administration expenses, and taxes and tax expenses, is the “Underwriter Net Settlement Fund.” The Underwriter Net Settlement Fund will be distributed to Underwriter Class Members who are entitled to share in the distribution, who submit timely and valid Proofs of Claim (“Authorized Claimants”), and whose payment from the Underwriter Net Settlement Fund would equal or exceed fifty dollars (\$50.00).

The objective of the proposed plan of allocation set forth below (the “Underwriter Plan of Allocation” or “Underwriter Plan”) is to equitably distribute the Underwriter Net Settlement Fund to those Authorized Claimants who suffered losses as a result of the misstatements alleged in the Action. The calculations made pursuant to the Underwriter Plan of Allocation, which has been developed in consultation with Lead Plaintiffs’ damages consulting expert, are not intended to be estimates of, nor indicative of, the amounts that Underwriter Class Members might have been able to recover after a trial. Nor are the calculations made pursuant to the Underwriter Plan of Allocation intended to be estimates of the amounts that will be paid to Underwriter Class Members pursuant to the Underwriter Settlement. The calculations made pursuant to the Underwriter Plan of Allocation are only a method to weigh the claims of Underwriter Class Members against one another for the purpose of making *pro rata* allocations of the Underwriter Net Settlement Fund.

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<sup>1</sup>The Settling Underwriter Defendants are: A.G. Edwards & Sons, Inc.; ABN AMRO Inc.; ANZ Securities, Inc.; Banc of America Securities LLC; BBVA Securities Inc.; BNP Paribas; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Caja de Ahorros y Monte de Piedad de Madrid; Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank); CIBC World Markets Corp.; Citigroup Global Markets Inc.; Charles Schwab & Co., Inc.; Commerzbank Capital Markets Corp.; Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets); DZ Financial Markets LLC; Edward D. Jones & Co., L.P.; Fidelity Capital Markets Services (a division of National Financial Services LLC); Fortis Securities LLC; BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.); HSBC Securities (USA) Inc.; HVB Capital Markets, Inc.; Incapital LLC; ING Financial Markets LLC; Loop Capital Markets, LLC; Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC); Merrill Lynch, Pierce, Fenner & Smith Inc.; Mizuho Securities USA Inc.; Morgan Stanley & Co. Inc.; MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners); Muriel Siebert & Co., Inc. and Seibert Capital Markets; nabCapital Securities, LLC (n/k/a nabSecurities, LLC); National Australia Bank Ltd.; Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC); Raymond James & Associates, Inc.; RBC Capital Markets, LLC (f/k/a RBC Dain Rauscher Inc.); RBS Greenwich Capital (n/k/a RBS Securities Inc.); Santander Investment Securities Inc.; Scotia Capital (USA) Inc.; SG Americas Securities LLC; Sovereign Securities Corporation, LLC; SunTrust Robinson Humphrey, Inc.; TD Securities (USA) LLC; UBS Securities LLC; Utendahl Capital Partners, L.P.; Wachovia Capital Finance; Wachovia Securities, LLC n/k/a Wells Fargo Securities, LLC; Wells Fargo Securities, LLC and Williams Capital Group L.P.

The Underwriter Plan of Allocation is the plan that is being proposed to the Court for approval by Lead Plaintiffs and Lead Counsel after consultation with their damages consulting expert. The Settling Underwriter Defendants had no involvement in the proposed plan of allocation. The Court may approve the Underwriter Plan as proposed or may modify the Underwriter Plan without further notice to the Underwriter Class.

Any Orders regarding any modification of the Underwriter Plan of Allocation will be posted on the settlement website, [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com). Approval of the Underwriter Settlement is independent from approval of the Underwriter Plan of Allocation. Any determination with respect to the Underwriter Plan of Allocation will not affect the Underwriter Settlement, if approved.

Each person or entity claiming to be an Authorized Claimant will be required to submit a Proof of Claim Form ("Claim Form"), signed under penalty of perjury and supported by such documents as specified in the Claim Form as are reasonably available to the Authorized Claimant, postmarked on or before \_\_\_\_\_, 2012 to the address set forth in the accompanying Claim Form. To the extent that you have already submitted a Claim Form in connection with the settlement reached with the director and officer defendants (the "D&O Settlement"), it is unnecessary to submit another Claim Form for purposes of participating in this Underwriter Settlement.

If you are entitled to a payment from the Underwriter Net Settlement Fund, your share of the Underwriter Net Settlement Fund will depend on, among other things, (i) the total amount of Recognized Claims resulting from valid Claim Forms submitted, (ii) the type and amount of eligible Lehman securities you purchased, acquired and/or sold, and (iii) the dates on which you purchased, acquired and/or sold or held such eligible securities. By following the Underwriter Plan of Allocation below, you can calculate your "Overall Recognized Claim." The Claims Administrator will distribute the Underwriter Net Settlement Fund according to the Underwriter Plan of Allocation after the deadline for submission of Claim Forms has passed and upon a motion to the Court. **At this time, it is not possible to make any determination as to how much an Underwriter Class Member may receive from the Underwriter Settlement.**

Unless the Court otherwise orders, any Underwriter Class Member who fails to submit a Claim Form by the deadline, and who does not request exclusion from the Underwriter Class in accordance with the requirements set forth in Question 17 of the Notice of Pendency of Class Action with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Underwriter Notice"), shall be forever barred from receiving payments pursuant to the Underwriter Settlement but will in all other respects remain an Underwriter Class Member and will be subject to the provisions of the Underwriter Settlement, as embodied in the Stipulation of Settlement and Release dated December 2, 2011 entered into between and among Lead Plaintiffs and the first group of Settling Underwriter Defendants and the Stipulation of Settlement and Release dated December 9, 2011 entered into between and among Lead Plaintiffs and the second group of Settling Underwriter Defendants (together, the "Underwriter Stipulations"), including the terms of any judgments entered and releases given in connection therewith.

**B. Definitions**

This Underwriter Plan of Allocation is based on the following definitions (listed alphabetically), among others:

1. "Authorized Claimant" is an Underwriter Class Member who submits a timely and valid Proof of Claim Form to the Claims Administrator, in accordance with the requirements established by the District Court, and who is approved for payment from the Underwriter Net Settlement Fund..

2. "Distribution Amount" is the actual amount to be distributed to an Authorized Claimant from the Underwriter Net Settlement Fund.

3. "Overall Recognized Claim" is the total of an Authorized Claimant's Net Recognized Losses (defined below) for all of the Eligible Securities (as listed below).

4. "Purchase" is the acquisition of an Eligible Security by any means other than a purchase transaction conducted for the purpose of covering a "short sale" transaction.

5. "Sale" is the disposition of an Eligible Security by any means other than a "short sale" transaction.

6. "Underwriter Settlement Class Period" means the period between July 19, 2007 and September 15, 2008, through and inclusive.

**C. Eligible Securities**

The Lehman securities covered by the Underwriter Settlement and for which an Authorized Claimant may be entitled to receive a distribution from the Underwriter Net Settlement Fund (the "Eligible Securities") include the following:

- July 19, 2007 6% Notes Due 2012 (52517P4C2)
- July 19, 2007 6.50% Subordinated Notes Due 2017 (524908R36)
- July 19, 2007 6.875% Subordinated Notes Due 2037 (524908R44)
- September 26, 2007 6.2% Notes Due 2014 (52517P5X5)
- September 26, 2007 7% Notes Due 2027 (52517P5Y3)
- December 21, 2007 6.75% Subordinated Notes Due 2017 (5249087M6)
- January 22, 2008 5.625% Notes Due 2013 (5252M0BZ9)
- February 5, 2008 7.95% Non-cumulative Perpetual Preferred Stock, Series J (52520W317)
- February 5, 2008 Lehman Notes, Series D (52519FFE6)
- April 24, 2008 6.875% Notes Due 2018 (5252M0FD4)
- April 29, 2008 Lehman Notes, Series D (52519FFM8)
- May 9, 2008 7.50% Subordinated Notes Due 2038 (5249087N4)

*FIFO Matching:* If an Underwriter Class Member has more than one purchase/acquisition or sale of Eligible Securities, all purchases/acquisitions and sales of like

securities shall be matched on a First In, First Out (“FIFO”) basis, such that sales will be matched against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Underwriter Settlement Class Period.

*Date of transaction:* Purchases or acquisitions and sales of Eligible Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

*Commissions and other trading expenses:* Commissions or other trading expenses that an Authorized Claimant may have incurred in connection with the purchase or acquisition and sale of an Eligible Security will not be included when calculating an Authorized Claimant’s Recognized Loss or Recognized Gain.

*Treatment of the acquisition or disposition of an Eligible Security by means of a gift, inheritance or operation of law:* The receipt or grant by gift, inheritance or operation of law of an Eligible Security shall not be deemed a purchase, acquisition or sale of an Eligible Security for the calculation of an Authorized Claimant’s Recognized Loss or Recognized Gain, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/sale of any Eligible Security, unless (i) the donor or decedent purchased or acquired such Eligible Security during the Underwriter Settlement Class Period; (ii) no Claim Form was submitted on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Eligible Security; and (iii) it is specifically so provided in the instrument of gift or assignment.

*Holding value in lieu of pricing information:* To determine the appropriate measure of damages under Section 11(e) of the Securities Act of 1933, the Underwriter Plan uses October 28, 2008 as the date when the suit was brought. In cases where information is not available to determine the October 28, 2008 closing price for certain senior unsecured notes, the closing price is determined by averaging the closing prices of senior unsecured notes for which such pricing information is available (as reflected on Exhibit 1). Likewise, where information is not available to determine the October 28, 2008 closing price for certain subordinated notes, the closing price is determined by averaging the closing prices of the subordinated notes where such pricing is available (as reflected on Exhibit 1).

*Calculating Net Recognized Loss or Net Recognized Gain:* An authorized Claimant’s Recognized Loss will be offset by the Authorized Claimant’s Recognized Gain, resulting in a Net Recognized Loss or a Net Recognized Gain. In the event the Authorized Claimant has a Net Recognized Loss for a particular Eligible Security, the Authorized Claimant will be eligible to receive a distribution from the Underwriter Net Settlement Fund for that particular Eligible Security.

*Calculating Trading Gains and Losses:* If an Authorized Claimant had a trading gain from his, her or its overall transactions in an Eligible Security, the value of his, her or its Recognized Loss in that Eligible Security will be \$0. To the extent an Authorized Claimant had a trading loss from his, her or its overall transactions in an Eligible Security, but the trading loss was less than the Recognized Loss, then the Authorized Claimant’s Recognized Loss shall be limited to the amount of the actual trading loss.

*Calculating an Authorized Claimant's claim:* An Authorized Claimant's claim will be based on the Authorized Claimant's *pro rata* share of the Underwriter Net Settlement Fund allocated to each particular Eligible Security as identified on Exhibit 2, which will be calculated by multiplying the Underwriter Net Settlement Fund allocated to the particular Eligible Security by a fraction, the numerator of which is the Authorized Claimant's Net Recognized Loss for transactions in the particular Eligible Security, and the denominator of which is the aggregate Net Recognized Losses of all Authorized Claimants for all transactions in the particular Eligible Security.

**D. Recognized Losses for Lehman Preferred Stock**

For purchases/acquisitions of February 5, 2008 7.95% Non-cumulative Perpetual Preferred Stock Series J (52520W317) ("Series J Preferred Stock") during the Underwriter Settlement Class Period, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold before June 9, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the \$25 per share issue price) *minus* the sale price per share;
- c) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the \$25 per share issue price) *minus* the greater of (i) the sale price per share or (ii) the closing price per share of \$0.01 on October 28, 2008;
- d) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the \$25 per share issue price) *minus* \$0.01 per share.

Please Note: An Authorized Claimant's claim with respect to the Series J Preferred Stock will be based on the Authorized Claimant's *pro rata* share of the Underwriter Net Settlement Fund allocated to the Series J Preferred Stock as identified on Exhibit 2 hereto and will be calculated by multiplying the Underwriter Net Settlement Fund allocated to the Series J Preferred Stock by a fraction, the numerator of which is the Authorized Claimant's Net Recognized Loss for transactions in Series J Preferred Stock, and the denominator of which is the aggregate Net Recognized Losses of all Authorized Claimants for all transactions in Series J Preferred Stock.

**E. Recognized Losses for Lehman Senior Unsecured and Subordinated Notes**

For purchases/acquisitions of Lehman Senior Unsecured Notes and Subordinated Notes (listed on Exhibit 1) during the Underwriter Settlement Class Period, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold before June 9, 2008*, there is no Recognized Loss or Recognized Gain;

- b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1) *minus* the sale price per note;
- c) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1) *minus* the greater of (i) the sale price per note or (ii) the closing price per note on October 28, 2008 as shown on Exhibit 1;
- d) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1), *minus* the closing price per note on October 28, 2008 as shown on Exhibit 1.

Please Note: An Authorized Claimant's claim with respect to a particular Eligible Security will be based on the Authorized Claimant's *pro rata* share of the Underwriter Net Settlement Fund allocated to that particular Eligible Security as identified on Exhibit 2, which will be calculated by multiplying the Underwriter Net Settlement Fund allocated to the particular Eligible Security by a fraction, the numerator of which is the Authorized Claimant's Net Recognized Loss for transactions in the particular Eligible Security, and the denominator of which is the aggregate Net Recognized Losses of all Authorized Claimants for all transactions in the particular Eligible Security.

**F. Distribution Amount**

The Claims Administrator will determine each Authorized Claimant's share of the Underwriter Net Settlement Fund. In general, the Underwriter Net Settlement Fund is allocated among the Eligible Securities based on the total dollar amount underwritten by the Settling Underwriter Defendants for each Eligible Security, divided by the total dollar amount underwritten by the Underwriter Defendants for all Eligible Securities (*see* Exhibit 2).

The Distribution Amount received by an Authorized Claimant will exceed his, her, or its Recognized Claim only in the unlikely event that the amount of the Underwriter Net Settlement Fund that is allocated to a particular Eligible Security exceeds the aggregate claims of all Authorized Claimants for that particular Eligible Security.

Payments made pursuant to this Underwriter Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No Person shall have any claim against the Named Plaintiffs, Plaintiffs' Counsel, Settling Underwriter Defendants and their respective counsel or any other Released Underwriter Parties, or the Claims Administrator or other agent designated by Lead Counsel, arising from distributions made substantially in accordance with the Underwriter Stipulations, the Underwriter Plan of Allocation approved by the Court, or further orders of the Court. Named Plaintiffs, the Settling Underwriter Defendants and their respective counsel, and all other Released Underwriter Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Underwriter Gross Settlement Fund, the Underwriter Net

Settlement Fund, the Underwriter Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Underwriter Gross Settlement Fund, or any losses incurred in connection therewith.

Authorized Claimants who fail to complete and file a valid and timely Proof of Claim form shall be barred from participating in distributions from the Underwriter Net Settlement Fund, unless the Court otherwise orders. Underwriter Class Members who do not either submit a request for exclusion or submit a valid and timely Proof of Claim will nevertheless be bound by the Underwriter Settlement and the Judgment of the Court dismissing this Action.

The Court has reserved jurisdiction to modify, amend or alter the Underwriter Plan of Allocation without further notice to anyone, and to allow, disallow or adjust any Authorized Claimant's claim to ensure a fair and equitable distribution of settlement funds.

If any funds remain in the Underwriter Net Settlement Fund by reason of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Underwriter Net Settlement Fund cash their distribution checks, any balance remaining in the Underwriter Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$50.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Underwriter Net Settlement Fund, including costs or fees for such re-distribution. The Claims Administrator may make further re-distributions of balances remaining in the Underwriter Net Settlement Fund to such Authorized Claimants to the extent such re-distributions are cost-effective. At such time as it is determined that the re-distribution of funds which remain in the Underwriter Net Settlement Fund is not cost-effective, the remaining balance of the Underwriter Net Settlement Fund shall be contributed to non-sectarian, not-for-profit, organizations designated by Lead Counsel and approved by the Court.

***Please note that the term "Overall Recognized Claim" is used solely for calculating the amount of participation by Authorized Claimants in the Underwriter Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.***

**Exhibit 1**  
**Lehman Notes and Preferred Stock**

CUSIP	Description	Issue Date	Par Amount Per Unit	Issue Price Per Unit	Value Per Unit as of October 28, 2008 <sup>1</sup>
52520W317	7.95% Non-Cumulative Perpetual Preferred Stock, Series J	2/5/2008		\$25.00	\$0.01
5252M0BZ9	5.625% Notes Due 2013	1/22/2008	\$1,000.00	\$995.44	\$111.00 <sup>2</sup>
5252M0FD4	6.875% Notes Due 2018	4/24/2008	\$1,000.00	\$996.69	\$126.30 <sup>2</sup>
52517P5X5	6.2% Notes Due 2014	9/26/2007	\$1,000.00	\$999.16	\$122.50 <sup>2</sup>
52517P4C2	6% Notes Due 2012	7/19/2007	\$1,000.00	\$998.98	\$120.00 <sup>2</sup>
52517P5Y3	7% Notes Due 2027	9/26/2007	\$1,000.00	\$998.08	\$125.00 <sup>2</sup>
52519FFE6	Lehman Notes, Series D	2/5/2008	\$1,000.00 <sup>4</sup>	\$1,000.00	\$120.96 <sup>3</sup>
52519FFM8	Lehman Notes, Series D	4/29/2008	\$1,000.00 <sup>4</sup>	\$1,000.00	\$120.96 <sup>3</sup>
524908R36	6.50% Subordinated Notes Due 2017	7/19/2007	\$1,000.00	\$998.26	\$60.00
5249087N4	7.50% Subordinated Notes Due 2038	5/9/2008	\$1,000.00	\$992.79	\$60.00
524908R44	6.875% Subordinated Notes Due 2037	7/19/2007	\$1,000.00	\$992.97	\$60.00
5249087M6	6.75% Subordinated Notes Due 2017	12/21/2007	\$1,000.00	\$999.26	\$60.00

<sup>1</sup> Issue Price and Value as of the Lawsuit Date are denominated in per share for the 2008-02-05 7.95% Non-cumulative Perpetual Preferred Stock, Series J (52520W317) and in Per \$1,000 of Face Value for the Notes.

<sup>2</sup> Actual Closing Price Per Note.

<sup>3</sup> Because reliable pricing data was not available for this security, the average of Closing Prices for five Notes (CUSIP Nos. 52517P4C2, 52517P5X5, 52517P5Y3, 5252M0BZ9, and 5252M0FD4) on October 28, 2008 for which reliable pricing data was available was utilized.

<sup>4</sup> Issue date information unavailable for these securities. Par Amount assumed to be \$1,000 per note.

**Exhibit 2**  
**Allocation of Underwriter Settlement Amount**

Security	Total Dollar Amount Underwritten by Underwriters Other Than Lehman	Percentage of Total Recovery from Underwriter Defendants to Be Allocated
2008-02-05 7.95% Non-cumulative Perpetual Preferred Stock, Series J (52520W317)	\$ 1,513,897,605	42.70%
2007-07-19 6% Notes Due 2012 (52517P4C2)	\$ 150,000,000	4.23%
2007-07-19 6.50% Subordinated Notes Due 2017 (524908R36)	\$ 180,000,000	5.08%
2007-07-19 6.875% Subordinated Notes Due 2037 (524908R44)	\$ 90,000,000	2.54%
2007-09-26 6.2% Notes Due 2014 (52517P5X5)	\$ 315,000,000	8.88%
2007-09-26 7% Notes Due 2027 (52517P5Y3)	\$ 140,000,000	3.95%
2007-12-21 6.75% Subordinated Notes Due 2017 (5249087M6)	\$ 225,000,000	6.35%
2008-01-22 5.625% Notes Due 2013 (5252M0BZ9)	\$ 520,000,000	14.67%
2008-02-05 Lehman Notes, Series D (52519FFE6)	\$ 43,895,000	1.24%
2008-04-24 6.875% Notes Due 2018 (5252M0FD4)	\$ 300,000,000	8.46%
2008-04-29 Lehman Notes, Series D (52519FFM8)	\$ 7,876,000	0.22%
2008-05-09 7.50% Subordinated Notes Due 2038 (5249087N4)	\$ 60,000,000	1.69%

**APPENDIX C**

## Appendix C

Security	Estimated Average Recovery Per Damaged Security	Estimated Average Cost Per Damaged Security
2008-02-05 7.95% Non-cumulative Perpetual Preferred Stock, Series J (52520W317)	\$2.40	\$0.43
2007-07-19 6% Notes Due 2012 (52517P4C2)	\$12.02	\$2.16
2007-07-19 6.50% Subordinated Notes Due 2017 (524908R36)	\$10.81	\$1.94
2007-07-19 6.875% Subordinated Notes Due 2037 (524908R44)	\$7.21	\$1.30
2007-09-26 6.2% Notes Due 2014 (52517P5X5)	\$16.82	\$3.03
2007-09-26 7% Notes Due 2027 (52517P5Y3)	\$16.82	\$3.03
2007-12-21 6.75% Subordinated Notes Due 2017 (5249087M6)	\$18.02	\$3.24
2008-01-22 5.625% Notes Due 2013 (5252M0BZ9)	\$15.62	\$2.81
2008-02-05 Lehman Notes, Series D (52519FFE6)	\$120.15	\$21.61
2008-04-24 6.875% Notes Due 2018 (5252M0FD4)	\$14.42	\$2.59
2008-04-29 Lehman Notes, Series D (52519FFM8)	\$120.15	\$21.61
2008-05-09 7.50% Subordinated Notes Due 2038 (5249087N4)	\$3.60	\$0.65

**EXHIBIT A-2**

Must be Received  
No Later Than

In re Lehman Brothers Equity/Debt Securities Litigation  
c/o GCG  
PO Box 9821  
Dublin, OH 43017-5721  
1-800-505-6901

LBE



**CLAIMANT IDENTIFICATION:**

Claim Number:

Control Number:

**PROOF OF CLAIM**

THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE AND POSTMARKED NO LATER THAN \_\_\_\_\_, 2012 TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUNDS IN CONNECTION WITH THE D&O SETTLEMENT AND/OR THE UNDERWRITER SETTLEMENT.

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<b>SECTION A - CLAIMANT INFORMATION</b>
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<b>LAST NAME (CLAIMANT)</b>	<b>FIRST NAME (CLAIMANT)</b>	
Last Name (Beneficial Owner if Different From Claimant)	First Name (Beneficial Owner)	
Last Name (Co-Beneficial Owner)	First Name (Co-Beneficial Owner)	
Company/Other Entity (If Claimant Is Not an Individual)	Contact Person (If Claimant is Not an Individual)	
Trustee/Nominee/Other		
Account Number (If Claimant Is Not an Individual)	Trust/Other Date (If Applicable)	
Address Line 1		
Address Line 2 (If Applicable)		
City	State	Zip Code
Foreign Province	Foreign Country Code	Postal Code
Telephone Number (Day)	Telephone Number (Night)	
-	-	-
Beneficial Owner's Employer Identification Number or Social Security Number		
Email Address <small>(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)</small>		

IF YOU FAIL TO SUBMIT A COMPLETE CLAIM BY \_\_\_\_\_ YOUR CLAIM IS SUBJECT TO REJECTION  
OR YOUR PAYMENT MAY BE DELAYED.

**NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the website at [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com) or you may e-mail the Claims Administrator at [eClaim@gardencitygroup.com](mailto:eClaim@gardencitygroup.com). Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at [eClaim@gardencitygroup.com](mailto:eClaim@gardencitygroup.com) to inquire about your file and confirm it was received and acceptable.



## SECTION B – GENERAL INSTRUCTIONS

A. It is important that you completely read and understand both (i) the Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "D&O Notice") and (ii) the Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "UW Notice" and together with the D&O Notice, the "Notices") that accompany this Proof of Claim Form ("Proof of Claim" or "Claim Form"), and the Plans of Allocation included in the Notices. These Notices and the Plans of Allocation set forth within each notice describe (i) the proposed settlements that will resolve the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation*, No. 08-CV-5523-LAK (S.D.N.Y.) (the "Action") against the director and officer defendants ("D&O Defendants") and all but one of the underwriters named as defendants in the Action ("Settling Underwriter Defendants") – the "D&O Settlement" and the "UW Settlement," respectively (referred together herein as the "Settlements"), (ii) how class members are affected by the Settlements, and (iii) the manner in which the Net Settlement Funds will be distributed, if the Court approves the Settlements and their respective Plans of Allocation. The Notices also contain the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read both Notices, including the terms of the releases described therein and provided for herein.

B. TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION FROM ONE OR BOTH OF THE NET SETTLEMENT FUNDS CREATED BY THE SETTLEMENTS, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, POSTMARKED NO LATER THAN \_\_\_\_\_, 2012, ADDRESSED AS FOLLOWS:

In re Lehman Brothers Equity/Debt Securities Litigation  
c/o GCG  
P.O. Box 9821  
Dublin, OH 43017-5721

The Claim Form you submit will be reviewed in connection with both Settlements. **Please do not submit separate Claim Forms for the D&O Settlement and the UW Settlement.** Please be sure to include all of your transactions in the Lehman securities listed in the transaction sections of this Claim Form.

C. This Proof of Claim is directed to the following two settlement classes:

(i) All persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A to the D&O Notice pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B to the D&O Notice pursuant to or traceable to the Shelf Registration Statement and who were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options between June 12, 2007 and September 15, 2008 through and inclusive, and who were damaged thereby (the "D&O Class"). Excluded from the D&O Class are: (i) Defendants, (ii) Lehman, (iii) the executive officers and directors of each Defendant or Lehman, (iv) any entity in which Defendants or Lehman have or had a controlling interest, (v) members of Defendants' immediate families, and (vi) the legal representatives heirs, successors or assigns of any such excluded party. Also excluded are any persons or entities who timely and validly request exclusion from the D&O Class as set forth in the D&O Notice; and

(ii) All persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A to the UW Notice pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby (the "Underwriter Class"). The Underwriter Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the Stipulation of Settlement and Release dated December 2, 2011 entered into between Lead Plaintiffs and the First Group of Settling Underwriter Defendants (as largely adopted by the Stipulation of Settlement and Release dated December 9, 2011 entered into between Lead Plaintiffs and the Second Group of Settling Underwriter Defendants (together, the "UW Stipulations")), who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Excluded from the Underwriter Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 owned, a majority interest, (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party, and (v) Lehman. Also excluded are any persons or entities who timely and validly request exclusion from the Underwriter Class as set forth in the UW Notice.

D. IF YOU ARE NOT A MEMBER OF ONE OR BOTH OF THE SETTLEMENT CLASSES DESCRIBED ABOVE, OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, FILED A REQUEST FOR EXCLUSION FROM ONE OR BOTH OF THE SETTLEMENT CLASSES, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN EITHER OF THE SETTLEMENTS IF YOU ARE NOT A SETTLEMENT CLASS MEMBER (AS DESCRIBED ABOVE). THUS, IF YOU FILE A VALID REQUEST FOR EXCLUSION IN A TIMELY MANNER FROM ONE OR BOTH OF THE SETTLEMENT CLASSES, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, FOR THE SETTLEMENT OR SETTLEMENTS, AS APPLICABLE, WILL NOT BE ACCEPTED.

E. All D&O Class Members will be bound by the terms of the Judgment entered in the Action in connection with the D&O Settlement WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the D&O Class is received by \_\_\_\_\_, 2012. The Judgment in connection with the D&O Settlement will release and enjoin the filing or continued

**SECTION B – GENERAL INSTRUCTIONS (CONTINUED)**

prosecution of the Settled Claims (defined in paragraph 1(jj) of the Stipulation of Settlement and Release dated October 14, 2011 for the D&O Settlement (the "D&O Stipulation") against the D&O Defendants (as set forth in the D&O Notice) and certain parties related to the D&O Defendants (*i.e.*, the "Released Parties" as set forth in paragraph 1(hh) of the D&O Stipulation).

F. All Underwriter Class Members will be bound by the terms of the Judgment entered in the Action in connection with the UW Settlement WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the Underwriter Class is received by \_\_\_\_\_, 2012. The Judgment in connection with the UW Settlement will release and enjoin the filing or continued prosecution of the Settled Claims (defined in paragraph 1(ii) of the Stipulation of Settlement and Release dated December 2, 2011 and paragraph 1(ii) of Exhibit A to the Stipulation of Settlement and Release dated December 9, 2011 (the two stipulations shall be jointly referred to as the "UW Stipulations")) against the Settling Underwriter Defendants (as set forth in the UW Notice) and certain parties related to the Settling Underwriter Defendants (*i.e.*, the "Released Underwriter Parties" as set forth in the UW Stipulations).

G. Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlements. Distribution of the Net Settlement Funds will be governed by the Plans of Allocation for the respective Settlements (as set forth the D&O Notice and UW Notice, respectively), if they are approved by the Court, or by such other plan(s) of allocation as the Court approves.

H. Use Sections C through F of this Claim Form to supply all required details of your transaction(s) in the Lehman securities covered by the Settlements (the "Lehman Securities"). On the schedules provided, please provide all of the information requested below with respect to all of your holdings, purchases, other acquisitions and sales of the Lehman Securities, whether such transactions resulted in a profit or a loss. Failure to report all transactions during the requested periods may result in the rejection of your claim.

I. You are required to submit genuine and sufficient documentation for all your transaction(s) in and holdings of the Lehman Securities set forth in the Schedules of Transactions in Sections C through F of this Claim Form. Documentation may consist of copies of brokerage confirmations or monthly statements. The Settling Parties and the Claims Administrator do not independently have information about your investments in Lehman Securities. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR COULD RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator.

J. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

K. All joint beneficial owners must each sign this Claim Form. If you purchased or acquired Lehman Securities in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or acquired Lehman Securities and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these securities, but the third party is the record owner.

L. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Lehman Securities; and
- (c) furnish herewith evidence of their authority to bind the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

M. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the Lehman Securities you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

N. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

O. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notices, you may contact the Claims Administrator, GCG, at the above address or by toll-free phone at 1-800-505-6901, or you may download the documents from [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).



**SECTION C - SCHEDULE OF TRANSACTIONS IN COMMON STOCK**

Failure to provide proof of all beginning holdings, purchases or acquisitions, sales, and ending holdings information for Lehman common stock as requested below will impede proper processing of your claim and may result in the rejection of your claim. Please include proper documentation with your Claim Form.

1. **BEGINNING HOLDINGS:** State the number of shares of common stock you held as of the opening of trading on **June 12, 2007** (must be documented). If none, write "zero" or "0".

shares

2. **PURCHASES/ACQUISITIONS:** Separately list each and every purchase and/or acquisition, including free receipts, of common stock during the period **June 12, 2007** through and including the close of trading on **the date you submit your Claim Form** (must be documented).

**IF NONE, CHECK HERE**

Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase Price Per Share	Aggregate Cost (excluding commissions, taxes, and fees)	Please Check the Box if this Transaction was the Result of the Exercise/Assignment of an Option
/ /		.		
/ /		.		
/ /		.		
/ /		.		

3. **SALES:** Separately list each and every sale, including free deliveries, of common stock during the period **June 12, 2007** through and including the close of trading on **the date you submit your Claim Form** (must be documented).

**IF NONE, CHECK HERE**

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Amount Received (excluding commissions, taxes, and fees)	Please Check the Box if this Transaction was the Result of the Exercise/Assignment of an Option
/ /		.		
/ /		.		
/ /		.		
/ /		.		

4. **ENDING HOLDINGS:** State the number of shares of common stock you held as of the close of trading on **the date you submit your Claim Form** (must be documented). If none, write "zero" or "0".

shares

**Please note:** Information requested with respect to your purchases/acquisitions of Lehman Securities from September 16, 2008 through and including the date you submitted your Claim Form is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Claim(s) pursuant to the Plans of Allocation for the respective Settlements.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST  
PHOTOCOPY THIS PAGE AND CHECK THIS BOX  
IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**



**SECTION D - SCHEDULE OF TRANSACTIONS IN PREFERRED STOCK**

Failure to provide proof of all beginning holdings, purchases or acquisitions, sales, and ending holdings information for Lehman preferred stock as requested below will impede proper processing of your claim and may result in the rejection of your claim. Please include proper documentation with your Claim Form.

Code	Preferred Security Description	Initial Offering Date	CUSIP Number
P1	7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares")	February 5, 2008 (the "Series J Offering")	52520W317
P2	7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series P (the "Series P Shares")	April 4, 2008 (the "Series P Offering")	52523J453
P3	8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Series Q Shares")	June 12, 2008 (the "Series Q Offering")	52520W218

1. **PURCHASES/ACQUISITIONS:** Separately list each and every purchase and/or acquisition, including free receipts, of preferred stock during the period from the opening of trading on the relevant initial offering dates listed above through and including the close of trading on the date you submit your Claim Form (must be documented).

IF NONE, CHECK HERE

Insert Code Indicated Above	Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase Price Per Share	Aggregate Cost (excluding commissions, taxes, and fees)
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	

**Please note:** Information requested with respect to your purchases/acquisitions of Lehman Securities from September 16, 2008 through and including the date you submitted your Claim Form is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Claim(s) pursuant to the Plans of Allocation for the respective Settlements.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST**  
**PHOTOCOPY THIS PAGE AND CHECK THIS BOX**  
**IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**



**SECTION E - SENIOR UNSECURED NOTES AND SUBORDINATED NOTES TRANSACTIONS  
PURCHASES/ACQUISITIONS AND SALES**

8



1. **BEGINNING HOLDINGS:** Please provide the principal amount of the Senior Unsecured Notes and Subordinated Notes that you may have held at the opening of trading on the **relevant offering date listed on pages 14-16** (must be documented) If none, write "zero" or "0":

Insert Code Indicated on Pages 14-16	Principal Amount

Insert Code Indicated on Pages 14-16	Principal Amount

2. **PURCHASES/ACQUISITIONS:** Below please list (in chronological order) all purchases and/or acquisitions of Senior Unsecured Notes and Subordinated Notes between the **relevant offering date listed on pages 14-16** and the **date you submit your Claim Form**, inclusive (must be documented):

Insert Code Indicated on Pages 14-16	Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Principal Amount	Purchase Price per \$1,000 of Principal Amount	Aggregate Cost (excluding commissions, taxes, and fees)
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.

**Please note:** Information requested with respect to your purchases/acquisitions of Lehman Securities from September 16, 2008 through and including the date you submitted your Claim Form is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Claim(s) pursuant to the Plans of Allocation for the respective Settlements.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

**SECTION E - SENIOR UNSECURED NOTES AND SUBORDINATED NOTES TRANSACTIONS  
PURCHASES/ACQUISITIONS AND SALES**

9



3. **SALES:** Below please list (in chronological order) all sales of Senior Unsecured Notes and Subordinated Notes between the **relevant offering date listed on pages 14-16 and the date you submit your Claim Form, inclusive** (must be documented):

Insert Code Indicated on Pages 14-16	Date(s) of Sale (List Chronologically) (Month/Day/Year)	Principal Amount	Sale Price per \$1,000 of Principal Amount	Amount Received (excluding commissions, taxes, and fees)
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.

4. **ENDING HOLDINGS:** State the principal amount of Senior Unsecured Notes and Subordinated Notes you held as of the close of trading on **the date you submit your Claim Form** (must be documented). If none, write "zero" or "0".

Insert Code Indicated on Pages 14-16	Principal Amount

Insert Code Indicated on Pages 14-16	Principal Amount

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

**SECTION F - SCHEDULE OF TRANSACTIONS IN CALL OPTIONS**

10



1. **BEGINNING HOLDINGS:** At the opening of trading on **June 12, 2007** I owned the following call options (must be documented):

Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Purchase Price Per Contract	Amount Paid (excluding commissions, taxes, and fees)	Insert an "E" if Exercised or an "X" if Expired	Exercise Date (Month/Day/Year)
	/ .	.	.		/ /
	/ .	.	.		/ /

2. **PURCHASES:** I made the following purchases of call option contracts between **June 12, 2007** and **September 15, 2008**, inclusive (must be documented):

Date of Purchase (List Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Purchase Price Per Contract	Amount Paid (excluding commissions, taxes, and fees)	Insert an "E" if Exercised or an "X" if Expired	Exercise Date (Month/Day/Year)
/ /		/ .	.	.		/ /
/ /		/ .	.	.		/ /

3. **SALES:** I made the following sales of the above call option contracts which call option contracts were purchased between **June 12, 2007** and **September 15, 2008**, inclusive (include all such sales no matter when they occurred) (must be documented):

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Sale Price Per Contract	Amount Received (excluding commissions, taxes, and fees)
/ /		/ .	.	.
/ /		/ .	.	.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

**SECTION F - SCHEDULE OF TRANSACTIONS IN PUT OPTIONS**

11



1. **BEGINNING HOLDINGS:** At the open of business on **June 12, 2007**, I was obligated on the following put options (must be documented):

Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Sale Price Per Contract	Amount Received (excluding commissions, taxes, and fees)	Insert an "A" if Assigned or an "X" if Expired	Assign Date (Month/Day/Year)
	/ .	.	.		/ /
	/ .	.	.		/ /

2. **SALES (WRITING) OF PUT OPTIONS:** I wrote (sold) put option contracts between **June 12, 2007** and **September 15, 2008**, inclusive, as follows (must be documented):

Date of Writing (Sale) (List Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Sale Price Per Contract	Amount Received (excluding commissions, taxes, and fees)	Insert an "A" if Assigned or an "X" if Expired	Assign Date (Month/Day/Year)
/ /		/ .	.	.		/ /
/ /		/ .	.	.		/ /

3. **COVERING TRANSACTIONS (REPURCHASES):** I made the following repurchases of the above put option contracts that I wrote (sold) on or before **September 15, 2008**, inclusive (include all repurchases no matter when they occurred) (must be documented):

Date of Repurchase (List Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. 04/08 \$40)	Price Paid Per Contract	Aggregate Cost (excluding commissions, taxes, and fees)
/ /		/ .	.	.
/ /		/ .	.	.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

**SECTION G – RELEASE OF CLAIMS AND SIGNATURE**

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN AT THE BOTTOM OF THE NEXT PAGE.**

I (we) hereby acknowledge that as of the Effective Dates of the respective Settlements, pursuant to the terms set forth in the Stipulations for the respective Settlements, I (we) shall be deemed to have, and by operation of law and of the respective Judgments shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Settled Claim (as defined in the Stipulations for the respective Settlements), and shall forever be enjoined from prosecuting any or all of the Settled Claims against any of Released Parties and/or Released Underwriter Parties (as those terms are defined in the D&O Stipulation and UW Stipulations, respectively), as applicable, with respect to each Settlement as to which the Effective Date has occurred.

**SECTION H – CERTIFICATION**

By signing and submitting this Claim Form, the Claimant(s) or the person(s) who represents the Claimant(s) certifies, as follows:

1. that I (we) have read the Notices, the Plans of Allocation and the Claim Form, including the releases provided for in the Settlements;
2. that the Claimant(s) is (are) members of one or both of the Settlement Classes, as defined in the Notices, and is (are) not one of the individuals or entities excluded from the Settlement Classes (as set forth in the Notices and above in Section B, paragraph C);
3. that the Claimant(s) has (have) not submitted a request for exclusion from one or both of the Settlement Classes;
4. that the Claimant(s) owns(ed) the Lehman Securities identified in the Claim Form and have not assigned the claim against the Released Parties and/or the Released Underwriter Parties, as applicable, to another, or that, in signing and submitting this Claim Form, the Claimant(s) has (have) the authority to act on behalf of the owner(s) thereof;
5. that the Claimant(s) has (have) not submitted any other claim covering the same purchases, acquisitions, sales, or holdings of Lehman Securities and knows of no other person having done so on his/her/its/their behalf;
6. that the Claimant(s) submits (submit) to the jurisdiction of the Court with respect to his/her/its/their claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as the Claims Administrator or the Court may require;
8. that the Claimant(s) waives (waive) the right to trial by jury, to the extent it exists, and agrees (agree) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the Claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
10. that the Claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because: (i) the Claimant(s) is (are) exempt from backup withholding; or (ii) the Claimant(s) has (have) not been notified by the IRS that he/she/it/they is (are) subject to backup withholding as a result of a failure to report all interest or dividends; or (iii) the IRS has notified the Claimant(s) that he/she/it/they is (are) no longer subject to backup withholding. If the IRS has notified the Claimant(s) that he/she/it/they is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.



**SECTION H – CERTIFICATION (CONTINUED)**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
Print Name of Claimant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Claimant, if any

\_\_\_\_\_  
Print Name of Joint Claimant, if any

\_\_\_\_\_  
Date

*If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:*

\_\_\_\_\_  
Signature of Person Completing Form

\_\_\_\_\_  
Print Name of Person Completing Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Capacity of person signing on behalf of Claimant, if other than an individual, e.g., executor, president, custodian, etc.

**THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, POSTMARKED NO LATER THAN \_\_\_\_\_, 2012, ADDRESSED AS FOLLOWS:**

In re Lehman Brothers Equity/Debt Securities Litigation  
c/o GCG  
P.O. Box 9821  
Dublin, OH 43017-5721

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2012 and if a postmark is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please notify the Claims Administrator of any change of address.



**LIST OF NOTES  
NOTES (TO BE GROUPED BY NOTE TYPE)**

Code	Security	Offering Date	Cusip
01	Medium-Term Notes, Series I	June 15, 2007	52517P2S9
02	6% Notes Due 2012	July 19, 2007	52517P4C2
03	6.50% Subordinated Notes due 2017	July 19, 2007	524908R36
04	6.875% Subordinated Notes Due 2037	July 19, 2007	524908R44
05	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component	July 31, 2007	524908K25
06	Partial Principal Protection Notes Linked to a Basket of Global Indices	August 1, 2007	524908J92
07	Annual Review Notes with Contingent Principal Protection Linked to an Index	August 22, 2007	52517P4Y4
08	Medium-Term Notes, Series I	August 29, 2007	52517P4T5
09	6.2% Notes Due 2014	September 26, 2007	52517P5X5
10	7% Notes Due 2027	September 26, 2007	52517P5Y3
11	Medium-Term Notes, Series I	December 5, 2007	5252M0AU1
12	Medium-Term Notes, Series I	December 7, 2007	5252M0AW7
13	6.75% Subordinated Notes Due 2017	December 21, 2007	5249087M6
14	Medium-Term Notes, Series I	December 28, 2007	5252M0AY3
15	5.625% Notes Due 2013	January 22, 2008	5252M0BZ9
16	Medium-Term Notes, Series I	January 30, 2008	5252M0BX4
17	Lehman Notes, Series D	February 5, 2008	52519FFE6
18	Medium-Term Notes, Series I Principal Protected Notes Linked to MarQCuS Portfolio A (USD) Index	February 14, 2008	5252M0DK0
19	Medium-Term Notes, Series I	February 27, 2008	5252M0CQ8
20	Medium-Term Notes, Series I	March 13, 2008	5252M0EH6
21	Medium-Term Notes, Series I	April 21, 2008	5252M0EY9
22	Medium-Term Notes, Series I	April 21, 2008	5252M0FA0
23	6.875% Notes Due 2018	April 24, 2008	5252M0FD4
24	Lehman Notes, Series D	April 29, 2008	52519FFM8
25	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	May 7, 2008	5252M0FR3
26	7.50% Subordinated Notes Due 2038	May 9, 2008	5249087N4
27	Medium-Term Notes, Series I	May 19, 2008	5252M0FH5
28	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index	June 13, 2008	5252M0GM3



**LIST OF NOTES**  
**NOTES (TO BE GROUPED BY NOTE TYPE) (CONTINUED)**

Code	Security	Offering Date	Cusip
29	Medium-Term Notes, Series I	June 26, 2008	5252M0GN1
30	100% Principal Protection Notes Linked to a Global Index Basket	March 30, 2007	52520W564 524908VP2
31	Performance Securities with Partial Protection Linked to a Global Index Basket	March 30, 2007	52520W556 524908VQ0
32	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	April 30, 2007	52517PX63
33	Performance Securities with Partial Protection Linked to a Global Index Basket	April 30, 2007	52520W515
34	100% Principal Protection Notes Linked to a Currency Basket	May 31, 2007	52520W440
35	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	June 29, 2007	52517P2P5
36	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	July 31, 2007	52517P3H2
37	100% Principal Protection Notes Linked to an International Index Basket	August 31, 2007	52522L186
38	100% Principal Protection Notes Linked to a Global Index Basket	August 31, 2007	52522L889
39	Performance Securities with Partial Protection Linked to a Global Index Basket	September 28, 2007	52522L244
40	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	September 28, 2007	52517P5K3
41	Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket	October 31, 2007	52520W341
42	Return Optimization Securities Linked to an Index	October 31, 2007	52522L319
43	Return Optimization Securities Linked to an Index	October 31, 2007	52522L335
44	100% Principal Protection Notes Linked to an Asian Currency Basket	November 30, 2007	52520W333
45	Return Optimization Securities with Partial Protection Linked to the S&P® 500 Index	November 30, 2007	52522L459
46	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index	December 31, 2007	52522L491
47	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	January 31, 2008	52517P4N8
48	100% Principal Protection Notes Linked to an Asian Currency Basket	January 31, 2008	52520W325
49	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index	January 31, 2008	52522L525
50	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index	February 8, 2008	52522L657
51	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	February 29, 2008	5252M0CZ8



**LIST OF NOTES**  
**NOTES (TO BE GROUPED BY NOTE TYPE) (CONTINUED)**

Code	Security	Offering Date	Cusip
52	Return Optimization Securities With Partial Protection Notes Linked to the S&P 500® Index	February 29, 2008	52522L574
53	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index	February 29, 2008	52522L566
54	100% Principal Protection Notes Linked to an Asian Currency Basket	February 29, 2008	52523J412
55	Return Optimization Securities With Partial Protection Notes Linked to the S&P 500® Index	March 31, 2008	52522L806
56	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index	March 31, 2008	52522L814
56	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund	March 31, 2008	52522L871
57	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index	March 31, 2008	52522L798
59	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices	April 23, 2008	52523J172
60	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	May 15, 2008	52523J206
61	Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index	May 30, 2008	52523J230
62	100% Principal Protection Absolute Return Barrier Notes	June 30, 2008	52523J248
63	100% Principal Protection Absolute Return Barrier Notes	June 30, 2008	52523J255

**REMINDER CHECKLIST**

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint Claimants, then both must sign.
2. Remember to attach only copies of acceptable supporting documentation.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-800-505-6901.
7. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the above address or at 1-800-505-6901, or visit [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).

THIS PROOF OF CLAIM MUST BE RECEIVED NO LATER THAN  
\_\_\_\_\_ AND MUST BE MAILED TO:

**In re Lehman Brothers Equity/Debt Securities Litigation**  
**c/o GCG**  
**PO Box 9821**  
**Dublin, OH 43017-5721**

**EXHIBIT A-3**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES  
AND ERISA LITIGATION

Case No. 09-MD-2017 (LAK)

ECF CASE

This Document Applies To:

*In re Lehman Brothers Equity/Debt  
Securities Litigation, 08-CV-5523-LAK*

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**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION AND  
PROPOSED SETTLEMENTS WITH INDIVIDUAL DIRECTOR AND  
OFFICER DEFENDANTS AND SETTLING UNDERWRITER DEFENDANTS,  
SETTLEMENT FAIRNESS HEARING, AND MOTION FOR ATTORNEYS' FEES  
AND REIMBURSEMENT OF LITIGATION EXPENSES**

TO: ALL PERSONS OR ENTITIES WHO (1) PURCHASED OR ACQUIRED LEHMAN SECURITIES IDENTIFIED IN APPENDIX A TO THE STIPULATIONS OF SETTLEMENT AND RELEASE WITH THE FIRST AND SECOND GROUPS OF SETTLING UNDERWRITER DEFENDANTS AND APPENDIX A TO THE STIPULATION OF SETTLEMENT AND RELEASE WITH THE INDIVIDUAL DIRECTOR AND OFFICER DEFENDANTS (THE "D&O STIPULATION") PURSUANT OR TRACEABLE TO THE SHELF REGISTRATION STATEMENT AND WHO WERE DAMAGED THEREBY, (2) PURCHASED OR ACQUIRED ANY LEHMAN STRUCTURED NOTES IDENTIFIED IN APPENDIX B TO THE D&O STIPULATION PURSUANT OR TRACEABLE TO THE SHELF REGISTRATION STATEMENT AND WHO WERE DAMAGED THEREBY, OR (3) PURCHASED OR ACQUIRED LEHMAN COMMON STOCK, CALL OPTIONS, AND/OR SOLD PUT OPTIONS BETWEEN JUNE 12, 2007 AND SEPTEMBER 15, 2008, THROUGH AND INCLUSIVE AND WHO WERE DAMAGED THEREBY (THE "SETTLEMENT CLASSES").

PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and Orders of the United States District Court for the Southern District of New York, that the above-captioned litigation ("Action") has been preliminarily certified as a class action for the purposes of settlement only and that the following settlements have been proposed: (i) a settlement with certain Lehman officers and directors during the relevant period (the "Individual Director and Officer Defendants" or "D&O Defendants") for \$90,000,000 in cash (the "D&O Settlement"), and (ii) settlements with certain alleged underwriters of certain Lehman offerings

(the "Settling Underwriter Defendants" or "UW Defendants") for a total amount of \$426,018,000 in cash (the "UW Settlement") (together, the "Settlements"). The Settlements resolve only claims against the D&O Defendants and the UW Defendants, and the claims against the other defendants in the Action will continue. A hearing will be held before the Honorable Lewis A. Kaplan, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007 at [TIME] on [DATE] to, among other things: determine whether the proposed Settlements should be approved by the Court as fair, reasonable, and adequate; determine whether the proposed Plans of Allocation for distribution of the settlement proceeds should be approved as fair and reasonable; and consider the application of Lead Counsel for an award of attorneys' fees and reimbursement of expenses.

IF YOU ARE A MEMBER OF ONE OR BOTH OF THE SETTLEMENT CLASSES DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED BY THE PENDING ACTION AND ONE OR BOTH OF THE SETTLEMENTS, AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUNDS. If you have not yet received copies of the full printed Notices for the Settlements, with the attached Claim Form, you may obtain a copy of these documents by contacting the Claims Administrator: *In re Lehman Brothers Equity/Debt Securities Litigation*, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721, 1-800-505-6901. Copies of the Notice for the D&O Settlement, the UW Settlement and the Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com), or from Lead Counsel's websites [www.blbgllaw.com](http://www.blbgllaw.com) and [www.ktmc.com](http://www.ktmc.com).

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net Settlement Funds, you must submit a Claim Form postmarked on or before \_\_\_\_\_, 2012. To exclude yourself from the Settlement Class in the D&O Settlement and/or the UW Settlement, you must submit a written request for exclusion such that it is *received* no later than [DATE], in accordance with the instructions set forth in the Notices. Please Note: Submitting a request for exclusion from the Settlement Class in only one of the Settlements *does not* automatically exclude you from the Settlement Class in both Settlements. A request for exclusion that does not specify which Settlement Class you are seeking exclusion from will be interpreted as a request for exclusion from both Settlement Classes. If you are a Settlement Class Member and do not exclude yourself from the respective Settlement Class, you will be bound by the Judgment(s) entered in the Action, including the releases provided for in the Judgment(s), whether or not you submit a Claim Form. If you submit an exclusion you will have no right to recover money pursuant to the Settlement(s) you requested exclusion from and will have to pursue any claims against the respective defendants independently. Any objections to the proposed Settlements, the proposed plans of allocation, or the request for attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to Lead Counsel for the Settlement Class and counsel for the respective defendants such that they are *received* no later than [DATE], in accordance with the instructions set forth in the Notices.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the Notices or Claim Form, may be made to Lead Counsel:

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By Order of the Court