

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE WEATHERFORD INTERNATIONAL  
SECURITIES LITIGATION

11 Civ. 1646 (LAK) (JCF)

CLASS ACTION

**DECLARATION OF ELI R. GREENSTEIN IN SUPPORT OF PLAINTIFFS'  
SUR-REPLY IN SUPPORT OF (I) MOTION FOR FINAL APPROVAL OF  
SETTLEMENT AND PLAN OF ALLOCATION; AND (II) LEAD COUNSEL'S  
MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT  
OF LITIGATION EXPENSES**

Pursuant to 28 U.S.C. § 1746, I, Eli R. Greenstein declare as follows:

1. I am a partner at Kessler Topaz Meltzer & Check, LLP and counsel for the Court-appointed Lead Plaintiff and proposed Settlement Class Representative American Federation of Musicians and Employers' Pension Fund and additional named plaintiff and proposed Settlement Class Representative the Georgia Firefighters' Pension Fund (together, "Plaintiffs").

2. I respectfully submit this declaration in Support of Plaintiffs' Sur-Reply in Further Support of (i) Plaintiffs' Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation (ECF No. 250) and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

3. Attached hereto are true and correct copies of the following exhibits:

Exhibit A: Letter Objection of Ralph L. Cochran, dated June 9, 2014

Exhibit B: Second Supplemental Affidavit of Jose C. Fraga

Exhibit C: Letter Objection of Stephen Schoeman, dated June 30, 2014

Exhibit D: Letter Objection of Stephen Schoeman, dated July 24, 2014

Exhibit E: Letter Objection of Stephen Schoeman, dated July 29, 2014

Exhibit F: Declaration of Jennifer L. Enck regarding Objection of Stephen Schoeman, Ph.D.

Exhibit G: Notice of Disciplinary Charges, *In the Matter of Joseph Darrell Palmer, No. 125147*, Case No. 12-O-16924

Exhibit H: Documents filed by Joseph Darrell Palmer in *In re Merck & Co., Inc. Vytarin/Zetia Sec. Litig.*, No. 13-4327 (3d Cir.)

Exhibit I: Documents filed by Joseph Darrell Palmer in *In re Schering-Plough Corp./Enhance Sec. Litig.*, No. 13-4328 (3d Cir.)

Exhibit J: Documents filed by Joseph Darrell Palmer in *In re Bank of America Sec., Deriv. & ERISA Litig.*, No. 13-1830 (2d Cir.)

Exhibit K: Documents filed by Joseph Darrell Palmer in *In re American Int'l Group Sec. Litig.*, No. 13-1929 (2d Cir.)

- Exhibit L: *In re Lehman Bros. Mortgage-Backed Sec. Litig.*, Sept. 9, 2013 Hrg. Tr.
- Exhibit M: Pretrial Order No. 27, *In re Lehman Bros. Sec. & ERISA Litig.*, No. 09-MD-2017 (LAK) (S.D.N.Y. 2012), ECF No. 306
- Exhibit N: Pretrial Order No. 28, *In re Lehman Bros. Sec. & ERISA Litig.*, No. 09-MD-2017 (LAK) (S.D.N.Y. 2012), ECF No. 307
- Exhibit O: Order Concerning Settlement with Defendant Ernst & Young, *In re Lehman Bros. Sec. & ERISA Litig.*, No. 09-MD-2017 (LAK) (S.D.N.Y. 2012), ECF No. 542

I declare under penalty of perjury that the foregoing is true and correct.

Dated: August 4, 2014

/s/ Eli R. Greenstein  
ELI R. GREENSTEIN

**CERTIFICATE OF SERVICE**

On this 4th day of August, 2014, I hereby caused a true and correct copy of the foregoing document to be served via Overnight Mail upon:

Stephen Schoeman, Ph.D.  
101 Jefferson Avenue  
Westfield, NJ 07090

Jeff M. Brown  
750 S. Dixie Highway  
Boca Raton, FL 33432

Ralph L. Cochran  
1000 Rocky Creek Drive  
Pflugerville, TX 78691

/s/ *Eli R. Greenstein*  
ELI R. GREENSTEIN



## **EXHIBIT A**

MAIRALPH L. Gootman  
P.O. Box 1448  
Blumebille, TX 78691

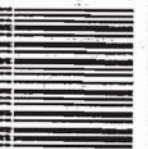
DELIVERED TO  
WORK ADDRESS

KESSLER TOPAZ  
MELTZER & CHECK, LLP  
Eli R. Greenstein, Esq  
One Sansome Street  
suite 1850  
San Francisco, CA 94104

PLEASE  
FORWARD  
TO



1000



94104

U.S. POSTAGE  
PAID  
PFLUGERVILLE, TX  
JUN 11 14  
PMOUNT

\$1.19  
00053592-04

Ralph L. Cochran  
PO Box 1448  
Pflugerville, TX 786991

June 9, 2014

Kessler Topaz  
Meltzer & Check, LLP  
Eli R. Greenstein, Esq\  
One Sansome Street  
Suite 1950  
San Francisco, CA 94104

My transactions with Weatherford International are the following:

Purchases	shares	price	cost
07/20/09	1000	18.88	18880.00
07/20/09	1000	18.59	18590.00
11/10/10	1000	19.14	19140.00
11/12/10	1000	19.55	19549.60
12/08/10	2000	21.54	<u>43079.80</u>
TOTAL COST			119238.00

Sales	shares	price	received
07/20/09	2000	18.32	36629.05
11/11/10	1000	19.69	19680.06
12/07/10	1000	21.34	21330.03
12/08/10	1200	21.05	25259.07
12/08/10	800	21.05	<u>16825.71</u>
TOTAL RECEIVED			119723.92

NET GAIN \$485.92

I protest this settlement in all respects. In the first place any investor, trader, or owner should be responsible for their own gains or losses. In the second place, on March 1, 2011 the stock reached a high of \$28.11. On June 9, 2014 the stock is trading for \$22.90.

If not for this law suit and possibly others, this stock might be trading for \$28.11 or higher. If any stock holder wished to hold their stock for long term, their decision would be rewarded with a price of either breaking even or possibly showing a profit.

Even the tax consequences would be a factor because the stock owner would be taxed for a long term gain instead of the short term.

If any stock holder is a trader instead of an investor, the trader is responsible for any losses they incur.



Ralph L. Cochran





# SECTION A - CLAIMANT IDENTIFICATION

## Claimant or Representative Contact Information:

The Claims Administrator will use this information for all communications relevant to this claim (including the check, if eligible for payment). If this information changes, you **MUST** notify the Claims Administrator in writing at the address above.

Claimant Name(s) (as you would like the name(s) to appear on the check, if eligible for payment)

RALPH L COCHRAN

Street Address:

1000 ROCKY CREEK DR

City:

PFLUGERVILLE

Last 4 digits of Claimant SSN/TIN:

State:

Zip Code:

Country (if Other than U.S.):

TX

78660

Name of the Person you would like the Claims Administrator to Contact Regarding This Claim (if different from the Claimant Name(s) listed above):

Daytime Telephone Number:

Evening Telephone Number:

Email Address

(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.)

**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, please visit the Settlement website at [www.WeatherfordSecuritiesLitigationSettlement.com](http://www.WeatherfordSecuritiesLitigationSettlement.com) or you may e-mail the Claims Administrator's electronic filing department at [eClaim@gcginc.com](mailto:eClaim@gcginc.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@gcginc.com](mailto:eClaim@gcginc.com) to inquire about your file and confirm it was received and acceptable.

**REDACTED**

To view GCG's Privacy Notice, please visit <http://www.gcginc.com/privacy>

<sup>1</sup>The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.





# SECTION C - SCHEDULE OF TRANSACTIONS IN WEATHERFORD COMMON STOCK

1. **BEGINNING HOLDINGS:** State the number of shares of Weatherford common stock you held as of the close of trading on **April 24, 2007**. If none, write "zero" or "0". (Must be documented.)

☐ ZERO  
Shares

2. **PURCHASES/ACQUISITIONS:** Separately list each and every purchase and/or acquisition of Weatherford common stock from **April 25, 2007** to **May 27, 2011**, inclusive (which includes the 90-day look back period).<sup>1</sup> (must be documented).

Trade Date(s) List Chronologically (Month/Day/Year)	Number of Shares Purchased or Acquired	Price Per Share	Aggregate Cost (Excluding fees, taxes, and commissions)
07/20/09	1000	18.88	18880.00
07/20/09	1000	18.59	18590.00
11/18/10	1000	19.14	19140.00
11/12/10	1000	19.55	19549.60
12/08/10	2000	21.54	43079.80

3. **SALES:** Separately list each and every sale of Weatherford common stock from **April 25, 2007** to **May 27, 2011**, inclusive (which includes the 90-day look back period). (must be documented).

Date(s) of Sale List Chronologically (Month/Day/Year)	Number of Shares Sold	Price Per Share	Amount Received (Excluding fees, taxes, and commissions)
07/20/09	2000	18.32	36629.05
11/11/10	1000	19.69	19680.06
12/07/10	1000	21.34	21330.03
12/08/10	1200	21.05	25259.07
12/08/10	800	21.05	16825.71

4. **ENDING HOLDINGS:** State the number of shares of Weatherford common stock you held as of the close of trading on **May 27, 2011** (the last day of the 90-day look back period). If none, write "zero" or "0". (Must be documented.)

☐ ZERO  
Shares

<sup>1</sup>Please note: As set forth above, information requested with respect to your purchases and acquisitions of Weatherford common stock between March 2, 2011 and May 27, 2011, inclusive, is needed in order to balance your claim; purchases and acquisitions during this period, however, are not eligible to participate in the Settlement as these purchases and acquisitions are outside the Settlement Class Period (i.e., April 25, 2007 to March 1, 2011, inclusive) and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

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 – 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.

Ralph Cochran  
Signature of Claimant

RALPH COCHRAN  
Print Name of Claimant

MAY 7, 2014  
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 AUGUST 19, 2014, ADDRESSED AS FOLLOWS:**

**In re Weatherford International  
Securities Litigation  
c/o GCG  
P.O. Box 10038  
Dublin, OH 43017-6638**

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by August 19, 2014 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.

**EXTRADE  
FINANCIAL**  
Trading • Investing • Banking



**EXTRADE Platinum**  
Investment Account

Account Number:

Statement Period : July 1, 2009 - July 31, 2009

Account Type: INDIVIDUAL

**SECURITIES PURCHASED OR SOLD (Continued)**

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
11:14 07/20/09	07/23/09	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WEI	Bought	1,000	18.8800	18,890.00	
09:34 07/20/09	07/23/08	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WEI	Bought	1,000	18.6900	18,600.00	
07:46 07/20/09	07/23/09	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WEI	Sold	-2,000	18.3200		36,629.05

REDACTED

**E\*TRADE**  
**FINANCIAL**  
 Trading • Investing • Banking



**E\*TRADE** Platinum  
 Investment Account

Account Number:

Statement Period : November 1, 2010 - November 30, 2010

Account Type: INDIVIDUAL

**SECURITIES PURCHASED OR SOLD (Continued)**

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
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11/10/10 11:33	11/16/10	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WFTL	Bought	1,000	19.1400	19,150.00	
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REDACTED



**E\*TRADE**  
**FINANCIAL**  
 Trading • Investing • Banking



**E\*TRADE Platinum**  
 Investment Account

Account Number:

Statement Period : November 1, 2010 - November 30, 2010

Account Type: INDIVIDUAL

## SECURITIES PURCHASED OR SOLD (Continued)

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
11/12/10 14:42	11/16/10	**WEATHERSRECORD INTERNATIONAL LTD SWITZERLAND	WET	Sold	-1,000	19.6904		19,690.06
11/12/10 10:08	11/17/10	**WEATHERSFORD INTERNATIONAL LTD SWITZERLAND	WET	Bought	1,000	19.5496	19,558.60	

## TOTAL SECURITIES ACTIVITY

## UNSETTLED TRADES

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
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## DIVIDENDS &amp; INTEREST ACTIVITY

DATE	TRANSACTION TYPE	DESCRIPTION	SYMBOL/ CUSIP	AMOUNT DEBITED	AMOUNT CREDITED
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REDACTED

**E\*TRADE**  
**FINANCIAL**  
 Trading • Investing • Banking



**E\*TRADE** Platinum  
 Investment Account

Account Number:

Statement Period : December 1, 2010 - December 31, 2010

Account Type: INDIVIDUAL

**SECURITIES PURCHASED OR SOLD (Continued)**

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
12/07/10 15:47	12/10/10	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WFI	Sold	-1,000	21.3404		21,330.03
12/08/10 09:51	12/13/10	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WFI	Bought	2,000	21.5399	43,089.80	
12/08/10 10:38	12/13/10	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WFI	Sold	-800	21.0450		16,825.71
12/08/10 10:38	12/13/10	***WEATHERFORD INTERNATIONAL LTD SWITZERLAND	WFI	Sold	-1,200	21.0500		25,259.57

**REDACTED**

## **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE WEATHERFORD INTERNATIONAL  
SECURITIES LITIGATION

11 Civ. 1646 (LAK) (JCF)

CLASS ACTION

**SECOND SUPPLEMENTAL AFFIDAVIT OF JOSE C. FRAGA**

STATE OF NEW YORK     )  
                                      )  
COUNTY OF NASSAU     )     ss.:

JOSE C. FRAGA, being duly sworn, deposes and says:

1. I am a Senior Director of Operations for The Garden City Group, Inc. ("GCG"), headquartered at 1985 Marcus Avenue, Suite 200, Lake Success, New York 11042. The following statements are based on my personal knowledge and information provided to me by other experienced GCG employees.

2. Pursuant to the Court's Order Concerning Proposed Settlement dated April 1, 2014 (ECF No. 249) (the "Notice Order"), GCG was appointed as the Claims Administrator in connection with the proposed Settlement of the above-captioned action (the "Action").<sup>1</sup>

**MAILING OF THE NOTICE AND PROOF OF CLAIM FORM**

3. As set forth in the Supplemental Affidavit of Jose C. Fraga, dated June 20, 2014 (the "Supplemental Mailing Affidavit"), as of June 19, 2014, GCG had mailed an aggregate of 992,626 Notice Packets to potential Settlement Class Members and nominees, which included 2,803 Notice Packets that were re-mailed as a result of updated addresses provided to GCG by the U.S. Postal Service. Supplemental Mailing Aff. ¶4.

<sup>1</sup> All capitalized terms not otherwise defined in this document shall have the meanings provided in the Notice Order and Stipulation of Settlement and Release dated January 28, 2014 (ECF No. 240-1).



4. Since the execution of the Supplemental Mailing Affidavit, GCG has received additional requests from potential Settlement Class Members and nominees for copies of the Notice Packet. As a result, additional Notice Packets have been disseminated such that as of August 1, 2014, GCG has mailed an aggregate of 996,735 Notice Packets to potential Settlement Class Members and nominees by first-class mail or bulk mail. This includes 3,373 Notice Packets that were re-mailed as a result of updated addresses provided to GCG by the U.S. Postal Service.

#### **WEBSITE**

5. GCG established and maintains a website (<http://www.weatherfordsecuritieslitigation.com>) dedicated to the Settlement to assist potential Settlement Class Members. On June 23, 2014, GCG updated the settlement website to include the following documents: (i) Plaintiffs' Reply Memorandum in Further Support of (I) Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses; and (ii) Declaration of Eli R. Greenstein in Support of Plaintiffs' Reply Memorandum in Further Support of (I) Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

6. In addition, on June 27, 2014, GCG updated the settlement website to include information on the extended objection, exclusion and claim filing deadlines for those Settlement Class Members who received late notice due to untimely broker/nominee requests and the re-scheduled Settlement Fairness Hearing. Specifically, GCG posted an announcement on the settlement website's home page including a link to the letter endorsed by the Court on June 25, 2014. GCG also updated the settlement website to include Corrected Exhibit P to the

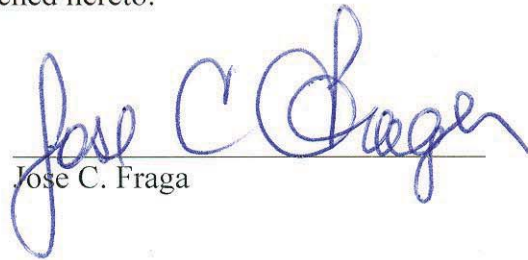
Declaration of Eli R. Greenstein (along with the accompanying letter to the Court).

**REPORT ON EXCLUSION REQUESTS RECEIVED**

7. As set forth above, the settlement website was updated to advise potential Settlement Class Members who received late Notice due to untimely broker/nominee requests that the deadline to request exclusion from the Settlement Class was extended from June 8, 2014 to July 28, 2014.

8. As reported in the Supplemental Mailing Affidavit, as of June 19, 2014, GCG had received fourteen (14) requests for exclusion. Supplemental Mailing Aff. ¶15. Since that date, GCG has received one (1) request for exclusion. This request for exclusion was submitted by an individual who received late Notice due to an untimely broker/nominee request.

9. In total, as of the date of this affidavit, GCG has received a total of fifteen (15) requests for exclusion, as set forth in Exhibit A attached hereto.

  
Jose C. Fraga

Sworn to before me this  
4<sup>th</sup> day of August, 2014

  
Notary Public

**VANESSA M VIGILANTE**  
Notary Public, State of New York  
No. 01VI6143817  
Qualified in Nassau County  
Commission Expires April 17, 2018

# EXHIBIT A

**EXHIBIT A**

1. John Danna  
Richardson, TX
2. William T. Meuret  
Helena, MT
3. Tova Shergold  
South Barrington, IL
4. Linda S. & Frank C. Maynard  
West Lebanon, NH
5. Linda S. & Frank C. Maynard  
West Lebanon, NH
6. Nancy R. & Bill N. Woody  
Verona, VA
7. Grant D. Setnicka  
Ojai, CA
8. Carol E. Roberts  
Wilton, CT
9. Cracker Barrel Old Country Store, Inc.  
Lebanon, TN
10. Virginia M. Goski  
Regina, SK  
Canada
11. Vern Triol  
Canada
12. Cindy & Bart Hunter  
Canada
13. James M. Thompson  
Fort Wayne, IN
14. Linda Eastcott  
Canada
15. Andrew A. Nicely  
Washington, DC



## **EXHIBIT C**

101 Jefferson Avenue  
Westfield, New Jersey 07090  
June 30, 2014

The Hon. Loretta A. Preska  
Chief Judge  
United States District Court for  
the Southern District of New York  
Daniel Patrick Moynihan United States Court House  
500 Pearl Street  
New York, New York 10007-1312

Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
Suite 1850  
One Sansome Street  
San Francisco, California 94104

Re: In Re Weatherford International Securities  
Litigation, 11 Civ. 2646 (LAK) (JFC), CLASS ACTION

Dear Chief Justice Preska:

I am a member of the class action class. Repeatedly I have requested that the lead law firm Kessler, Topaz, Meltzer & Check LLP tell me in brief and intelligible summary what the law suit is about but it fails to do so. Instead it sends me voluminous amounts of paper that would take an Albert Einstein to decipher and understand.

I may be a retired attorney-at-law but if I cannot know what this class action is about then what about all the members of the class who are not attorneys or who have had no training or education in the law and in how to read papers submitted to a court?

Mr. Greenstein as the lead counsel of the law firm has an ethical as well as a professional and an legal duty to answer my repeated questions. This he has failed to do. Rather he sends me this vast body of paper and expects me as well as lay people to wade through it to find out what the class action is about.

Why is he apparently unable to provide a summary of the reason(s) for the class action AND a detailed explanation for the \$52,000,000 in total fees that he and his firm are requesting?

Or am I left with the conclusion that this class action like so many that have been criticized in Congress and the courts is just an attempt to force a company to settle rather than the company facing the prospect of huge legal costs and a public relations nightmare should it fail to settle?

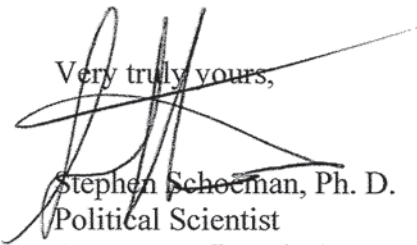
The other day I received yet a second package of hundreds of pages of paper. This is no answer to my questions! Or is it an attempt to flood my study with paper in an attempt to prevent my understanding of the class action law suit, including the request from Mr. Greenstein for outlandish fees?

I have no present financial or any other interest in Weatherford International Securities but I do have an interest both as a citizen and as an attorney-at-law (ret) to know the basis for the class action and for the legal fees that are being demanded. And I have an interest as well as a political scientist (Ph. D.) to know these things.

I am as a member of the class entitled to transparency. That is not being provided by Mr. Greenstein and his law firm in this matter.

The other lead law firm has rudely refused even to acknowledge my letters. This thus is an issue for the appropriate attorney ethics committee as well as for your court to consider.

Very truly yours,

  
Stephen Schoeman, Ph. D.  
Political Scientist  
Attorney-at-Law (ret)

cc: United States Senator Charles Grassley  
Ranking Member  
Senate Judiciary Committee  
1325 Hart Senate Office Building  
Washington, D.C. 20510

United States Representative Robert Goodlatte  
Chairman  
House Judiciary Committee  
2309 Rayburn House Office Building  
Washington, D.C. 20515

## **EXHIBIT D**

Stephen Schoeman, Ph. D.  
Political Scientist  
American Government and International Affairs Specialist  
Attorney-at-Law (ret)  
101 Jefferson Avenue  
Westfield, New Jersey 07090

BY CERTIFIED MAIL  
FIRST CLASS PERMIT NO. 1000  
NEW YORK, NY 10001



Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

19087511080



STEPHEN SCHOEMAN, PH. D.  
Political Scientist  
Attorney-at-Law (New York, New Jersey, Florida)-retired  
101 Jefferson Avenue  
Westfield, New Jersey 07090  
908-233-8278

July 24, 2014

The Hon. Lewis A. Kaplan  
United States District Court Judge  
United States District Court for the Southern District of New York  
Daniel Patrick Moynihan United States District Court House  
500 Pearl Street  
New York, New York 10007-1312

Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

Re: In re Weatherford International Sec. Litigation  
Case No. 11, Civ. 1646 (LAK JCF)

Dear Judge Kaplan:

Eli R. Greenstein, Esq. despite my three (3) letters, copies of which I mailed to you, has refused to provide me a member of the class with the following documentation:

1. A BRIEF AND SIMPLE summary states the basis of the said litigation. That is, what specifically Weatherford International has or did wrong.
2. A detailed statement of the basis upon which he is claiming legal fees. That is, an hourly breakdown of the alleged professional services.
3. A detailed statement of the specific costs to him and his law firm of the said matter that total the staggeringly high sum of \$1,500,000.

Of course, he has a professional ethical as well as legal duty to supply me with the important information without which the members of the class are at a total loss to understand that which he is claiming should be paid to him and his law firm. If I a retired attorney-at-law do not have the said information how much very, very much more difficult it must be the laypersons who constitute the vast bulk of the said class!

Very truly yours,

Stephen Schoeman, Ph. D.

# **EXHIBIT E**

Mr. Stephen Schoeman  
101 Jefferson Ave.  
Westfield, NJ 07090-1910



TW DANIEL  
29 JUL 2014



Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

19087511080





101 Jefferson Avenue  
Westfield, New Jersey 07090  
June 30, 2014

The Hon. Lewis A. Kaplan  
United States District Court  
Southern District of New York  
Daniel Patrick Moynihan United States Court House  
500 Pearl Street  
New York, New York 10007-1312

Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

Re: In re Weatherford International Sec. Litigation,  
Case No. 11, Civ. 1646 (LAK (JCF))

Dear Judge Kaplan:

I am enclosing a copy of my letter of today to The Hon. Loretta A. Preska the Chief Judge of the United States District Court for the Southern District of New York. In short, Mr. Greenstein refuses to answer my two questions.

First, upon what basis, stated in clear summary fashion, was this litigation commenced?

Second, what are the details of the demand he makes for the outlandish attorney fees plus costs that amount to some \$52,000,000?

I am a retired attorney-at-law and if I cannot understand what this litigation is about and have to wade through hundreds of pages of documents that Mr. Greenstein has flooded me with what is a lay person or a person not otherwise trained in the law to make of it? Is it that an Albert Einstein should be consulted to decipher this voluminous pile of documents and find the answer to my two questions?

I have also filed complaints with the United States Senate Judiciary Committee and the United States House of Representatives Judiciary Committee. The public and especially members of the class in this litigation are by right entitled to transparency and

to have the reasonable questions I have asked of Mr. Greenstein and the other law firm in this matter answered in an intelligible manner without there being need to wade through this vast pile of documents?

Is it that Mr. Greenstein is unable to answer my questions? Or chooses not to do so? Or thinks that flooding me with voluminous documents that defy comprehension will silence my concerns?

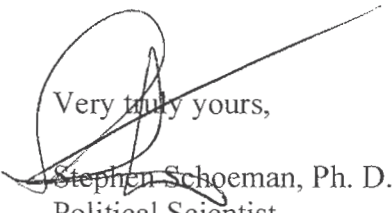
As a member of this class I am legally entitled to answers to my two questions.

I understand that there will be "the final settlement hearing" on September 15, 2014 at 4:30 P.M. A final settlement without these two questions having been answered by Mr. Greenstein?

Am I expected to appear at this hearing? And the nearly 1,000,000 other members of the class?

What am I to conclude? That this is a legitimate litigation? Or that here is yet another effort, the media and the Congress have expressed serious concerns about such litigation, to force Weatherford International to settle or otherwise face years of increasingly expensive litigation and fear the adverse public relations nightmare that would ensue?

The hearing, with all due respect, must be postponed or adjourned until my two questions are answered. It is a certainty that I am not alone in asking these questions but I have taken the liberty of asking them though Mr. Greenstein and his law firm continue to refuse to answer them.

  
Very truly yours,  
Stephen Schoeman, Ph. D.  
Political Scientist

cc: The Hon. Loretta A. Preska  
Chief Justice  
United States District Court for the  
Southern District of New York  
Daniel Patrick Moynihan United States Court House  
500 Pearl Street  
New York, New York 10007-1312

101 Jefferson Avenue  
Westfield, New Jersey 07090  
June 30,2014

The Hon. Loretta A. Preska  
Chief Judge  
United States District Court for  
the Southern District of New York  
Daniel Patrick Moynihan United States Court House  
500 Pearl Street  
New York, New York 10007-1312

Eli R. Greenstein, Esq.  
Kessler, Topaz, Meltzer & Check, LLP  
Suite 1850  
One Sansome Street  
San Francisco, California 94104

Re: In Re Weatherford International Securities  
Litigation, 11 Civ. 2646 (LAK) (JFC), CLASS ACTION

Dear Chief Justice Preska:

I am a member of the class action class. Repeatedly I have requested that the lead law firm Kessler, Topaz, Meltzer & Check LLP tell me in brief and intelligible summary what the law suit is about but it fails to do so. Instead it sends me voluminous amounts of paper that would take an Albert Einstein to decipher and understand.

I may be a retired attorney-at-law but if I cannot know what this class action is about then what about all the members of the class who are not attorneys or who have had no training or education in the law and in how to read papers submitted to a court?

Mr. Greenstein as the lead counsel of the law firm has an ethical as well as a professional and an legal duty to answer my repeated questions. This he has failed to do. Rather he sends me this vast body of paper and expects me as well as lay people to wade through it to find out what the class action is about.

Why is he apparently unable to provide a summary of the reason(s) for the class action AND a detailed explanation for the \$52,000,000 in total fees that he and his firm are requesting?

Or am I left with the conclusion that this class action like so many that have been criticized in Congress and the courts is just an attempt to force a company to settle rather than the company facing the prospect of huge legal costs and a public relations nightmare should it fail to settle?

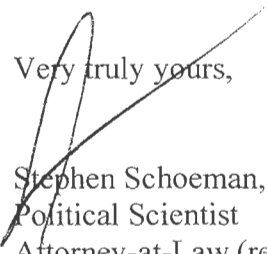
The other day I received yet a second package of hundreds of pages of paper. This is no answer to my questions! Or is it an attempt to flood my study with paper in an attempt to prevent my understanding of the class action law suit, including the request from Mr. Greenstein for outlandish fees?

I have no present financial or any other interest in Weatherford International Securities but I do have an interest both as a citizen and as an attorney-at-law (ret) to know the basis for the class action and for the legal fees that are being demanded. And I have an interest as well as a political scientist (Ph. D.) to know these things.

I am as a member of the class entitled to transparency. That is not being provided by Mr. Greenstein and his law firm in this matter.

The other lead law firm has rudely refused even to acknowledge my letters. This thus is an issue for the appropriate attorney ethics committee as well as for your court to consider.

Very truly yours,

  
Stephen Schoeman, Ph. D.  
Political Scientist  
Attorney-at-Law (ret)

cc: United States Senator Charles Grassley  
Ranking Member  
Senate Judiciary Committee  
1325 Hart Senate Office Building  
Washington, D.C. 20510

United States Representative Robert Goodlatte  
Chairman  
House Judiciary Committee  
2309 Rayburn House Office Building  
Washington, D.C. 20515

# **EXHIBIT F**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE WEATHERFORD INTERNATIONAL  
SECURITIES LITIGATION

11 Civ. 1646 (LAK) (JCF)

CLASS ACTION

**DECLARATION OF JENNIFER L. ENCK REGARDING  
OBJECTION OF STEPHEN SCHOEMAN, PH.D.**

Pursuant to 28 U.S.C. § 1746, I, Jennifer L. Enck declare as follows:

1. I am an associate at Kessler Topaz Meltzer & Check, LLP ("KTMC"). KTMC serves as counsel for the Court-appointed Lead Plaintiff and proposed Settlement Class Representative American Federation of Musicians and Employers' Pension Fund and additional named plaintiff and proposed Settlement Class Representative the Georgia Firefighters' Pension Fund (together, "Plaintiffs") in the above-referenced litigation ("Action").

2. I respectfully submit this declaration in connection with the objection submitted by Stephen Schoeman, Ph.D. in the Action and in support of (i) Plaintiffs' Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation (ECF No. 250) and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (ECF No. 252).

3. After several attempts at reaching Dr. Schoeman by telephone, I spoke with Dr. Schoeman regarding his objection on August 4, 2014. In particular, I addressed Dr. Schoeman's questions regarding (i) the reasons for bringing the lawsuit and (ii) the basis for Lead Counsel's request for attorneys' fees and expenses. During our call, Dr. Schoeman indicated that I had answered all of his questions to his satisfaction.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: August 4, 2014

  
JENNIFER L. ENCK

# **EXHIBIT G**



STATE BAR OF CALIFORNIA  
OFFICE OF THE CHIEF TRIAL COUNSEL  
JAYNE KIM, No. 174614  
CHIEF TRIAL COUNSEL  
JOSEPH R. CARLUCCI, No. 172309  
DEPUTY CHIEF TRIAL COUNSEL  
ALAN B. GORDON, No. 125642  
ASSISTANT CHIEF TRIAL COUNSEL  
CHRISTINE SOUHRADA, No. 228256  
SENIOR TRIAL COUNSEL  
1149 South Hill Street  
Los Angeles, California 90015-2299  
Telephone: (213) 765-1162

**PUBLIC MATTER**  
**FILED**

**DEC 06 2013**

STATE BAR COURT  
CLERK'S OFFICE  
LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

In the Matter of:

Case No. 12-O-16924

JOSEPH DARRELL PALMER,  
No. 125147,

NOTICE OF DISCIPLINARY CHARGES

A Member of the State Bar

**NOTICE - FAILURE TO RESPOND!**

**IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE  
WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT  
THE STATE BAR COURT TRIAL:**

- (1) YOUR DEFAULT WILL BE ENTERED;**
- (2) YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU  
WILL NOT BE PERMITTED TO PRACTICE LAW;**
- (3) YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN  
THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION  
AND THE DEFAULT IS SET ASIDE, AND;**
- (4) YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.  
SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE  
OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN  
ORDER RECOMMENDING YOUR DISBARMENT WITHOUT  
FURTHER HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ.,  
RULES OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.**

///  
///  
///

kwiktag® 152 145 629



1 The State Bar of California alleges:

2 JURISDICTION

3 1. Joseph Darrell Palmer ("Respondent") was admitted to the practice of law in the State  
4 of California on December 15, 1986, was a member at all times pertinent to these charges, and is  
5 currently a member of the State Bar of California.

6 COUNT ONE

7 Case No. 12-O-16924  
8 Business and Professions Code, section 6106  
9 [Moral Turpitude - Misrepresentation]

10 2. On or about June 2, 2010, Respondent filed an Affidavit in support of a Motion for  
11 Admission Pro Hac Vice in *Gemelas v. The Dannon Co., Inc.*, case no. 1:08-CV-00236, in  
12 United State District Court, Northern District of Ohio, Eastern Division, in which Respondent  
13 declared under oath "I have never been the subject of disciplinary action of any kind before any  
14 bar or court" when, in fact, Respondent knew or was grossly negligent in not knowing the  
15 declaration was false, and thereby committed an act involving moral turpitude, dishonesty or  
16 corruption in willful violation of Business and Professions Code, section 6106.

17 COUNT TWO

18 Case No. 12-O-16924  
19 Business and Professions Code, section 6106  
20 [Moral Turpitude - Misrepresentation]

21 3. On or about January 7, 2011 Respondent filed an Application for Leave to Appear Pro  
22 Hac Vice in *Mark A. Arthur et.al. v. Sallie Mae, Inc.*, case no. 10-CV-00198-JLR in United State  
23 District Court, Western District of Washington, in which Respondent declared under penalty of  
24 perjury "I have not been disbarred or formally censured by a court of record or by a state bar  
25 association..." when, in fact, Respondent knew or was grossly negligent in not knowing the  
26 declaration was false, and thereby committed an act involving moral turpitude, dishonesty or  
27 corruption in willful violation of Business and Professions Code, section 6106.

COUNT THREE

Case No. 12-O-16924  
Business and Professions Code, section 6106  
[Moral Turpitude - Misrepresentation]

4. On or about July 5, 2012 Respondent filed an Application for Leave to Appear Pro Hac Vice in *Alyson Herfert, et al. v. Crayola, LLC*, case no. 11-CV-1301-JCC, in United State District Court, Western District of Washington, in which Respondent declared under penalty of perjury "I have not been disbarred or formally censured by a court of record or by a state bar association....," when, in fact, Respondent knew or was grossly negligent in not knowing the declaration was false, and thereby committed an act involving moral turpitude, dishonesty or corruption in willful violation of Business and Professions Code, section 6106.

NOTICE - INACTIVE ENROLLMENT!

YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO THE PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE RECOMMENDED BY THE COURT.

NOTICE - COST ASSESSMENT!

IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6086.10.

Respectfully submitted,

THE STATE BAR OF CALIFORNIA  
OFFICE OF THE CHIEF TRIAL COUNSEL

DATED: December 6, 2013

By: 

Christine Souhrada  
Senior Trial Counsel



**DECLARATION OF SERVICE BY CERTIFIED MAIL**

**CASE NUMBER: 12-O-16924**

I, the undersigned, over the age of eighteen (18) years, whose business address and place of employment is the State Bar of California, 1149 South Hill Street, Los Angeles, California 90015, declare that I am not a party to the within action; that I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service; that in the ordinary course of the State Bar of California's practice, correspondence collected and processed by the State Bar of California would be deposited with the United States Postal Service that same day; that I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date on the envelope or package is more than one day after date of deposit for mailing contained in the affidavit; and that in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles, on the date shown below, a true copy of the within

**NOTICE OF DISCIPLINARY CHARGES**

in a sealed envelope placed for collection and mailing as certified mail, return receipt requested, Article No.: 7196 9008 9111 6410 5893, at Los Angeles, on the date shown below, addressed to:

**Joseph D. Palmer  
PO Box 548  
Cardiff, CA 92007**

**And Courtesy Regular U.S. Mail:**

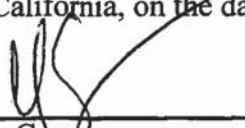
**Susan Lynn Margolis  
Margolis & Margolis LLP  
2000 Riverside Dr  
Los Angeles, CA 90039**

in an inter-office mail facility regularly maintained by the State Bar of California addressed to:

**N/A**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Los Angeles, California, on the date shown below.

**DATED: December 6, 2013**

Signed:   
Max Carranza  
Declarant

# **EXHIBIT H**

No. 13-4327

Orloff

vs. Merck & Co., Inc. Vytarin/Zetia

**ENTRY OF APPEARANCE**

Please list names of **all** parties represented, using additional sheet(s) if necessary:

Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 12/13/01

Indicate the party's role IN THIS COURT (check only one):

<input type="checkbox"/> Petitioner(s)	<input checked="" type="checkbox"/> Appellant(s)	<input type="checkbox"/> Intervenor (s)
<input type="checkbox"/> Respondent(s)	<input type="checkbox"/> Appellee(s)	<input type="checkbox"/> Amicus Curiae

(Type or Print) Counsel's Name Joseph Darrell Palmer

Mr. Ms. Mrs. Miss

Firm Law Offices of Darrell Palmer PC

Address 2244 Faraday Avenue, Suite 121

City, State, Zip Code Carlsbad, CA 92007

Phone (858) 215-4064

Fax (866) 583-8115

Primary E-Mail Address (required) darrell.palmer@palmerlegalteam.com

Additional E-Mail Address (1) maria.carapia@palmerlegalteam.com

Additional E-Mail Address (2) \_\_\_\_\_

Notices generated from the Court's ECF system will be sent to both the primary e-mail and additional e-mail addresses. ***YOU ARE LIMITED TO TWO ADDITIONAL E-MAIL ADDRESSES.***

**SIGNATURE OF COUNSEL:** /s/ Joseph Darrell Palmer

COUNSEL WHO FAILS TO FILE AN ENTRY OF APPEARANCE WILL NOT BE ENTITLED TO RECEIVE NOTICES OR COPIES OF DOCUMENTS INCLUDING BRIEFS AND APPENDICES UNTIL AN APPEARANCE HAS BEEN ENTERED.

ONLY ATTORNEYS WHO ARE MEMBERS OF THE BAR OF THE COURT OF APPEALS FOR THE THIRD CIRCUIT OR WHO HAVE SUBMITTED A PROPERLY COMPLETED APPLICATION FOR ADMISSION TO THIS COURT'S BAR MAY FILE AN APPEARANCE FORM. (BAR ADMISSION IS WAIVED FOR FEDERAL ATTORNEYS.)

***IT IS IMPORTANT THAT ALL REQUESTED INFORMATION BE PROVIDED AND THAT COUNSEL SIGN THE FORM IN THE APPROPRIATE AREA.***

This entry of appearance must be served on all parties.



**UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT**

**CONCISE SUMMARY OF THE CASE**

Pursuant to 3<sup>rd</sup> Cir. LAR 33.3, counsel are required to file a concise summary of the case within 14 days of the date of docketing of the Notice of Appeal. Total statement is limited to no more than 2 pages, single-spaced. Counsel may utilize this form or attach a 2 page statement encompassing the information required by this form.

SHORT CAPTION: In re Merck & Co. et al.

USCA NO.: 13-4327

LOWER COURT or AGENCY and DOCKET NUMBER:

New Jersey District Court, 2:08-cv-02177

NAME OF JUDGE: Dennis M. Cavanaugh

Specify who is suing whom, for what, and the subject of this action. Identify (1) the nature of the action; (2) the parties to this appeal; (3) the amount in controversy or other relief involved; and (4) the judgment or other action in the lower court or agency from which this action is taken:

This is a class action against Merck for securities fraud in connection with the development of the drug Vytorin. Plaintiffs alleged that Merck misrepresented the results of clinical trials involving Vytorin. The case was settled for \$215 million. Prior to filing the case, the Lead Plaintiff Stichting Pensioenfonds ABP entered into a fee agreement with lead counsel that capped class counsel's attorneys' fees at 15%. Despite this fee agreement, class counsel requested a fee of 28% of the settlement amount, without disclosing the existence of the fee agreement to the class members. Appellants Orloff objected to a fee of 28% in a megafund case.

The district court approved the Order Approving Plan of Allocation of Net Settlement Fund, Order Awarding Attorneys' Fees and Expenses and Judgment Approving Class Action Settlement. Orloffs appeal these awards and judgment.

**LIST and ATTACH** a copy of each order, judgment, decision or opinion which is involved in this appeal. If the order(s) or opinion(s) being appealed adopt, affirm, or otherwise refer to the report and recommendation of a magistrate judge or the decision of a bankruptcy judge, the report and recommendation or decision shall also be attached.

Order Approving Plan of Allocation of Net Settlement Fund (NJD Dkt. No. 351), Order Awarding Attorneys' Fees and Expenses (NJD Dkt. No. 352) and Judgment Approving Class Action Settlement (NJD Dkt. No. 353),

Provide a short statement of the factual and procedural background, which you consider important to this appeal:

The court has a duty under Rule 23 of the Federal Rules of Civil Procedure to independently determine whether the settlement agreement is fair, reasonable, and in the best interests of the class.

Class counsel entered into a binding fee agreement with its Lead Plaintiff client that capped attorneys' fees at 15% in this megafund case. Because that agreement is presumptively reasonable and enforceable, and also comports with average fee awards in cases of similar size, it must be enforced pursuant to 3rd Circuit precedent.

Identify the issues to be raised on appeal:

Did the district court abuse its discretion in finding that the class action settlement was fair and reasonable?

Did the district court abuse its discretion in finding that class counsel had met its burden of overcoming the presumption of reasonableness that attaches to the ex ante fee agreement?

This is to certify that this Concise Summary of the Case was mailed to the Clerk of the U.S. Court of Appeals for the Third Circuit and a copy hereof served to each party or their counsel of record this 2nd day of January, 2014.

/s/ Joseph Darrell Palmer

Signature of Counsel



### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

**United States Court of Appeals for the Third Circuit**

**Corporate Disclosure Statement and  
Statement of Financial Interest**

No. 13-4327

Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD  
12/13/01

v.

In Re: Merck & Co., Inc. Vytarin/Zetia Securities Litigation

**Instructions**

Pursuant to Rule 26.1, Federal Rules of Appellate Procedure any nongovernmental corporate party to a proceeding before this Court must file a statement identifying all of its parent corporations and listing any publicly held company that owns 10% or more of the party's stock.

Third Circuit LAR 26.1(b) requires that every party to an appeal must identify on the Corporate Disclosure Statement required by Rule 26.1, Federal Rules of Appellate Procedure, every publicly owned corporation not a party to the appeal, if any, that has a financial interest in the outcome of the litigation and the nature of that interest. This information need be provided only if a party has something to report under that section of the LAR.

In all bankruptcy appeals counsel for the debtor or trustee of the bankruptcy estate shall provide a list identifying: 1) the debtor if not named in the caption; 2) the members of the creditors' committee or the top 20 unsecured creditors; and, 3) any entity not named in the caption which is an active participant in the bankruptcy proceedings. If the debtor or the bankruptcy estate is not a party to the proceedings before this Court, the appellant must file this list. LAR 26.1(c).

The purpose of collecting the information in the Corporate Disclosure and Financial Interest Statements is to provide the judges with information about any conflicts of interest which would prevent them from hearing the case.

The completed Corporate Disclosure Statement and Statement of Financial Interest Form must, if required, must be filed upon the filing of a motion, response, petition or answer in this Court, or upon the filing of the party's principal brief, whichever occurs first. An original and three copies must be filed. A copy of the statement must also be included in the party's principal brief before the table of contents regardless of whether the statement has previously been filed. Rule 26.1(b) and (c), Federal Rules of Appellate Procedure.

If additional space is needed, please attach a new page.

(Page 1 of 2)

Pursuant to Rule 26.1 and Third Circuit LAR 26.1, Orloff IRA & Orloff Fam Trust  
makes the following disclosure: (Name of Party)

1) For non-governmental corporate parties please list all parent corporations: N/A

2) For non-governmental corporate parties please list all publicly held companies that hold 10% or more of the party's stock:  
N/A

3) If there is a publicly held corporation which is not a party to the proceeding before this Court but which has as a financial interest in the outcome of the proceeding, please identify all such parties and specify the nature of the financial interest or interests:  
N/A

4) In all bankruptcy appeals counsel for the debtor or trustee of the bankruptcy estate must list: 1) the debtor, if not identified in the case caption; 2) the members of the creditors' committee or the top 20 unsecured creditors; and, 3) any entity not named in the caption which is active participant in the bankruptcy proceeding. If the debtor or trustee is not participating in the appeal, this information must be provided by appellant.  
N/A

/s/ Joseph Darrell Palmer  
(Signature of Counsel or Party)

Dated: 01/02/14

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

## CIVIL APPEAL INFORMATION STATEMENT

**COUNSEL FOR APPELLANT:** This statement is due to be filed with the Clerk of the Court of Appeals not later than 14 days from the docketing of the notice of appeal.

SHORT CAPTION WITH IDENTITY OF APPELLANT:

In re Merck Co. et al, Appeal of Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

APPEAL FROM DISTRICT COURT:

District: New Jersey

D.C. Docket No.: 2:08-cv-02177

Date proceedings initiated in D.C.: 5/5/08

Date Notice of Appeal filed: 10/30/13

USCA No.: 13-4327

### COUNSEL ON APPEAL

**Appellant(s):** Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

Name of Counsel: Joseph Darrell Palmer

Name of Party(ies): Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

**Address:** 2244 Faraday Avenue, Suite 121, Carlsbad CA 92008

Telephone No.: 858-215-4064

Fax No.: 866-583-8115

E-mail: [darrell.palmer@palmerlegalteam.com](mailto:darrell.palmer@palmerlegalteam.com)

**For Appellee(s):** \*List only the names of parties and counsel who will oppose you on appeal

**Name of Counsel:** Jay W. Eisenhofer, Grant & Eisenhofer

Name of Party(ies): Plaintiffs

Address: 485 Lexington Ave, New York NY 10017

Telephone No.: 646-722-8500

Fax No.:

E-mail:

**Name of Counsel:** Daniel J. Kramer, Paul Weiss Rifkind

Name of Party(ies): Merck

**Address:** 1285 Avenue of the Americas, New York NY 10019

Telephone No.: 212-373-3000

Fax No.:

E-mail:

### Is this a Cross-Appeal?

Yes ☐No ☒

Appeals Docket No.:

Was there a previous appeal in case?

Yes ☐No ☒

If yes, Short Title:

Appeals Docket No.:

Citation, if reported:



To your knowledge is there any case now pending or about to be brought before this Court or any other court or administrative agency which:

- a) Arises from substantially the same case or controversy as this appeal? Yes ☒ No ☐  
 b) Involves an issue that is substantially the same, similar, or related to an issue in this appeal? Yes ☒ No ☐

If you answered yes to either "a" or "b" please provide:

Case Name: In re Merck Co

D.C. Docket No.: 2:08-cv-2177

Court or Agency: New Jersey District Court

Docket Number: 13-4253, 13-4328

Citation, if reported: \_\_\_\_\_

### **NATURE OF SUIT**

(Check as many as apply)

#### **1. FEDERAL STATUTES**

- ☐ ANTITRUST  
☐ BANKRUPTCY  
☐ BANKS & BANKING  
☐ CIVIL RIGHTS  
☐ COMMERCE, ROUTES, AND TARIFFS  
☐ COMMODITIES  
☐ COMMUNICATIONS  
☐ CONSUMER PROTECTION  
☐ COPYRIGHT  
☐ PATENT  
☐ TRADEMARK  
☐ ELECTION  
☐ ENERGY  
☐ ENVIRONMENTAL  
☐ FOIA FREEDOM OF INFORMATION  
☐ IMMIGRATION  
☐ LABOR  
☐ OSHA  
☒ SECURITIES  
☐ SOCIAL SECURITY  
☐ TAX  
☐ EQUAL ACCESS TO JUSTICE  
☐ OTHER Specify: \_\_\_\_\_

#### **2. TORTS**

- ☐ ADMIRALTY

- ☐ ASSAULT/DEFAMATION  
☐ PRODUCT LIABILITY/WARRANTY  
☐ DIVERSITY  
☐ OTHER Specify: \_\_\_\_\_

#### **3. CONTRACTS**

- ☐ ADMIRALTY/MARITIME  
☐ ARBITRATION  
☐ COMMERCIAL  
☐ EMPLOYMENT  
☐ INSURANCE  
☐ NEGOTIABLE DISBURSEMENTS  
☐ OTHER Specify: \_\_\_\_\_

#### **4. PRISONER PETITIONS**

- ☐ CIVIL RIGHTS  
☐ VACATE SENTENCE 2255  
☐ HABEAS CORPUS 2254  
☐ HABEAS CORPUS 2241  
☐ MANDAMUS/PROHIBITION  
☐ OTHER Specify: \_\_\_\_\_

#### **5. OTHER**

- ☐ FORFEITURE  
☐ CIVIL GRAND JURY  
☐ TREATY Specify: \_\_\_\_\_  
☐ OTHER Specify: \_\_\_\_\_

This is to certify that this civil appeal information statement was filed with the Clerk of the U.S. Court of Appeals for the Third Circuit and a copy hereof served to each party or their counsel of record this 02 day of January, 2014.

Signature of Counsel: /s/ Joseph Darrell Palmer

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

**TRANSCRIPT PURCHASE ORDER**  
for Third Circuit Court of Appeals

District Court New Jersey Court of Appeals Docket No. 13-4327  
District Court Docket No. 08-cv-02177

Short Case Title In Re Merck & Co., Inc. Vytarin/ Zetia Securities Litigation

Date Notice of Appeal Filed by Clerk of District Court 10/30/13

**Part I.** (To be completed by party responsible for ordering transcript)

NOTE: A SEPARATE FORM IS TO BE TYPED FOR EACH COURT REPORTER IN THIS CASE.

A. Check one of the following and serve ALL COPIES:

**TRANSCRIPT:**

☐ None ☐ Unnecessary for appeal purposes.  
☐ Already on file in the District Court Clerk's office.  
☒ This is to order a transcript of the proceedings heard on the date listed below from Charles McGuire (Court Reporter)  
(Specify on lines below exact date of proceedings to be transcribed). If requesting only partial transcript of the proceedings, specify exactly what portion or what witness testimony is desired.

10/1/13 Final Settlement Hearing

If proceeding to be transcribed was a trial, also check any appropriate box below for special requests; otherwise, this material will NOT be included in the trial transcripts.

☐ Voir dire ☐ Open Statement of Plaintiff ☐ Opening Statement of Defendant  
☐ Closing Argument of Plaintiff ☐ Closing Argument of Defendant  
☐ Jury Instructions ☐ Sentencing Hearings

FAILURE TO SPECIFY IN ADEQUATE DETAIL THOSE PROCEEDINGS TO BE TRANSCRIBED OR FAILURE TO MAKE PROMPT SATISFACTORY FINANCIAL ARRANGEMENTS FOR TRANSCRIPT ARE GROUNDS FOR DISMISSAL OF THE APPEAL OR IMPOSITION OF SANCTIONS

B. This is to certify that satisfactory financial arrangements have been completed with the court reporter for payment of the cost of the transcript. The method of payment will be:

☐ CJA Form submitted to District Court Judge ☐ Motion for Transcript has been submitted to District Court  
☐ CJA Form submitted to Court of Appeals ☒ Private Funds

Signature /s/ Joseph Darrell Palmer Date 01/02/14  
Print Name Joseph Darrell Palmer Counsel for Orloff IRA/Orloff Fam Trust  
Address 2244 Faraday Ave #121, Carlsbad CA 92008 Telephone (858) 215-4064

**Part II.** COURT REPORTER ACKNOWLEDGEMENT (To be completed by the Court Reporter and forwarded to the Court of Appeals on the same day transcript order is received.)

Date transcript order received	Estimated completion date; if not within 30 days of date financial arrangements made, motion for extension to be made to Court of Appeals	Estimated number of pages

☐ Arrangements for payment were made on \_\_\_\_\_

☐ Arrangements for payment have not been made pursuant to FRAP 10(b)

\_\_\_\_\_  
Date Name of Court Report Telephone

**Part III.** NOTIFICATION THAT TRANSCRIPT HAS BEEN FILED IN THE DISTRICT COURT (To be completed by court reporter on date of filing transcript in District Court. Notification must be forwarded to the Court of Appeals on the same date.)

Actual Number of Pages \_\_\_\_\_ Actual Number of Volumes \_\_\_\_\_

\_\_\_\_\_  
Date Signature of Court Reporter



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I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

# **EXHIBIT I**

No. 13-4328

Orloff vs. Schering-Plough Corp.

**ENTRY OF APPEARANCE**

Please list names of **all** parties represented, using additional sheet(s) if necessary:

Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 12/13/01

Indicate the party's role IN THIS COURT (check only one):

☐ Petitioner(s)      ☒ Appellant(s)      ☐ Intervenor (s)  
☐ Respondent(s)      ☐ Appellee(s)      ☐ Amicus Curiae

(Type or Print) Counsel's Name Joseph Darrell Palmer

Mr.      Ms.      Mrs.      Miss

Firm Law Offices of Darrell Palmer PC

Address 2244 Faraday Avenue, Suite 121

City, State, Zip Code Carlsbad, CA 92007

Phone (858) 215-4064 Fax (866) 583-8115

Primary E-Mail Address (required) darrell.palmer@palmerlegalteam.com

Additional E-Mail Address (1) maria.carapia@palmerlegalteam.com

Additional E-Mail Address (2) \_\_\_\_\_

Notices generated from the Court's ECF system will be sent to both the primary e-mail and additional e-mail addresses. ***YOU ARE LIMITED TO TWO ADDITIONAL E-MAIL ADDRESSES.***

**SIGNATURE OF COUNSEL:** /s/ Joseph Darrell Palmer

COUNSEL WHO FAILS TO FILE AN ENTRY OF APPEARANCE WILL NOT BE ENTITLED TO RECEIVE NOTICES OR COPIES OF DOCUMENTS INCLUDING BRIEFS AND APPENDICES UNTIL AN APPEARANCE HAS BEEN ENTERED.

ONLY ATTORNEYS WHO ARE MEMBERS OF THE BAR OF THE COURT OF APPEALS FOR THE THIRD CIRCUIT OR WHO HAVE SUBMITTED A PROPERLY COMPLETED APPLICATION FOR ADMISSION TO THIS COURT'S BAR MAY FILE AN APPEARANCE FORM. (BAR ADMISSION IS WAIVED FOR FEDERAL ATTORNEYS.)

***IT IS IMPORTANT THAT ALL REQUESTED INFORMATION BE PROVIDED AND THAT COUNSEL SIGN THE FORM IN THE APPROPRIATE AREA.***

This entry of appearance must be served on all parties.

**UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT**

**CONCISE SUMMARY OF THE CASE**

Pursuant to 3<sup>rd</sup> Cir. LAR 33.3, counsel are required to file a concise summary of the case within 14 days of the date of docketing of the Notice of Appeal. Total statement is limited to no more than 2 pages, single-spaced. Counsel may utilize this form or attach a 2 page statement encompassing the information required by this form.

SHORT CAPTION: In Re Schering-Plough Corporation/Enhance et al.

USCA NO.: 13-4328

LOWER COURT or AGENCY and DOCKET NUMBER:

New Jersey District Court, 2:08-cv-00397

NAME OF JUDGE: Dennis M. Cavanaugh

Specify who is suing whom, for what, and the subject of this action. Identify (1) the nature of the action; (2) the parties to this appeal; (3) the amount in controversy or other relief involved; and (4) the judgment or other action in the lower court or agency from which this action is taken:

This is a class action against Scherring-Plough for securities fraud in connection with the development of the drug Vytorin. Plaintiffs alleged that Scherring-Plough misrepresented the results of clinical trials involving Vytorin. The case was settled for \$473million. Prior to filing the case, the Lead Plaintiffs the Arkansas Teacher Retirement System, the Public Employees' Retirement System of Mississippi, the Louisiana Municipal Police Employees' Retirement System, and the Massachusetts Pension Reserves Investment Management Board entered into a fee agreement with lead counsel that capped class counsel's attorneys' fees at 17%, which fee amounted to \$80,031,600

The district court approved the Order Approving Plan of Allocation of Net Settlement Fund, Order Awarding Attorneys' Fees and Expenses and Judgment Approving Class Action Settlement. Orloffs appealed these awards and judgment.

**LIST and ATTACH** a copy of each order, judgment, decision or opinion which is involved in this appeal. If the order(s) or opinion(s) being appealed adopt, affirm, or otherwise refer to the report and recommendation of a magistrate judge or the decision of a bankruptcy judge, the report and recommendation or decision shall also be attached.

Order Approving Plan of Allocation of Net Settlement Fund (NJD Dkt. No. 438), Order Awarding Attorneys' Fees and Expenses (NJD Dkt. No. 439) and Judgment Approving Class Action Settlement (NJD Dkt. No. 440),



Provide a short statement of the factual and procedural background, which you consider important to this appeal:

The court has a duty under Rule 23 of the Federal Rules of Civil Procedure to independently determine whether the settlement agreement is fair, reasonable, and in the best interests of the class.

Plaintiffs' Counsel lodestar—which is derived by multiplying their hours by each firm's current hourly rates for attorneys, paralegals and other professional support staff is \$59,450,367.00. Accordingly, the requested 16.92% fee, which amounts to \$80,031,600, represents a modest multiplier of approximately 1.3. The request is neither modest nor reasonable. The court must engage in a detailed analysis of counsel's billing to determine the reasonableness of the lodestar calculation. Under such an analysis the billed charges are unreasonably high. Further, there is no justification for using a 1.3 multiplier. In a settlement this large, the court must award a reasonable fee based on the actual time and effort by counsel.

Identify the issues to be raised on appeal:

Did the district court abuse its discretion in finding that the class action settlement was fair and reasonable?

Did the district court abuse its discretion in finding that class counsel had met its burden of overcoming the presumption of reasonableness with respect to payment of its attorneys' fees?

This is to certify that this Concise Summary of the Case was mailed to the Clerk of the U.S. Court of Appeals for the Third Circuit and a copy hereof served to each party or their counsel of record this 2nd day of January, 2014.

/s/ Joseph Darrell Palmer

Signature of Counsel

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

**United States Court of Appeals for the Third Circuit**

**Corporate Disclosure Statement and  
Statement of Financial Interest**

No. 13-4328

Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD  
12/13/01

v.

In Re: Schering-Plough Corporation/Enhance Securities  
Litigation

Instructions

Pursuant to Rule 26.1, Federal Rules of Appellate Procedure any nongovernmental corporate party to a proceeding before this Court must file a statement identifying all of its parent corporations and listing any publicly held company that owns 10% or more of the party's stock.

Third Circuit LAR 26.1(b) requires that every party to an appeal must identify on the Corporate Disclosure Statement required by Rule 26.1, Federal Rules of Appellate Procedure, every publicly owned corporation not a party to the appeal, if any, that has a financial interest in the outcome of the litigation and the nature of that interest. This information need be provided only if a party has something to report under that section of the LAR.

In all bankruptcy appeals counsel for the debtor or trustee of the bankruptcy estate shall provide a list identifying: 1) the debtor if not named in the caption; 2) the members of the creditors' committee or the top 20 unsecured creditors; and, 3) any entity not named in the caption which is an active participant in the bankruptcy proceedings. If the debtor or the bankruptcy estate is not a party to the proceedings before this Court, the appellant must file this list. LAR 26.1(c).

The purpose of collecting the information in the Corporate Disclosure and Financial Interest Statements is to provide the judges with information about any conflicts of interest which would prevent them from hearing the case.

The completed Corporate Disclosure Statement and Statement of Financial Interest Form must, if required, must be filed upon the filing of a motion, response, petition or answer in this Court, or upon the filing of the party's principal brief, whichever occurs first. An original and three copies must be filed. A copy of the statement must also be included in the party's principal brief before the table of contents regardless of whether the statement has previously been filed. Rule 26.1(b) and (c), Federal Rules of Appellate Procedure.

If additional space is needed, please attach a new page.

Pursuant to Rule 26.1 and Third Circuit LAR 26.1, Orloff IRA & Orloff Fam Trust  
makes the following disclosure: (Name of Party)

1) For non-governmental corporate parties please list all parent corporations: N/A

2) For non-governmental corporate parties please list all publicly held companies that hold 10% or more of the party's stock:  
N/A

3) If there is a publicly held corporation which is not a party to the proceeding before this Court but which has as a financial interest in the outcome of the proceeding, please identify all such parties and specify the nature of the financial interest or interests:  
N/A

4) In all bankruptcy appeals counsel for the debtor or trustee of the bankruptcy estate must list: 1) the debtor, if not identified in the case caption; 2) the members of the creditors' committee or the top 20 unsecured creditors; and, 3) any entity not named in the caption which is active participant in the bankruptcy proceeding. If the debtor or trustee is not participating in the appeal, this information must be provided by appellant.  
N/A

/s/ Joseph Darrell Palmer  
(Signature of Counsel or Party)

Dated: 01/02/14



### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

CIVIL APPEAL INFORMATION STATEMENT

**COUNSEL FOR APPELLANT:** This statement is due to be filed with the Clerk of the Court of Appeals not later than 14 days from the docketing of the notice of appeal.

**SHORT CAPTION WITH IDENTITY OF APPELLANT:**

In re Schering-Plough, et al, Appeal of Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

**APPEAL FROM DISTRICT COURT:**

District: New Jersey

D.C. Docket No.: 2:08-cv-00397

Date proceedings initiated in D.C.: 9/15/08

Date Notice of Appeal filed: 10/30/13

USCA No.: 13-4328

COUNSEL ON APPEAL

**Appellant(s):** Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

Name of Counsel: Joseph Darrell Palmer

Name of Party(ies): Dr. Marshall J. Orloff IRA R/O and Orloff Family Trust DTD 13/13/01

Address: 2244 Faraday Avenue, Suite 121, Carlsbad CA 92008

Telephone No.: 858-215-4064

Fax No.: 866-583-8115

E-mail: darrell.palmer@palmerlegalteam.com

**For Appellee(s):** \*List only the names of parties and counsel who will oppose you on appeal

Name of Counsel: Jay W. Eisenhofer, Grant & Eisenhofer

Name of Party(ies): Plaintiffs

Address: 485 Lexington Ave, New York NY 10017

Telephone No.: 646-722-8500

Fax No.:

E-mail:

Name of Counsel: Daniel J. Kramer, Paul Weiss Rifkind

Name of Party(ies): Merck

Address: 1285 Avenue of the Americas, New York NY 10019

Telephone No.: 212-373-3000

Fax No.:

E-mail:

Is this a Cross-Appeal?

Yes ☐

No ☒

Appeals Docket No.:

Was there a previous appeal in case?

Yes ☐

No ☒

If yes, Short Title:

Appeals Docket No.:

Citation, if reported:

To your knowledge is there any case now pending or about to be brought before this Court or any other court or administrative agency which:

- a) Arises from substantially the same case or controversy as this appeal? Yes ☒ No ☐  
 b) Involves an issue that is substantially the same, similar, or related to an issue in this appeal? Yes ☒ No ☐

If you answered yes to either "a" or "b" please provide:

Case Name: In re Schering-Plough

D.C. Docket No.: 2:08-cv-2177

Court or Agency: New Jersey District Court

Docket Number: 13-4253, 13-4327

Citation, if reported: \_\_\_\_\_

### **NATURE OF SUIT**

(Check as many as apply)

#### **1. FEDERAL STATUTES**

- ☐ ANTITRUST  
☐ BANKRUPTCY  
☐ BANKS & BANKING  
☐ CIVIL RIGHTS  
☐ COMMERCE, ROUTES, AND TARIFFS  
☐ COMMODITIES  
☐ COMMUNICATIONS  
☐ CONSUMER PROTECTION  
☐ COPYRIGHT  
☐ PATENT  
☐ TRADEMARK  
☐ ELECTION  
☐ ENERGY  
☐ ENVIRONMENTAL  
☐ FOIA FREEDOM OF INFORMATION  
☐ IMMIGRATION  
☐ LABOR  
☐ OSHA  
☒ SECURITIES  
☐ SOCIAL SECURITY  
☐ TAX  
☐ EQUAL ACCESS TO JUSTICE  
☐ OTHER Specify: \_\_\_\_\_

#### **2. TORTS**

- ☐ ADMIRALTY

- ☐ ASSAULT/DEFAMATION  
☐ PRODUCT LIABILITY/WARRANTY  
☐ DIVERSITY  
☐ OTHER Specify: \_\_\_\_\_

#### **3. CONTRACTS**

- ☐ ADMIRALTY/MARITIME  
☐ ARBITRATION  
☐ COMMERCIAL  
☐ EMPLOYMENT  
☐ INSURANCE  
☐ NEGOTIABLE DISBURSEMENTS  
☐ OTHER Specify: \_\_\_\_\_

#### **4. PRISONER PETITIONS**

- ☐ CIVIL RIGHTS  
☐ VACATE SENTENCE 2255  
☐ HABEAS CORPUS 2254  
☐ HABEAS CORPUS 2241  
☐ MANDAMUS/PROHIBITION  
☐ OTHER Specify: \_\_\_\_\_

#### **5. OTHER**

- ☐ FORFEITURE  
☐ CIVIL GRAND JURY  
☐ TREATY Specify: \_\_\_\_\_  
☐ OTHER Specify: \_\_\_\_\_

This is to certify that this civil appeal information statement was filed with the Clerk of the U.S. Court of Appeals for the Third Circuit and a copy hereof served to each party or their counsel of record this 02 day of January, 2014.

Signature of Counsel: /s/ Joseph Darrell Palmer

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 2, 2014, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Third Circuit by using the CM/ECF system.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/Joseph Darrell Palmer



**TRANSCRIPT PURCHASE ORDER**  
for Third Circuit Court of Appeals

District Court New JerseyCourt of Appeals Docket No. 13-4328District Court Docket No. 08-cv-00397Short Case Title In Re Scherring-Plough Securities LitigationDate Notice of Appeal Filed by Clerk of District Court 10/30/13**Part I.** (To be completed by party responsible for ordering transcript)

NOTE: A SEPARATE FORM IS TO BE TYPED FOR EACH COURT REPORTER IN THIS CASE.

## A. Check one of the following and serve ALL COPIES:

## TRANSCRIPT:

☐ None ☐ Unnecessary for appeal purposes.☐ Already on file in the District Court Clerk's office.☒ This is to order a transcript of the proceedings heard on the date listed below from Charles McGuire (Court Reporter) (Specify on lines below exact date of proceedings to be transcribed). If requesting only partial transcript of the proceedings, specify exactly what portion or what witness testimony is desired.10/1/13 Final Settlement Hearing

If proceeding to be transcribed was a trial, also check any appropriate box below for special requests; otherwise, this material will NOT be included in the trial transcripts.

☐ Voir dire☐ Open Statement of Plaintiff☐ Opening Statement of Defendant☐ Closing Argument of Plaintiff☐ Closing Argument of Defendant☐ Jury Instructions☐ Sentencing Hearings

FAILURE TO SPECIFY IN ADEQUATE DETAIL THOSE PROCEEDINGS TO BE TRANSCRIBED OR FAILURE TO MAKE PROMPT SATISFACTORY FINANCIAL ARRANGEMENTS FOR TRANSCRIPT ARE GROUNDS FOR DISMISSAL OF THE APPEAL OR IMPOSITION OF SANCTIONS

## B. This is to certify that satisfactory financial arrangements have been completed with the court reporter for payment of the cost of the transcript. The method of payment will be:

☐ CJA Form submitted to District Court Judge☐ Motion for Transcript has been submitted to District Court☐ CJA Form submitted to Court of Appeals☒ Private Funds

Signature

/s/ Joseph Darrell Palmer

Date

01/02/14

Print Name

Joseph Darrell Palmer

Counsel for

Orloff IRA/Orloff Fam Trust

Address

2244 Faraday Ave #121, Carlsbad CA 92008

Telephone

(858) 215-4064**Part II.** COURT REPORTER ACKNOWLEDGEMENT (To be completed by the Court Reporter and forwarded to the Court of Appeals on the same day transcript order is received.)

Date transcript order received	Estimated completion date; if not within 30 days of date financial arrangements made, motion for extension to be made to Court of Appeals	Estimated number of pages

☐ Arrangements for payment were made on \_\_\_\_\_☐ Arrangements for payment have not been made pursuant to FRAP 10(b)

Date

Name of Court Report

Telephone

**Part III.** NOTIFICATION THAT TRANSCRIPT HAS BEEN FILED IN THE DISTRICT COURT (To be completed by court reporter on date of filing transcript in District Court. Notification must be forwarded to the Court of Appeals on the same date.)

Actual Number of Pages

Actual Number of Volumes

Date

Signature of Court Reporter



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/s/Joseph Darrell Palmer

## **EXHIBIT J**

NOTICE OF APPEARANCE FOR SUBSTITUTE, ADDITIONAL, OR AMICUS COUNSEL

Short Title: In re Bank of America Corp. Securities Derivative and ERISA Litigation Docket No.: 13-1573(L)  
13-1830 (con)

Substitute, Additional, or Amicus Counsel's Contact Information is as follows:

Name: Joseph Darrell Palmer

Firm: Law Offices of Darrell Palmer PC

Address: 603 N. Highway 101, Suite A, Solana Beach, CA 92075

Telephone: 858-792-5600 Fax: 866-583-8115

E-mail: darrell.palmer@palmerlegalteam.com

Appearance for: Orloff Family Trust DTD 10/3/91, Orloff Family Trust DTD 12/31/01 and St. Stephen, Inc. - Appellants  
(party/designation)

Select One:

☒ Substitute counsel (replacing lead counsel: Forrest S. Turkish, Law Offices of Forrest S. Turkish)  
(name/firm)

☐ Substitute counsel (replacing other counsel: \_\_\_\_\_)  
(name/firm)

☐ Additional counsel (co-counsel with: \_\_\_\_\_)  
(name/firm)

☐ Amicus (in support of: \_\_\_\_\_)  
(party/designation)

CERTIFICATION

I certify that:

☒ I am admitted to practice in this Court and, if required by Interim Local Rule 46.1(a)(2), have renewed  
my admission on \_\_\_\_\_ OR

☐ I applied for admission on \_\_\_\_\_.

Signature of Counsel: /s/ Joseph Darrell Palmer

Type or Print Name: Joseph Darrell Palmer

**CERTIFICATE OF SERVICE**

I hereby certify that on May 23, 2013, I electronically filed the foregoing with the Clerk of the Court of the United States Court of Appeals for the Second Circuit by using the appellate CM/ECF system.

I certify that all participants in the case who are registered CM/ECF users that service will be accomplished by the appellate CM/ECF system.

/s/ Joseph Darrell Palmer  
Joseph Darrell Palmer  
Attorney for Appellant

# **EXHIBIT K**



NOTICE OF APPEARANCE FOR SUBSTITUTE, ADDITIONAL, OR AMICUS COUNSEL

Short Title: In re American International Group Securities Litigation Docket No.: 13-1929

Substitute, Additional, or Amicus Counsel's Contact Information is as follows:

Name: Joseph Darrell Palmer

Firm: Law Offices of Darrell Palmer PC

Address: 603 N. Highway 101, Suite A, Solana Beach, CA 92075

Telephone: 858-792-5600 Fax: 866-583-8115

E-mail: darrell.palmer@palmerlegalteam.com

Appearance for: Marshall Orloff Trustee for Orloff Family Trust DTD 12/31/01, Appellant  
(party/designation)

Select One:

☐ Substitute counsel (replacing lead counsel: \_\_\_\_\_)  
(name/firm)

☐ Substitute counsel (replacing other counsel: \_\_\_\_\_)  
(name/firm)

☒ Additional counsel (co-counsel with: Forrest S. Turkish, Law Office of Forrest S. Turkish)  
(name/firm)

☐ Amicus (in support of: \_\_\_\_\_)  
(party/designation)

CERTIFICATION

I certify that:

☒ I am admitted to practice in this Court and, if required by Interim Local Rule 46.1(a)(2), have renewed  
my admission on \_\_\_\_\_ OR

☐ I applied for admission on \_\_\_\_\_.

Signature of Counsel: /s/ Joseph Darrell Palmer

Type or Print Name: Joseph Darrell Palmer

**CERTIFICATE OF SERVICE**

I hereby certify that on June 4, 2013, I electronically filed the foregoing with the Clerk of the Court of the United States Court of Appeals for the Second Circuit by using the appellate CM/ECF system.

I certify that all participants in the case who are registered CM/ECF users that service will be accomplished by the appellate CM/ECF system.

/s/ Joseph Darrell Palmer  
Joseph Darrell Palmer  
Attorney for Appellant

# **EXHIBIT L**

D9951ehC

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x

IN RE: LEHMAN BROTHERS  
MORTGAGE-BACKED SECURITIES  
LITIGATION,

09 MD 2017 (LAK)

-----x

September 9, 2013  
3:40 p.m.

Before:

HON. LEWIS A. KAPLAN,

District Judge

APPEARANCES

BERNSTEIN, LITOWITZ, BERGER & GROSSMAN  
Attorneys for Lead Plaintiffs

BY: DAVID STICKNEY

- AND -

KESSLER, TOPAZ, ELTZER, CHECK  
BY: DAVID KESSLER

GIRARD GIBBS, LLP

Attorneys for Structured Note Plaintiffs

BY: DANIEL C. GIRARD

DENA CONNOLLY SHARP

GIBSON, DUNN & CRUTCHER, LLP

Attorneys for Defendant UBS Financial Services

BY: MARSHALL R. KING

JONATHAN SEIBALD



D9951ehC

(Case called)

THE DEPUTY CLERK: Counsel for lead plaintiffs, are you ready?

MR. STICKNEY: Yes, we are.

THE COURT: Counsel for structured note plaintiffs, are you ready?

MR. GIRARD: Yes. Thank you.

THE COURT: Counsel for defendant UBS Financial Services?

MR. KING: Yes.

THE COURT: Good afternoon.

Well, I invited you folks in because when I read the papers in relation to the structured products settlement I had some issues with them and I thought it might be helpful to discuss them before I signed any orders.

The first of my issues relates to paragraph 18 of the settlement stipulation. Why in the world should I approve an arrangement whereby any attorneys' fees I may award would be paid the minute I award them regardless of any objections, appeals or anything else, the effect of which would be to place on the class members the risk that if the fee award were reduced or set aside what they would then have in lieu of money is the right to pursue a large number of plaintiffs' lawyers all over America to get it back and the credit risk of the lawyers' potential inability to pay it back.

D9951ehC

1 MR. GIRARD: Your Honor, if I can give first a little  
2 background and then I'm going to respond directly to the  
3 question.

4 THE COURT: And you are?

5 MR. GIRARD: Daniel Girard appearing for the  
6 structured note plaintiffs from Girard Gibbs.

7 When we were at a point where we had reached an  
8 agreement with UBS we spoke with them about how to document the  
9 transaction and where we started at their suggestion was with  
10 the settlement agreements that had been approved previously by  
11 this Court in regards to --

12 THE COURT: I know where you are going. You are going  
13 to say I did it before.

14 MR. GIRARD: But I'm not going to rest on that, your  
15 Honor, because I had a feeling that you knew that and that you  
16 would want more of an explanation than that and I am prepared  
17 to give it.

18 THE COURT: We all learn over time, hopefully.

19 MR. GIRARD: And I put myself in that category I hope,  
20 as well.

21 The reason we carried these provisions forward, as  
22 your Honor knows at the point where we have settled this case  
23 and you have approved a notice and that notice has gone out to  
24 the 18,000 approximate class members and they have had an  
25 opportunity to come in and be heard and you decided to approve

D9951ehC

1 the settlement and you have made a fee award and it has been  
2 five years, any member of that class can tie that fee award up  
3 for a year or more simply by noticing an appeal and the Court  
4 said Courts that have approved these provisions and considered  
5 objections to these types of provisions said this is one way to  
6 level the playing field somewhat between the leverage that an  
7 objector can assert at almost no cost to himself or herself and  
8 the lawyers who have been litigating the case.

9 Now, to answer your question directly about credit  
10 risk, it is something we've confronted before. These folks  
11 have been living with our credit risk for five years as their  
12 lawyers in the sense that they've been relying on us and our  
13 ability to bring this case to a conclusion in order for their  
14 rights to be asserted. If you approve this settlement and \$120  
15 million gets placed in escrow, we will be at a point where that  
16 money is now set aside for their benefit subject to the  
17 administration process. The decision whether or not to take  
18 money under the terms of the settlement agreement provisions  
19 that your Honor is raising is one that we would make in context  
20 given the facts at the time when they arise.

21 So, I don't know how this is going to look at the  
22 point where the Court has made a fee award if we get there but  
23 my guess is if this Court makes a fee award, that fee award is  
24 probably going to be an award that is, I would suspect, not  
25 tremendously subject to reversal on appeal. And if the

D9951ehC

1 argument is that the Court should have awarded less than that,  
2 we would like the discretion to pay ourselves some portion of  
3 that money, conceivably all of that money while that appeal is  
4 pending if we go to that point. Our thinking, and the  
5 reasoning of the Courts that have approved these provisions is  
6 that if the lawyers who routinely object to class action  
7 settlements know that if there is the right to immediate  
8 payment they're less likely to bring those types of appeals in  
9 the first instance. So, as far as the issue of whether the  
10 provision should be in there at all I'm not going to point out  
11 that it has been in prior settlements but I am going to point  
12 out Courts that have --

13 THE COURT: You have done that already.

14 MR. GIRARD: But the Courts that have considered this  
15 issue have rejected objections along these lines and most  
16 recently this was raised in the TFT LCD Flat Panel antitrust  
17 litigation, my firm was liaison counsel in this case. Judge  
18 Illston considered this type of objection and she said the fact  
19 that the lawyers were able to bear the risk of the litigation  
20 for five years suggests that they are possibly good for it.  
21 And I think there is something else in there which is driving  
22 the Court's analysis which is I think that she believes that  
23 the lawyers are also possessed with enough judgment that  
24 they're never going to put themselves in a position where they  
25 owe money to their clients that they can't repay and I think



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1 from our perspective --

2 THE COURT: That's what Lehman Brothers thought.

3 MR. GIRARD: I tell you, if I ran my law practice the  
4 way Lehman brothers did I wouldn't get very far and I have  
5 actually thought about that before but they -- the short  
6 answer --

7 THE COURT: I think that is exactly what they thought  
8 with respect to the structured products.

9 MR. GIRARD: I can't tell you what they thought or how  
10 much they thought about them.

11 I have two answers. I get first for your Honor, if  
12 the existence of the provisions themselves is offensive to the  
13 Court I will put on the record a statement that will not  
14 exercise rights thereunder, we are not here to hold the  
15 settlement up. Second, if the issue is one of disclosure --

16 THE COURT: That's one of them.

17 MR. GIRARD: Well, we are certainly not going to argue  
18 that this shouldn't be in the notice. The way I parse the law,  
19 we went back and looked at other cases where these types of  
20 provisions existed. There was no disclosure, that doesn't mean  
21 there shouldn't be disclosure here. We are prepared to suggest  
22 language, if that's the Court's preference, that would include  
23 an express reference to this fact in the notice. I think it is  
24 obviously within this Court's discretion to require that.

25 THE COURT: Well, I certainly am going to require

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1 disclosure with respect to whatever it winds up here, if  
2 anything, but it seems to me that the basic provision needs to  
3 be redrawn. I understand your point about not providing an  
4 unreasonable incentive to people to try to engage in a hold-up  
5 by using the leverage you speak of and that, to a point, is a  
6 valid concern, that there are other ways of dealing with it.  
7 One way of dealing with it is to have a hold-back which anybody  
8 who has ever done any construction work as a customer, not a  
9 construction contractor, is very familiar with; you always hold  
10 back money payments until all the contingencies are gone and  
11 the job is over. I would be likely to take a very different  
12 view of this.

13           If there were a provision for some payment up front  
14 with a substantial holdback and also with the provision that  
15 could give the Court the discretion to vary the size of the  
16 holdback in light of the circumstances at the time, unless  
17 otherwise ordered kind of language, and then if we get into a  
18 position down the road where there is an appeal or something  
19 else going on which to me seems to be an obvious holdup, I  
20 would have the discretion to do what you are trying to give  
21 yourselves a contractual right to do if I thought it  
22 appropriate. But, if I thought there might be some merit to it  
23 or if I thought there were real credit risks, things of that  
24 nature, you would have to wait for at least a significant part  
25 of the money until those contingencies were removed.

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1           Now, I'm not unappreciative of the fact that this has  
2       been a long road and you have got a lot of money in the case, a  
3       lot of time in the case. I'm the last guy in the world who  
4       thinks lawyers shouldn't get paid for value so I'm sympathetic  
5       but I think you have reached way too far on this provision and  
6       you need to rethink it.

7           MR. GIRARD: Your Honor, what about as a suggestion if  
8       we were to simply place on the record a commitment that before  
9       any rights are exercised we would submit to the Court what the  
10      proposal is --

11          THE COURT: No.

12          MR. GIRARD: -- and -- okay. I will withdraw that  
13      then.

14          THE COURT: I don't want this traveling the MDL  
15      circuit as showing that I go along with these provisions.

16          MR. GIRARD: Understood, your Honor. So, we will  
17      respond to the Court's concern.

18          THE COURT: Thank you.

19          Now, the second concern is with paragraph 19, also not  
20      without precedent in this litigation but when I thought about  
21      it again this summer when I received these papers I think  
22      without suggesting anything of a personal nature it is actually  
23      sort of presumptuous, you give to the class counsel the right  
24      to rack up the attorneys' fees as he sees fit. If he saw fit  
25      or she saw fit it could give 90 percent of the fee to somebody

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1 who did 3 percent of the work and that's it, unreviewable,  
2 doesn't make any sense.

3 MR. GIRARD: My view of this provision is that it is  
4 implicitly subject to this Court's ultimate oversight since  
5 this Court retains continuing jurisdiction over all aspects of  
6 the litigation. We will make it expressly subject to this  
7 Court's approval.

8 THE COURT: Well, it is more than that. I have never  
9 bought into the percentage of the recovery model. I have  
10 always looked at it, I think about it, but I'm a lodestar man  
11 from way back and I make the fee awards. I think that is my  
12 obligation under Rule 23. I am always very anxious to hear  
13 what class counsel have to say on that subject but I will come  
14 to my own decision. As you go back to the drawing boards let's  
15 keep that in mind.

16 MR. GIRARD: Is it your Honor's instruction that this  
17 provision should vest discretion in the Court or --

18 THE COURT: Yes.

19 MR. GIRARD: -- are counsel permitted to make  
20 agreement among themselves subject to Court approval?

21 THE COURT: Well, I should have waited until the end  
22 of the sentence.

23 Look. You can come to me with a recommendation. You  
24 can say to me that this is a joint recommendation on behalf of  
25 everybody if that's the case and I'll take that into account



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1 for whatever I think it is worth but I'm going to look at all  
2 of the materials that go into making a fee determination and I  
3 will make the fee determination.

4 MR. GIRARD: Understood, your Honor.

5 THE COURT: Okay? Okay.

6 The final thought, I'm not sure whether this is a case  
7 in which there is likely to be much money left over at the end  
8 or not but I don't think it is a very good idea, from my point  
9 of view, to leave class counsel sole control over what happens  
10 to any money that is left. Class counsel will get a fair fee  
11 without whatever added benefit comes from deciding which  
12 favorite charity is going to get anything that's left. That's  
13 my view of it. Now, I'm also not particularly disposed to my  
14 doing exactly what I don't want you to do, even though I'm the  
15 neutral here. I don't want to pick the recipient either but I  
16 would find this much more palatable if amongst us we come to an  
17 agreement on, say, a committee of three, people from the  
18 non-profit world, basically, are going to decide what happens  
19 to the money if there is any.

20 Just by way of example and I couldn't even tell you,  
21 believe it or not, who these people are; president of the New  
22 York City Bar, Chief Executive of the American Red Cross  
23 Greater New York whatever they call it, President of the Lasker  
24 Foundation, but I don't have any particular investment in any  
25 of those apart from paying my dues to the bar association.

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1 These are not on my list of charities or anything like that and  
2 I'm certainly amenable to you giving me a list of 10 and I will  
3 pick three or you making recommendations but I want to do it a  
4 different way.

5 MR. GIRARD: Understood, your Honor.

6 We do provide for Court approval of anything here,  
7 just to be clear on that.

8 THE COURT: I know, but then what happens? Then I'm  
9 supposed to go in and investigate whoever you picked or to just  
10 throw darts at the wall?

11 MR. GIRARD: Well, I think this language, my view of  
12 it is it is intended to track the ALI principles of aggregate  
13 litigation language governing cy-près so this is a situation  
14 where if would work in practice we would come up with a  
15 distribution plan which a Court would approve, we mail checks.  
16 There is usually someone who doesn't cash their check.  
17 Whatever that group is that is left over, however much money  
18 that is we distribute it again and so now we are talking about  
19 a second level and at most I think this is going to be not very  
20 much money. We still have the possibility of trying a third  
21 round of distribution if we have enough non-distributed such  
22 that we are paying anybody who would get, let's say, \$10 or  
23 above we may be able to avoid cy-près entirely which might be  
24 the easier way to go.

25 THE COURT: It depends on the administrative costs.

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1 MR. GIRARD: That's exactly right.

2 THE COURT: I understand that. So, if you want to  
3 make it simpler and we wind up with one person who decides in  
4 the event of a cy-près distribution where it goes, subject to  
5 my approval, that's fine. I'm just trying to get it into a  
6 sphere where what we have here is not a piece of patronage for  
7 anybody but rather somebody in the non-profit world who has got  
8 no stake in any of this to just make a determination if we need  
9 one.

10 MR. GIRARD: And if we pick one of the individuals or  
11 functions your Honor, enumerated I assume that will be  
12 acceptable?

13 THE COURT: I'm sorry. When you say functions?

14 MR. GIRARD: I was trying to avoid naming people but  
15 your Honor identified some folks like the president of the New  
16 York City Bar Association, for example. If we were to pick a  
17 neutral like that I would assume, if that's someone we have no  
18 connection to put that in that's acceptable?

19 THE COURT: Well, depending on who you pick.

20 MR. GIRARD: Right. And my understanding of what the  
21 Court wants is that this now be somehow an indirect benefit to  
22 us because it is a favorite charity.

23 THE COURT: Right. Exactly.

24 MR. GIRARD: We get that and that's what we intend.

25 THE COURT: I'm not suggesting anything, any

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1       impropriety at all. I kind of think it ought to just be  
2       something that nobody could even look askance at.

3               MR. GIRARD: I agree. I think we may be able to avoid  
4       a cy-près completely given the nature of this class here.

5               THE COURT: Could be.

6               MR. GIRARD: Which would be preferable.

7               THE COURT: Could be, but let's have the mechanism up  
8       front.

9               MR. GIRARD: Absolutely.

10              THE COURT: And I think from the standpoint of what  
11       the class is going to see when you send out your notice, if  
12       they see something like that it is one less opportunity for  
13       somebody to latch onto and say look what these lawyers are  
14       doing.

15              MR. GIRARD: Got it.

16              Now, your Honor, what my intention would be is to get  
17       with defense counsel, make these revisions, submit a revised  
18       order to the Court tomorrow. I know defense counsel, as are  
19       we, would like to subject to this Court's ultimate approval of  
20       the notice, mail, and try to set a final approval hearing if  
21       possible this year. We think we can still do that. We would  
22       like the Court's direction in regards to how to submit that at  
23       this point. If we can get this done my assumption is we would  
24       file that in the ordinary course, subject to this Court's  
25       further review.

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1 THE COURT: Sure. And it would be helpful if I got a  
2 courtesy copy or two at the same time and I didn't see anything  
3 else that was problematic.

4 MR. GIRARD: Very well.

5 THE COURT: But, now you know how I spent part of my  
6 summer vacation: Reading your papers.

7 MR. GIRARD: Well, I appreciate the attention and I  
8 hope it didn't detract too much.

9 THE COURT: No, no; but when you have time things  
10 occur to you than when you are pressed.

11 MR. GIRARD: And in terms of the further question I  
12 guess I would ask since it sounds like you spent a fair amount  
13 of time on this, subject to fixing these things if we can flag  
14 the fixes for you, would it be possible to pick a final  
15 approval hearing date at this point?

16 THE COURT: Not today. When you submit the papers  
17 give me a proposal, a whole time table proposal.

18 MR. GIRARD: All right.

19 THE COURT: And I will do my best it accommodate it.

20 MR. GIRARD: Very well.

21 THE COURT: I have a year from hell story to write  
22 about now.

23 MR. GIRARD: I understand.

24 THE COURT: But, I will do the best I can for you.

25 MR. GIRARD: Thank you, your Honor.



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THE COURT: Thank you very much.

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## **EXHIBIT M**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

DOCUMENT

FILED ELECTRONICALLY FILED

DOC#

FILED #: 12/15/11

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. 27**

**PROPOSED ORDER CONCERNING PROPOSED SETTLEMENT WITH THE  
DIRECTOR AND OFFICER DEFENDANTS**

**WHEREAS:**

A. Lead Plaintiffs 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 ("Lead Plaintiffs"), on behalf of themselves and the Settlement Class (as hereinafter defined), and the director and officer defendants (the "Director and Officer Defendants" or the "D&O Defendants")<sup>1</sup> entered into a Stipulation of Settlement and Release on October 14, 2011 (the "Stipulation"), which, together with the exhibits annexed thereto, sets forth the terms and conditions of their proposed settlement and the release of claims and dismissal of the Action against the D&O Defendants with prejudice upon the terms and conditions set forth therein (the "D&O Settlement");

<sup>1</sup> The D&O Defendants are: Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber.

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

C. The D&O Defendants do not oppose this request; and

D. The Court is familiar with and has reviewed the record in the Action and has reviewed the Stipulation, including the exhibits attached to the Stipulation, 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 Stipulation unless otherwise defined herein.

2. Pending further order of the Court, all litigation activity against or by the Settling Defendants in this Action, except that contemplated herein, in the Stipulation, in the Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice" or "Class Notice") or in the Judgment, is hereby stayed and all hearings, deadlines and other proceedings in this Action to the extent they involve claims against the Settling Defendants, except for the Final Approval Hearing, are hereby taken off calendar.

**CLASS CERTIFICATION**

3. The Court finds, upon a preliminary evaluation, that for purposes of the D&O Settlement only, that the requirements of Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, have been met and the D&O Settlement Class should be defined as all persons and entities who:

- (1) Purchased or acquired Lehman securities identified in Appendix A to the 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 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 "D&O Settlement Class").

Excluded from the D&O Settlement 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 from the D&O 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 Director and Officer Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "D&O Notice").

4. The Court hereby finds based on a preliminary evaluation that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the D&O Settlement only, the following are adequate class representatives and preliminarily certifies the following as Settlement Class Representatives for the D&O Settlement Class: 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; Operating Engineers Local 3 Trust 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; Stacey Oyler; Montgomery County Retirement Board; Fred Telling; Stuart Bregman; Irwin and Phyllis Ingwer; Carla LaGrassa; Teamsters Allied Benefit Funds; Francisco Perez; Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer; Robert Feinerman; John Buzanowski; Steven Ratnow; Ann Lee; Sydney Ratnow; Michael Karfunkel; Mohan Ananda; Fred Mandell; Roy Wiegert; Lawrence Rose; Ronald Profili; Grace Wang; Stephen Gott; Juan Tolosa; Neel Duncan; Nick Fotinos; Arthur Simons; Richard Barrett; Shea-Edwards Limited Partnership; Miriam Wolf; Harry Pickle (trustee of Charles Brooks); Barbara Moskowitz; Rick Fleischman; Karim Kano; David Kotz; Ed Davis; and Joe Rottman. The Court further certifies Lead Counsel as Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

5. The Court finds, based on a preliminary evaluation, for purposes of the D&O Settlement only, that as to the D&O 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 D&O 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 D&O Settlement Class; (c) the claims of the D&O Settlement Class Representatives are typical of the claims of the D&O Settlement Class; (d) the Settlement Class Representatives and Lead Counsel have and will fairly and adequately represent the interests of the D&O Settlement Class; (e) the questions of law and fact common to the D&O Settlement Class predominate over any questions affecting only

individual members of the D&O 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**

6. 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 procedure, 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 Claims Administrator shall cause a copy of the D&O 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 D&O Settlement Class who may be identified through reasonable effort, including in the records of Lehman or its transfer agent(s) (the "Notice Date");

b. The D&O Notice and Claim Form will be mailed along with the notice for the settlements reached with all but one of the settling underwriter defendants (the "UW Settlements") (the "UW Notice") (collectively, the "Notice Packet") to potential D&O 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 D&O 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.

7. The Court approves the form of the D&O 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 6 of this Order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. § 78u-4(a)(7), the Constitution of the United States, and any other applicable law, and constitute the best notice practicable under the circumstances.

8. No later than 35 calendar days prior to the Approval Hearing, 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.

9. Nominees who purchased Lehman securities for beneficial owners who are D&O Settlement Class Members are directed to: (a) request within fourteen (14) calendar days of receipt of the Notice additional copies of the Notice and the Claim Form 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 within fourteen (14) calendar days after receipt of the Notice. If a nominee elects to send the Notice to beneficial owners, such nominee is directed to mail the Notice within fourteen (14) calendar days of receipt of the additional copies of the Notice 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 D&O Settlement Class. Upon full compliance with this Order, including the timely mailing of the Notice to beneficial owners, 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, 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 Fund.

**HEARING: RIGHT TO BE HEARD**

10. The Court will hold a settlement hearing (the "Approval Hearing" or "Fairness Hearing") on <sup>12/</sup>April 23, 2012 at 4:00 p.m., 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 D&O Settlement should be approved as fair, reasonable, adequate and in the best interests of the D&O Settlement Class; (ii) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation, should be entered dismissing and releasing the Settled Claims (as that term is defined in the 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 D&O Settlement. Papers in support of the D&O 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.

11. Any member of the D&O Settlement Class may appear at the Approval Hearing and show cause why the proposed D&O Settlement embodied in the Stipulation should or should not be approved as fair, reasonable, adequate and in the best interests of the D&O 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 D&O Settlement Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the D&O 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 D&O 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; and Adam J. Wasserman, Dechert LLP, 1095 Avenue of the Americas, New York, NY 10036 as representative counsel for the Individual Defendants. Lead Counsel will promptly provide copies of any objections received to counsel for the Individual Defendants.

12. Any objection must include: (a) the full name, address, and phone number of the objecting D&O Settlement Class Member; (b) a list and documentation of all of the D&O Settlement Class Member's transactions involving Lehman Securities during the 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 have 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 D&O 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 D&O Settlement as reflected in the Stipulation, 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 to the Settlement, the Plan of Allocation and/or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, 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 D&O Settlement, including, but not limited to, enforcement of the terms of the Settlement (including, but not limited to, the release of the Settled Claims provided for in the Stipulation and the Judgment).

13. If approved, all Settlement Class Members will be bound by the proposed Settlement provided for in the Stipulation, and by any judgment or determination of the Court

affecting Settlement Class Members, regardless of whether or not a Settlement Class Member submits a Claim Form.

14. Any member of the D&O 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.

15. The Court reserves the right to (a) adjourn or continue the Approval Hearing, or any adjournment or continuance thereof, without further notice to Settlement Class Members and (b) approve the Stipulation with modification and without further notice to Settlement Class Members. The Court retains jurisdiction of this Action to consider all further applications arising out of or otherwise relating to the proposed Settlement, and as otherwise warranted.

16. All Settlement Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Settlement Class.

#### CLAIMS PROCESS

17. In order to be entitled to participate in the D&O Settlement, a D&O 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 D&O Settlement must be postmarked no later than 120 calendar days after the Notice Date.

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

**REQUEST FOR EXCLUSION FROM THE D&O SETTLEMENT CLASS**

19. Any requests for exclusion must be submitted in accordance with the instructions included in the Notice and for receipt no later than 21 calendar days prior to the Approval Hearing. Any D&O Settlement Class Member who wishes to be excluded from the D&O 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 D&O Settlement Class. It must also be signed by the person or entity requesting exclusion, and provide a telephone number for that person or entity. All persons who submit valid and timely requests for exclusion in the manner set forth in this paragraph and the Notice shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

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

21. The Released 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 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 Settlement, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement of the Action set forth therein.

22. If a person or entity excludes him/her/itself only from the D&O Settlement Class in the manner stated in this Order, he/she/it is not automatically excluded from the settlement class in the UW Settlements or any other settlement class. Likewise, if a person or entity requests exclusion only from the settlement class in the UW Settlements, or the class in any subsequent settlement of this Action, he/she/it is not automatically excluded from the D&O 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.

23. Only D&O Settlement Class Members and Lead Counsel shall have any right to any portion of, or any rights in the distribution of, the Settlement Fund, unless otherwise ordered by the Court or otherwise provided in the Stipulation.

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 Stipulation and/or further order of the Court.

25. As set forth in the Stipulation, notwithstanding the fact that the Effective Date has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from D&O Defendants ~~or further order of this Court~~, *but with the prior approval* all reasonable Notice and Administration Costs actually incurred, up to \$1 million. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice and Proof of Claim Form, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, publication of the Summary Notice, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice and processing the submitted Claims, and the fees, if any, of the Escrow Agent. Additional Notice and Administration Costs may be paid from the Settlement Fund upon approval of this Court. In the event that the D&O Settlement is terminated pursuant to the terms of the Stipulation, all Notice and Administration Costs reasonably paid or reasonably incurred, including any related fees, shall not be returned or repaid to the D&O Defendants, any Released Party, Lehman, the Insurers or to any person or entity who or which paid any portion of the Settlement Amount on their behalf. *UPK*

26. The fact and terms of this Order and the D&O Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the D&O Settlement, and any act performed or document signed in connection with this Order and the D&O 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 D&O Defendants or any other released party to Lead Plaintiffs, the D&O 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 D&O Settlement Class or



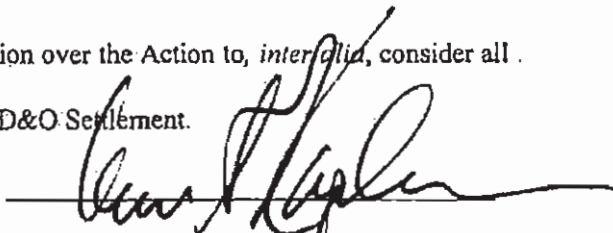
anyone else, or (v) that the Settlement Amount (or any other amount) represents the amount that could or would have been recovered in this Action against the D&O Defendants if it was not settled at this point in time. The fact and terms of this Order and the D&O Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the D&O Settlement, and any act performed or document signed in connection with this Order and the D&O 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 D&O Settlement, including, but not limited to, the Judgment and the release of the Settled Claims provided for in the Stipulation and the Judgment and/or to obtain the Bankruptcy Order.

27. Lead Counsel shall apply to this Court, on notice to Settling Defendants' Counsel, for a Class Distribution Order, *inter alia*: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; and (b) if the Effective Date has occurred, directing payment of the Net Settlement Fund to the Authorized Claimants from the Escrow Account. Payment and/or distribution of any of the Settlement Amount to Settlement Class Members shall be made only after the Effective Date.

28. In the event that the D&O Settlement fails to become effective in accordance with its terms, 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 Settlement), this Order (except Paragraphs 25 and 26) shall be null and void, the Stipulation shall be deemed terminated, and the Settling Parties shall return to their positions without prejudice in any way, as provided for in the Stipulation.

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

Dated: Dec. 15, 2011



The Honorable Lewis A. Kaplan  
United States District Judge

**EXHIBIT A-1**

**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**

**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 one of those settlements – the settlement reached with certain of Lehman's directors and officers during the relevant time period (the "D&O Defendants" or the "Individual Defendants").<sup>1</sup> This notice is directed at all persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options ("Lehman Securities") between June 12, 2007 and September 15, 2008, through and inclusive and were damaged thereby (the "D&O Class").
- The settlement is comprised of \$90,000,000 in cash ("Settlement Amount") plus interest (the "Settlement Fund") for the benefit of the D&O Class. Estimates of average recovery per damaged security are set forth on Appendix D hereto. In addition, as set forth in Question 19 below, Lead Counsel will seek approval for attorneys' fees in the amount not to exceed 17.5% of the Settlement Amount, plus interest thereon, and 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 settlements 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 average cost per damaged security will be as set forth on Appendix D hereto.
- If the settlement is approved by the Court, it will result in (i) the distribution of the 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 D&O Defendants (as defined below) and certain other related parties 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

<sup>1</sup> The settlements reached with all but one of the underwriters named as defendants in the Action (the "Settling Underwriter Defendants") are addressed briefly below in Question 6.

dismissal with prejudice of the D&O Defendants. The settlement also avoids the costs and risks of further litigation against these defendants.

- This settlement does not resolve claims against any other defendants in the Action, and the Action will continue against Lehman Brothers Holdings Inc.'s auditor and the remaining underwriter defendant, UBS Financial Services, Inc.. Please Note: This settlement is separate and apart from the proposed settlements Lead Plaintiffs reached with the Settling Underwriter Defendants (the "UW Settlements") for \$426,018,000. You should have received a notice for the UW Settlements along with this notice. See Question 6 below for more details. You are not automatically in all 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 this settlement.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement or any aspect thereof.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the 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 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 "D&O Defendants" or "Individual Defendants") in a class action lawsuit. This Notice explains the lawsuit, the settlement and your legal rights and options in connection with

the settlement before the Court decides whether to give "final approval" to the 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 defendants who have agreed to settle (*i.e.*, Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber) are referred to as the Individual Defendants or the D&O Defendants. The proposed settlement will resolve all claims against the D&O Defendants and certain other released parties only; it will not resolve the claims against E&Y and UBS Financial Services, Inc., which Lead Plaintiffs will continue to pursue. As discussed below in Question 6, Lead Plaintiffs also reached separate proposed settlements with all but one of the underwriter defendants.

Receipt of this Notice does not necessarily mean that you are a D&O Class Member or that you will be entitled to receive proceeds from the settlement. If you wish to participate in the distribution of the proceeds from the 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, Ernst & Young LLP ("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 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. filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code and, as a result, 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>2</sup> The Lead Plaintiffs sued on behalf of others who have similar

<sup>2</sup> Additional named plaintiffs in this Action are Brockton Contributory Retirement System, Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters;

claims. All of these people together are referred to as the "D&O Class" or as "D&O Class Members." One Court resolves the issues for all D&O Class Members, except for any persons or entities who choose to exclude themselves from the D&O Class (*see* Question 17 below), if the Court determines that a class action is an appropriate method to do so.

#### **A. The Settling Parties' Settlement**

The D&O Defendants have agreed to settle the Action. The Court did not decide in favor of the Lead Plaintiffs or the D&O 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 D&O 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. Moreover, there are limitations on the ability of the Individual Defendants to pay a substantial judgment. And, in a recent Bankruptcy Court filing, Lehman Brothers Holding Inc. has stated that, taking into account settlement payments that have been or are contemplated to be made, as well as defense costs that have been or are contemplated to be paid by the Debtors' third party insurers under the Debtors' 2007-08 D&O Policies, the Debtors "anticipate that the limits of liability of the 2007-2008 D&O policies [the insurance policies that have been used to cover this Action] will be fully exhausted by year end." 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 D&O Class Members – will get compensation. Based upon their investigation and extensive mediation efforts, and after considering (a) the attendant risks of litigation, (b) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation, and (c) the diminishing resources to fund a settlement or an adverse judgment, if any, against the D&O Defendants, Lead Plaintiffs and their lawyers believe that the settlement is in the best interests of the D&O Class Members.

The D&O 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 D&O 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 D&O Defendant's wrongdoing.

#### **B. The D&O Defendants' Settlement**

Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Stacey Oyler; Montgomery County Retirement Board; Fred Telling; Stuart Bregman; Irwin and Phyllis Ingwer; Carla LaGrassa; Teamsters Allied Benefit Funds; Francisco Perez; Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer; Robert Feinerman; John Buzanowski; Steven Ratnow; Ann Lee; Sydney Ratnow; Michael Karfunkel; Mohan Ananda; Fred Mandell; Roy Wiegert; Lawrence Rose; Ronald Profili; Grace Wang; Stephen Gott; Juan Tolosa; Neel Duncan; Nick Fotinos; Arthur Simons; Richard Barrett; Shea-Edwards Limited Partnership; Miriam Wolf; Harry Pickle (trustee of Charles Brooks); Barbara Moskowitz; Rick Fleischman; Karim Kano; David Kotz; Ed Davis; and Joe Rottman.



No. This Settlement only includes the D&O Defendants. The lawsuit is continuing against E&Y, Lehman's auditor during the Settlement Class Period, and UBS Financial Services, Inc.

Lead Plaintiffs have reached separate settlements with certain of the underwriters (the "Settling Underwriter Defendants") in the total amount of \$426,018,000. A separate notice addresses those settlements in detail (the "UW Notice"). If you did not receive a copy of the UW 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 proposed cash settlements with the Settling Underwriter Defendants in the total amount of \$426,018,000, which are separate and apart from the proposed settlement with the D&O Defendants. You should have received a similar notice explaining the UW Settlements along with this notice. If you are a D&O Class Member you may also be a class member for purposes of the UW Settlements and you may be eligible to participate in the UW settlements as well, but that depends on what securities you purchased and you should review both notices to determine if you are eligible to participate in each settlement.

As explained in Question 13 below, you must submit a Claim Form in order to participate in any or all of the settlements. The Claim Form you submit in connection with this settlement will also be reviewed in connection with the UW Settlements. **You do not have to submit a separate Claim Form for the UW Settlements.** Please be sure to include all of your transactions in the Lehman securities listed on the Claim Form.

#### WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to determine if you are a D&O Class Member.

Judge Kaplan has determined that everyone who fits the following description is a D&O Class Member, unless you are excluded from the D&O Class as described in Question 8 below: *All persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A hereto 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 hereto 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.*

Yes. 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 this Notice.

If you are not sure whether you are a D&O 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*, 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 the Lehman Securities eligible to participate in the settlement.

### THE SETTLEMENT BENEFITS – WHAT YOU GET

A Settlement Fund for \$90,000,000 has been established. If the settlement is approved, the Settlement Fund, less Court-awarded attorneys' fees and expenses, the costs of administering the settlement and taxes, if any (the "Net Settlement Fund"), will be distributed to eligible D&O Class Members.

The proposed Plan of Allocation provides for distribution of the Net Settlement Fund to Authorized Claimants. Each person claiming to be a claimant entitled to share in the 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  
Claims Administrator  
P.O. Box 9821  
Dublin, OH 43017-5721

Unless otherwise ordered by the Court, any D&O 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 settlement, but will in all other respects be subject to the provisions of the Stipulation of Settlement and Release dated October



14, 2011 (the "Stipulation") 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 settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed 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 D&O Class Members.

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

If the settlement is approved by the Court and becomes final, you will be releasing the D&O Defendants (as set forth in Question 1 above) and certain parties related to the D&O Defendants (i.e., the "Released Parties" as set forth in paragraph 1(hh) of the Stipulation) for all of the Settled Claims defined in paragraph 1(jj) of the 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 Stipulation. The Stipulation is available at [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com). The 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>3</sup>

If you are a D&O Class Member you will need to submit a Claim Form and the necessary supporting documentation to establish your potential eligibility to share in the 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 refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the Settlement Fund will be allocated.

<sup>3</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 Defendants and/or certain other related parties. The bar order typically does not apply to Settlement Class Members.

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

If the 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 SETTLEMENT

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

No. If you exclude yourself from the D&O Class, you will not be able to request a payment from this settlement, and you cannot object to this settlement. You will not be bound by anything that happens in this lawsuit with respect to the D&O Defendants, and you may be able to sue the D&O Defendants on your own in the future. Excluding yourself from this D&O 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 D&O Class will not automatically exclude you from the settlement class in the UW Settlements referenced above. A request for exclusion should specifically indicate that the person or entity wishes to be excluded from the D/O Settlement Class, the UW Settlement Class, or both. 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 to be excluded from both the D&O Settlement Class and the UW Settlement Class.

No. Unless you exclude yourself, you give up any right to sue the D&O Defendants or any of the other released parties for the claims being released by this settlement. If you have a pending lawsuit relating to the claims being released in the Action against any of the D&O Defendants, you should speak to your lawyer in that case immediately.

To exclude yourself from the D&O Class, you must send a letter by mail saying that you want to be excluded from the D&O Class in the *In re Lehman Brothers Equity/Debt Securities Litigation – D&O Settlement*, Case No. 09-MD-2017 (LAK). Be sure to include your name, address, telephone number and your signature. 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 the eligible Lehman Securities during the Settlement Class Period. The request for exclusion must be signed by the person or entity requesting exclusion, and provide a telephone number for that person or entity. 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**  
**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.

#### 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 D&O 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, or David Kessler, Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, 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 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 D&O Defendants on behalf of the D&O Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the 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 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 settlements in *pro rata* amounts. Litigation Expenses may include reimbursement of the expenses of Lead Plaintiffs in accordance with 15 U.S.C. § 78u-4(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 SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

If you are a D&O Class Member, you can object to the settlement if you don't like any part of it. To object, you must send a letter saying that you object to the settlement in the *In re Lehman Brothers Equity/Debt Securities Litigation – D&O Settlement*, Case No. 09-MD-2017 (LAK) and the reasons why you object to the 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 during the Settlement Class Period to confirm that you are a member of the D&O 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; 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 D&O Class, you cannot object to the settlement as it does not affect you. Any objection to the settlement must be received by each of the following by \_\_\_\_\_, 2012:

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	DECHERT LLP Adam J. Wasserman 1095 Avenue of the Americas New York, NY 10036
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280 King of Prussia Road Radnor, PA 19087
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Objecting is simply telling the Court that you do not like something about the settlement, the Plan of Allocation, and/or the application for attorneys' fees and Litigation Expenses. You can object *only if* you stay in the D&O Class. Excluding yourself is telling the Court that you do not want to be part of the 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 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 don't have to.

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 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. 09-MD-2017 (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 during the Settlement Class Period. 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 Individual Defendants, at the addresses listed in Question 20 above. You cannot speak at the hearing if you exclude yourself from the D&O Class.

### IF YOU DO NOTHING

If you do nothing, you will receive no money from this 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 D&O Defendants or other released parties about the same claims being released in this 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 Stipulation. You can get a copy of the Stipulation and more information about the 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, Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721.

### INFORMATION FOR BROKERS AND OTHER NOMINEES

If you bought Lehman Securities during the Settlement Class Period 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, and GCG 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 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*, c/o GCG, 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)
June 9, 2008	Common Stock (524908100)
February 5, 2008 (the "Series J Offering")	7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares") (52520W317)
April 4, 2008 (the "Series P Offering")	7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series P (the "Series P Shares") (52523J453)
June 12, 2008 (the "Series Q Offering")	8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Series Q Shares") (52520W218)
June 15, 2007	Medium-Term Notes, Series I (52517P2S9)
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)
July 31, 2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component (524908K25)
August 1, 2007	Partial Principal Protection Notes Linked to a Basket of Global Indices (524908J92)
August 22, 2007	Annual Review Notes with Contingent Principal Protection Linked to an Index (52517P4Y4)
August 29, 2007	Medium-Term Notes, Series I (52517P4T5)
September 26, 2007	6.2% Notes Due 2014 (52517P5X5)
September 26, 2007	7% Notes Due 2027 (52517P5Y3)
December 5, 2007	Medium-Term Notes, Series I (5252M0AU1)
December 7, 2007	Medium-Term Notes, Series I (5252M0AW7)

December 21, 2007	6.75% Subordinated Notes Due 2017 (5249087M6)
December 28, 2007	Medium-Term Notes, Series I (5252M0AY3)
January 22, 2008	5.625% Notes Due 2013 (5252M0BZ9)
January 30, 2008	Medium-Term Notes, Series I (5252M0BX4)
February 5, 2008	Lehman Notes, Series D (52519FFB6)
February 14, 2008	Medium-Term Notes, Series I Principal Protected Notes Linked to MarQCoS Portfolio A (USD) Index (5252M0DK0)
February 20, 2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund (5252M0DH7)
February 27, 2008	Medium-Term Notes, Series I (5252M0CQ8)
March 13, 2008	Medium-Term Notes, Series I (5252M0EH6)
April 21, 2008	Medium-Term Notes, Series I (5252M0BY9)
April 21, 2008	Medium-Term Notes, Series I (5252M0FA0)
April 24, 2008	6.875% Notes Due 2018 (5252M0FD4)
April 29, 2008	Lehman Notes, Series D (52519FFM8)
May 7, 2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund (5252M0FR3)
May 9, 2008	7.50% Subordinated Notes Due 2038 (5249087N4)
May 19, 2008	Medium-Term Notes, Series I (5252M0FH5)
June 13, 2008	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index (5252M0GM3)
June 26, 2008	Medium-Term Notes, Series I (5252M0GN1)

## Appendix B

ISSUE DATE	SECURITY (CUSIP)
March 30, 2007	100% Principal Protection Notes Linked to a Global Index Basket (52520W564) (524908VP2)
March 30, 2007	Performance Securities with Partial Protection Linked to a Global Index Basket (52520W556) (524908VQ0)
April 30, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread Between the 30-year and the 2-year Swap Rates (52517PX63)
April 30, 2007	Performance Securities with Partial Protection Linked to a Global Index Basket (52520W515)
May 31, 2007	100% Principal Protection Notes Linked to a Currency Basket (52520W440)
June 29, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P2P5)
July 31, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P3H2)
August 31, 2007	100% Principal Protection Notes Linked to an International Index Basket (52522L186)
August 31, 2007	100% Principal Protection Notes Linked to a Global Index Basket (52522L889)
September 28, 2007	Performance Securities with Partial Protection Linked to a Global Index Basket (52522L244)
September 28, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P5K3)



October 31, 2007	Medium-Term Notes, Series L, 100% Principal Protection Notes Linked to an Asian Currency Basket (52520W341)
October 31, 2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index (52522L293)
October 31, 2007	Return Optimization Securities Linked to an Index (52522L319)
October 31, 2007	Return Optimization Securities Linked to an Index (52522L335)
November 30, 2007	100% Principal Protection Notes Linked to an Asian Currency Basket (52520W333)
November 30, 2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L459)
December 31, 2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L491)
January 31, 2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P4NB)
January 31, 2008	100% Principal Protection Notes Linked to an Asian Currency Basket (52520W325)
January 31, 2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index (52522L525)
February 8, 2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index (52522L657)
February 29, 2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (5252M0CZ8)
February 29, 2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index (52522L574)
February 29, 2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index (52522L566)

February 29, 2008	100% Principal Protection Notes Linked to an Asian Currency Basket (52523J412)
March 31, 2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index (52522L806)
March 31, 2008	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index (52522L814)
March 31, 2008	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund (52522L871)
March 31, 2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index (52522L798)
April 23, 2008	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices (52523J172)
May 15, 2008	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index (52523J206)
May 30, 2008	Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index (52523J230)
June 30, 2008	100% Principal Protection Absolute Return Barrier Notes (52523J248)
June 30, 2008	100% Principal Protection Absolute Return Barrier Notes (52523J255)

### Appendix C

#### PLAN OF ALLOCATION FOR THE D&O NET SETTLEMENT FUND

##### A. Preliminary Matters

Pursuant to the settlement reached with the D&O Defendants (the "D&O Settlement"), the D&O Defendants have caused to be paid \$90 million in cash (the "D&O Settlement Amount"). The D&O Settlement Amount and the interest earned thereon is the "D&O Gross Settlement Fund." The D&O Gross Settlement Fund, after deduction of Court-approved attorneys' fees and Litigation Expenses, notice and administration expenses, and taxes and tax expenses, is the "D&O Net Settlement Fund." The D&O Net Settlement Fund will be distributed to D&O 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 D&O Net Settlement Fund equals or exceeds fifty dollars (\$50.00).

The objective of the proposed plan of allocation set forth below (the "D&O Plan of Allocation" or "D&O Plan") is to equitably distribute the D&O 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 D&O 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 D&O Class Members might have been able to recover after a trial. Nor are the calculations made pursuant to the D&O Plan of Allocation intended to be estimates of the amounts that will be paid to D&O Class Members pursuant to the D&O Settlement. The calculations made pursuant to the D&O Plan of Allocation are only a method to weigh the claims of D&O Class Members against one another for the purpose of making *pro rata* allocations of the D&O Net Settlement Fund.

The D&O 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 Court may approve the D&O Plan as proposed or may modify the D&O Plan without further notice to the D&O Class. The D&O Defendants had no involvement in the proposed plan of allocation.

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

If you are entitled to a payment from the D&O Net Settlement Fund, your share of the D&O 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 Lehman securities you purchased, acquired and/or sold during the Settlement Class Period, and (iii) the dates on which you purchased, acquired and/or sold such Eligible Securities (as defined below).

By following the D&O Plan of Allocation below, you can calculate your "Overall Recognized Claim." The Claims Administrator will distribute the D&O Net Settlement Fund according to the D&O 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 a D&O Class Member may receive from the D&O Settlement.

Unless the Court otherwise orders, any D&O Class Member who fails to submit a Claim Form by the deadline, and who does not request exclusion from the D&O Class in accordance with the requirements set forth in Question 17 of 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") shall be forever barred from receiving payments pursuant to the D&O Settlement but will in all other respects remain a D&O Class Member and be subject to the provisions of the Stipulation of Settlement and Release dated October 14, 2011 and the D&O Settlement embodied therein, including the terms of any judgments entered and releases given.

#### **B. Definitions**

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

1. "Authorized Claimant" is a D&O Class Member who submits a timely and valid Claim Form to the Claims Administrator, in accordance with the requirements established by the District Court, and who is approved for payment from the D&O Net Settlement Fund.
2. "Deflation" means the amount by which the price of a put option was underpriced on each day of the Settlement Class Period because of the alleged misrepresentations as determined by Lead Plaintiffs' damages consulting expert.
3. "Distribution Amount" is the actual amount to be distributed to an Authorized Claimant from the D&O Net Settlement Fund.
4. "Inflation" is the amount by which the price of Lehman common stock and exchange-traded call options were overpriced on each day of the Settlement Class Period as determined by Lead Plaintiffs' damages consulting expert.
5. "Overall Recognized Claim" is the total of an Authorized Claimant's Net Recognized Losses (defined below) for all of the Eligible Securities (as set forth below).

6. "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.

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

8. "Secondary Offering" refers to the secondary public offering of Lehman common stock on June 9, 2008.

9. "Settlement Class Period" means the period between June 12, 2007 and September 15, 2008, through and inclusive, as applicable to transactions in common stock and exchange-traded class and put options.

10. "Unit" is the measure by which the security is denominated (*i.e.*, share, option contract, note).

**C. Eligible Securities**

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

- Common stock purchased during the Settlement Class Period;
- Preferred stock listed on Exhibit 2;
- Senior unsecured notes and subordinated notes listed on Exhibit 3; and
- Exchange-traded call and put options listed on Exhibit 4.

*FIFO Matching:* If a D&O 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 Settlement Class Period. Note: Short sales and purchases to cover short sales (whether they occurred before, during, or after the Settlement Class Period) are not included when calculating an Authorized Claimant's Recognized Loss or Recognized Gain. Short sales and purchases to cover short sales are, however, included when calculating an Authorized Claimant's Trading Losses/Gains.

*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 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 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 measurement of damages under Section 11(e) of the Securities Act of 1933, the D&O Plan uses October 28, 2008 as the date when the suit was brought. Where information is unavailable to determine the October 28, 2008 closing price for certain senior unsecured notes, the closing price is determined by averaging the closing prices of the senior unsecured notes where such pricing information is available (as reflected on Exhibit 3). Likewise, where pricing information is unavailable 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 3).

*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 for each Eligible Security. For all Eligible Securities, an Authorized Claimant's Net Recognized Loss and Net Recognized Gain will be added together to compute an Overall Net Recognized Loss or an Overall Net Recognized Gain. In the event an Authorized Claimant has an Overall Net Recognized Gain, i.e., the total Net Recognized Gain for all Eligible Securities exceeds the Overall Net Recognized Loss for all Eligible Securities, the Authorized Claimant will not have a Recognized Claim and will not be eligible to receive a distribution from the D&O Net Settlement Fund.

*Calculating Trading Gains and Losses:* An Authorized Claimant's Trading Loss will be offset by the Authorized Claimant's Trading Gain, resulting in a Net Trading Loss or a Net Trading Gain for each Eligible Security. For all Eligible Securities, an Authorized Claimant's Net Trading Loss and Net Trading Gain will be added together to compute an Overall Trading Loss or an Overall Trading Gain. If an Authorized Claimant has an Overall Trading Gain, i.e., the Net Trading Gains for all Eligible Securities exceed the Net Trading Losses for all Eligible Securities, the Authorized Claimant will not have a Recognized Claim and will not be eligible to receive a distribution from the D&O Net Settlement Fund. If an Authorized Claimant has an Overall Trading Loss that is less than the Authorized Claimant's Overall Net Recognized Loss, as defined above, then the Overall Net Recognized Loss shall be limited to the Authorized Claimant's Overall Trading Loss.

*Calculating an Authorized Claimant's Overall Recognized Claim:* An Authorized Claimant's Overall Recognized Claim will be calculated by multiplying the D&O Net Settlement Fund by a fraction, the numerator of which is the Authorized Claimant's Overall Recognized Losses (limited to Overall Trading Loss as described above) for all transactions in all Eligible Securities, and the denominator of which is the aggregate Recognized Losses (limited to Overall Trading Loss as described above) of all Authorized Claimants for all transactions in all Eligible Securities.

**D. Recognized Losses for Lehman Common Stock Purchased/Acquired During the Settlement Class Period (Other than Lehman Common Stock Purchased/Acquired in the June 9, 2008 Secondary Offering)**

For each share of Lehman common stock purchased/acquired during the Settlement Class Period (other than common stock purchased or acquired in the Secondary Offering), 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 September 11, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase *minus* the inflation per share on the date of sale (as shown on Exhibit 1);
- c) *if held as of the close of trading on September 11, 2008*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase (as shown on Exhibit 1).<sup>1</sup>

**E. Recognized Losses for Lehman Common Stock Purchased/Acquired in the June 9, 2008 Secondary Offering**

For Lehman common stock purchased/acquired in the Secondary Offering, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is \$28 per share (*i.e.*, the offering price per share) *minus* the sale price per share;
- b) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is \$28 per share (*i.e.*, the offering price per share) *minus* the greater of (i) the sale price per share or (ii) \$0.06 per share (*i.e.*, the closing price per share on October 28, 2008);
- c) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is \$28 per share (*i.e.*, the offering price per share) *minus* \$0.06 per share (*i.e.*, the closing price per share on October 28, 2008).

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

For Lehman Preferred Stock listed on Exhibit 2, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

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<sup>1</sup> Due to the impact of Lehman's bankruptcy on Lehman's common stock price, the 90-day look-back period under the Private Securities Litigation Reform Act of 1995 is not being utilized as an offset.

- 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 price per share (not to exceed the respective issue price per share as shown on Exhibit 2) minus the sale price per share;*
- c) *if sold after October 28, 2008, the Recognized Loss or Recognized Gain is the purchase price per share (not to exceed the respective issue price per share as shown on Exhibit 2) minus the greater of (i) the sale price per share or (ii) the respective closing price per share on October 28, 2008 as shown on Exhibit 2;*
- d) *if still held as of the date the Claim Form is filed, the Recognized Loss or Recognized Gain is the purchase price per share (not to exceed the respective issue price per share as shown on Exhibit 2) minus the respective closing price per share on October 28, 2008 as shown on Exhibit 2.*

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

For Lehman Senior Unsecured Notes and Subordinated Notes listed on Exhibit 3, 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 price per note (not to exceed the respective issue price per note as shown on Exhibit 3) minus the sale price per note;*
- c) *if sold after October 28, 2008, the Recognized Loss or Recognized Gain is the purchase price per note (not to exceed the respective issue price per note as shown on Exhibit 3) minus the greater of (i) the sale price per note or (ii) the respective closing price per note on October 28, 2008 as shown on Exhibit 3;*
- d) *if still held as of the date the Claim Form is filed, the Recognized Loss or Recognized Gain is the purchase price per note (not to exceed the respective issue price per note as shown on Exhibit 3) minus the closing price per note on October 28, 2008 as shown on Exhibit 3.*

**H. Recognized Losses for Exchange-traded Options on Lehman Common Stock**

Exchange-traded options are typically traded in units called contracts. Each contract entitles the option buyer/owner to 100 shares of the underlying stock upon exercise or expiration. For options, a unit is an option with one hundred shares of Lehman common stock as the underlying security.



An Authorized Claimant will be entitled to a recovery relating to such transactions in exchange-traded call options on Lehman common stock only if the initial option transaction was either purchasing or acquiring a call option or selling or writing a put option.

For purposes of the D&O Plan of Allocation, no damages are being attributed to Lehman common stock sold before June 9, 2008. Accordingly, Authorized Claimants who purchased exchange-traded call options or sold put options that expired before June 9, 2008 will likewise receive no compensation from the D&O Net Settlement Fund with respect to those particular transactions.

Inflation/Deflation per option in the prices of call/put options on Lehman common stock is calculated based on the Black-Scholes option pricing model and the estimated inflation per share in Lehman common stock as identified on Exhibit 1.

Exhibit 4 is a table titled "Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock." This table displays the amount of Inflation in the prices of Lehman exchange-traded call options and Deflation in the prices of Lehman exchange-traded put options during the Settlement Class Period that have expiration dates on or after June 9, 2008 as well as the price as of the close of business on September 12, 2008 for each option.

Lehman common stock traded as the result of the exercise/assignment of an exchange-traded call option shall be treated as a purchase and/or sale of Lehman common stock on the date of exercise of the option. The purchase price paid, or sale price received, for such Lehman common stock shall be the strike price on the option.

Lehman common stock traded as the result of the assignment/exercise of an exchange-traded put option shall be treated as a purchase and/or sale of Lehman common stock on the date of assignment. The purchase price paid, or sale price received, for such Lehman common stock shall be the strike price on the option.

#### **1. Purchase/Acquisition of Exchange-Traded Call Options**

For each purchase/acquisition of Lehman exchange-traded call options (listed on Exhibit 4), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if sold, exercised or expired after June 6, 2008 but on or before September 11, 2008*, the Recognized Loss or Recognized Gain equals the difference between the Inflation per option on the date of purchase and the Inflation per option on the date of sale, exercise or expiration as shown on Exhibit 4;
- c) *if held as of the close of trading on September 11, 2008*, the Recognized Loss or Recognized Gain equals the Inflation per option on the date of purchase as shown on Exhibit 4.

## 2. Sale of Exchange-Traded Put Options

For each sale or writing of Lehman exchange-traded call options (listed on Exhibit 4), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if re-purchased, exercised or expired on or before June 6, 2008, there is no Recognized Loss or Recognized Gain;*
- b) *if re-purchased, exercised or expired after June 6, 2008 but on or before September 11, 2008, the Recognized Loss or Recognized Gain equals the difference between the Deflation per option on the date of sale or writing and the Deflation per option on the date of re-purchase, exercise or expiration as shown on Exhibit 4;*
- c) *if still sold or written as of the close of trading on September 11, 2008, the Recognized Loss or Recognized Gain equals the Deflation per option on the date of sale or writing as shown on Exhibit 4.*

## I. Distribution Amount

The Claims Administrator will determine each Authorized Claimant's share of the D&O Net Settlement Fund. In general, each Authorized Claimant will receive an amount (the "Distribution Amount") determined by multiplying the D&O Net Settlement Fund by a fraction, the numerator of which is the Authorized Claimant's Recognized Claim and the denominator of which is the aggregate Recognized Claims of all Authorized Claimants. The Distribution Amount received by an Authorized Claimant will exceed his, her, or its Recognized Claim only in the unlikely event that the D&O Net Settlement Fund exceeds the aggregate Recognized Claims of all Authorized Claimants.

Payments made pursuant to this D&O 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, the D&O Defendants and their respective counsel or any other Released Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the D&O Plan of Allocation approved by the Court, or further orders of the Court. Named Plaintiffs, the D&O Defendants and their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the D&O Gross Settlement Fund, the D&O Net Settlement Fund, the D&O 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 D&O Gross Settlement Fund, or any losses incurred in connection therewith.

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



The Court has reserved jurisdiction to modify, amend or alter the D&O 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 D&O 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 D&O Net Settlement Fund cash their distribution checks, any balance remaining in the D&O 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 D&O Net Settlement Fund, including costs for fees for such re-distribution. The Claims Administrator may make further re-distributions of balances remaining in the D&O 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 D&O Net Settlement Fund is not cost-effective, the remaining balance of the D&O 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 D&O Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.*

**Exhibit 1**  
**Daily Inflation in Lehman Common Stock**

<b>Start Date</b> <b>(Opening of Trading)</b>	<b>End Date</b> <b>(Close of Trading)</b>	<b>Inflation</b> <b>(\$ Per Share)</b>
June 12, 2007	July 2, 2007	12.08
July 3, 2007	July 31, 2007	12.19
August 1, 2007	August 31, 2007	12.41
September 4, 2007	October 1, 2007	12.77
October 2, 2007	October 31, 2007	12.48
November 1, 2007	November 30, 2007	12.75
December 1, 2007	December 31, 2007	13.10
January 1, 2008	January 31, 2008	12.84
February 1, 2008	February 29, 2008	13.79
March 3, 2008	March 31, 2008	15.08
April 1, 2008	April 30, 2008	15.64
May 1, 2008	June 2, 2008	14.94
June 3, 2008	June 6, 2008	14.68
June 9, 2008	June 9, 2008	12.97
June 10, 2008	June 10, 2008	10.87
June 11, 2008	June 11, 2008	9.00
June 12, 2008	June 12, 2008	7.06
June 13, 2008	June 13, 2008	8.20
June 16, 2008	June 30, 2008	8.73
July 1, 2008	July 31, 2008	9.05
August 1, 2008	September 2, 2008	9.28
September 3, 2008	September 4, 2008	10.37
September 5, 2008	September 5, 2008	10.96
September 8, 2008	September 8, 2008	7.90
September 9, 2008	September 9, 2008	3.06
September 10, 2008	September 10, 2008	2.86
September 11, 2008	September 11, 2008	0.27
September 12, 2008	September 15, 2008	0.00

Exhibit 2  
Lehman Preferred Stock

Security CUSIP	Series	Issue Date	Issue Price	Fixed Coupon	Total Face Value	Closing Price on October 28, 2008
52523J453	P	4/4/2008	\$1,000	7.25%	\$4,000,000,000	\$1.15
52520W317	J	2/12/2008	\$25	7.95%	\$1,897,500,000	\$0.01
52520W218	Q	6/12/2008	\$1,000	8.75%	\$2,000,000,000	\$0.50

**Exhibit 3**  
**Lehman Senior Unsecured Notes and Subordinated Notes**

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52520W515	3/30/2007	Performance Securities with Partial Protection Linked to a Global Index Basket <sup>1</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52517P563	4/10/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates <sup>2</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52520W440	5/31/2007	100% Principal Protection Notes Linked to a Currency Basket <sup>3</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52517P259	6/15/2007	Medium-Term Notes, Series 1	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P215	6/29/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates <sup>2</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P4C2	7/19/2007	6% Notes Due 2012	\$1,000.00	\$998.98	\$120.00 <sup>1</sup>
524508R36	7/19/2007	6.50% Subordinated Notes Due 2017	\$1,000.00	\$998.26	\$60.00
524908R44	7/19/2007	6.875% Subordinated Notes Due 2037	\$1,000.00	\$992.97	\$60.00
524908K25	7/31/2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component <sup>4</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P3H2	7/31/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates <sup>2</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
524508R92	8/1/2007	Partial Principal Protection Notes Linked to a Basket of Global Indices <sup>5</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P4Y4	8/22/2007	Annual Review Notes with Contingent Principal Protection Linked to an Index	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P4T5	8/29/2007	Medium-Term Notes, Series 1	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L889	8/31/2007	100% Principal Protection Notes Linked to a Global Index Basket <sup>6</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L186	8/31/2007	100% Principal Protection Notes Linked to an International Index Basket <sup>7</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52517P5X5	9/26/2007	6.2% Notes Due 2014	\$1,000.00	\$999.16	\$122.50 <sup>1</sup>
52517P5Y3	9/26/2007	7% Notes Due 2027	\$1,000.00	\$998.08	\$125.00 <sup>1</sup>
52522L244	9/28/2007	Performance Securities with Partial Protection Linked to a Global Index Basket <sup>8</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52517P5K3	9/28/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates <sup>2</sup>	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52522L335	10/31/2007	Return Optimization Securities Linked to an Index	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L319	10/31/2007	Return Optimization Securities Linked to an Index	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L293	10/31/2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index <sup>9</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>
52520W341	10/31/2007	Medium-Term Notes, Series 1, 100% Principal Protection Notes Linked to an Asian Currency Basket <sup>10</sup>	\$10.00	\$10.00	\$121 <sup>2</sup>

**Exhibit 3**  
**Lehman Senior Unsecured Notes and Subordinated Notes**

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52520W333	11/30/2007	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$10.00	\$121 <sup>2</sup>
52521L459	11/30/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0AU1	12/5/2007	Medium-Term Notes, Series 1	\$1,000.00	\$1,000.00 <sup>4</sup>	\$120.96 <sup>2</sup>
5252M0AW7	12/7/2007	Medium-Term Notes, Series 1	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
5249R7M6	12/21/2007	6.75% Subordinated Notes Due 2017	\$1,000.00	\$999.26	\$60.00
5252M0AY3	12/28/2007	Medium-Term Notes, Series 1	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L491	12/31/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0B29	1/22/2008	5.625% Notes Due 2013	\$1,000.00	\$995.44	\$111.00 <sup>1</sup>
5252M0BX4	1/30/2008	Medium-Term Notes, Series 1	\$1,000.00 <sup>3</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L525	1/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>
52517P4N8	1/31/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52520W325	1/31/2008	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$10.00	\$121 <sup>2</sup>
52519PFE6	2/5/2008	Lehman Notes, Series D	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L657	2/8/2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500 <sup>®</sup> Financials Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0DN0	2/14/2008	Medium-Term Notes, Series 1	\$100,000.00	\$100,000.00	\$12,096.00 <sup>2</sup>
5252M0DH7	2/20/2008	Principal Protection Notes Linked to MarQuaS Portfolio A (USD) Index	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
5252M0CQ8	2/27/2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
52522L574	2/29/2008	Medium-Term Notes, Series 1	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L566	2/29/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0CZ8	2/29/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 <sup>®</sup> Index	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
		100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates			
52523J612	2/29/2008	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0EH6	3/1/2008	Medium-Term Notes, Series 1	\$1,000.00 <sup>4</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L871	3/1/2008	Beaufort Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR <sup>®</sup> Fund	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L806	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>
52522L798	3/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 <sup>®</sup> Index	\$10.00	\$10.00	\$121 <sup>2</sup>



**Exhibit 3**  
**Lehman Senior Unsecured Notes and Subordinated Notes**

CUSIP	Issue Date	Description	Index	Per Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
525271814	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0FA0	4/21/2008	Medium-Term Notes, Series 1	Medium-Term Notes, Series 1	\$1,000.00 <sup>3</sup>	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
5252M0EY9	4/21/2008	Medium-Term Notes, Series 1	Medium-Term Notes, Series 1	\$1,000.00 <sup>3</sup>	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
52523172	4/23/2008	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0FD4	4/24/2008	6.875% Notes Due 2018	6.875% Notes Due 2018	\$1,000.00	\$996.69	\$126.30 <sup>1</sup>
52519FFM8	4/29/2008	Lehman Notes, Series D	Lehman Notes, Series D	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
5252M0FR3	5/7/2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
5249087M4	5/9/2008	7.50% Subordinated Notes Due 2018	7.50% Subordinated Notes Due 2018	\$1,000.00	\$992.79	\$60.00
52521206	5/15/2008	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0F15	5/19/2008	Medium-Term Notes, Series 1	Medium-Term Notes, Series 1	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
525231230	5/20/2008	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	\$10.00	\$10.00	\$121 <sup>2</sup>
5252M0GM3	6/13/2008	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
5252M0GN1	6/26/2008	Medium-Term Notes, Series 1	Medium-Term Notes, Series 1	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
525231248	6/30/2008	100% Principal Protection Absolute Return Barrier Notes	100% Principal Protection Absolute Return Barrier Notes	\$10.00	\$10.00	\$121 <sup>2</sup>
525231255	6/30/2008	100% Principal Protection Absolute Return Barrier Notes	100% Principal Protection Absolute Return Barrier Notes	\$10.00	\$10.00	\$121 <sup>2</sup>

1 Actual Closing Price Per Note on October 28, 2008

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

3 Issue Price based on information from Bloomberg only because Issue Price information not available in Securities and Exchange Commission ("SEC") filings.

4 Issue Price assumed to be \$1,000 because no information available on Bloomberg or in SEC filings.

5 Issue date information unavailable for these securities. Per Amount assumed to be \$1,000 per note.

\*Notes identified as having full or partial principal protection in documents filed in conjunction with the offerings.

Exhibit 4  
Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock  
Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\*

Call/Put	Exercise Price	On or Before	6/6/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	2.50	6/21/2008	595.23	424.23	213.72	27.56	-167.38	-53.18	0.00							
Call	3.00	6/21/2008	593.60	421.20	205.07	27.24	-167.16	-53.15	0.00							
Call	3.50	6/21/2008	587.36	418.29	209.98	25.93	-165.61	-52.88	0.00							
Call	10.00	6/21/2008	573.89	407.84	203.61	23.63	-161.50	-52.01	0.00							
Call	12.50	6/21/2008	553.86	392.23	194.37	20.92	-154.51	-50.37	0.00							
Call	15.00	6/21/2008	539.24	396.80	198.61	25.63	-148.36	-48.95	0.00							
Call	17.50	6/21/2008	535.89	376.86	188.74	18.84	-141.29	-48.26	0.00							
Call	20.00	6/21/2008	519.82	363.74	174.05	11.11	-128.90	-45.58	0.00							
Call	21.00	6/21/2008	485.60	338.05	156.79	2.02	-109.97	-41.06	0.00							
Call	22.50	6/21/2008	419.12	280.05	119.50	-2.22	-94.49	-36.78	0.00							
Call	24.00	6/21/2008	347.44	219.50	84.14	-7.61	-69.68	-28.86	0.00							
Call	26.00	6/21/2008	310.06	188.61	68.73	-8.36	-55.96	-23.83	0.00							
Call	27.00	6/21/2008	275.42	160.91	57.68	-7.35	-42.70	-18.52	0.00							
Call	29.00	6/21/2008	237.93	131.47	45.59	-3.16	-31.03	-13.68	0.00							
Call	30.00	6/21/2008	200.81	102.93	34.15	-1.79	-22.11	-9.24	0.00							
Call	31.00	6/21/2008	165.66	76.99	23.51	-2.74	-5.95	-4.03	0.00							
Call	33.00	6/21/2008	138.14	58.68	18.08	-1.85	-4.00	-2.75	0.00							
Call	34.00	6/21/2008	113.79	43.65	13.90	-1.24	-2.70	-1.38	0.00							
Call	35.00	6/21/2008	91.57	30.67	9.79	-0.75	-1.57	-1.15	0.00							
Call	36.00	6/21/2008	70.77	18.70	3.92	-0.22	-0.35	-0.28	0.00							
Call	37.00	6/21/2008	58.02	14.32	2.91	-0.14	-0.23	-0.19	0.00							
Call	38.00	6/21/2008	56.45	20.35	5.03	-0.25	-0.62	-0.44	0.00							
Call	39.00	6/21/2008	43.15	13.99	3.20	-0.13	-0.31	-0.23	0.00							
Call	40.00	6/21/2008	32.65	9.44	1.99	-0.07	-0.15	-0.11	0.00							
Call	41.00	6/21/2008	24.98	6.40	1.27	-0.04	-0.08	-0.06	0.00							
Call	42.00	6/21/2008	19.58	4.64	0.86	-0.02	-0.04	-0.03	0.00							
Call	43.00	6/21/2008	13.86	2.79	0.46	-0.01	-0.02	-0.01	0.00							
Call	44.00	6/21/2008	12.37	2.48	0.42	-0.01	-0.02	-0.01	0.00							
Call	45.00	6/21/2008	9.60	1.74	0.28	0.00	-0.01	-0.01	0.00							
Call	46.00	6/21/2008	6.83	1.66	0.15	0.00	0.00	0.00	0.00							
Call	47.00	6/21/2008	2.50	0.21	0.02	0.00	0.00	0.00	0.00							
Call	48.00	6/21/2008	1.04	0.05	0.00	0.00	0.00	0.00	0.00							
Call	49.00	6/21/2008	0.04	0.00	0.00	0.00	0.00	0.00	0.00							
Call	50.00	6/21/2008	0.01	0.00	0.00	0.00	0.00	0.00	0.00							
Call	2.50	7/19/2008	595.27	424.25	213.74	27.57	-167.39	-53.18	0.00							
Call	3.00	7/19/2008	592.74	422.21	212.43	27.06	-166.48	-52.98	0.00							
Call	3.50	7/19/2008	577.78	410.63	205.78	25.38	-160.96	-51.55	0.00							
Call	10.00	7/19/2008	573.55	408.03	205.84	28.34	-156.73	-50.82	0.00							
Call	12.50	7/19/2008	572.22	409.18	204.95	25.99	-151.37	-49.61	0.00							
Call	15.00	7/19/2008	557.95	398.12	198.61	22.56	-144.33	-47.89	0.00							
Call	17.50	7/19/2008	537.54	382.23	188.03	18.21	-135.40	-45.63	0.00							
Call	20.00	7/19/2008	502.60	352.70	169.85	12.25	-123.73	-42.54	0.00							
Call	21.00	7/19/2008	460.33	317.92	147.73	6.28	-109.03	-41.02	0.00							
Call	22.50	7/19/2008														

\*Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.

**Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock**  
**Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\***

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	9/2/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	24.00	7/19/2008		404.18	271.05	119.69	2.92	-96.73	-35.15	0.00							
Call	25.00	7/19/2008					0.40	-91.35	-32.82	0.00							
Call	26.00	7/19/2008		351.46	227.57	95.19	-1.74	-83.60	-30.37	0.00							
Call	27.00	7/19/2008		323.01	204.57	82.80	-4.32	-75.40	-27.45	0.00							
Call	28.00	7/19/2008		295.56	182.87	72.30	-6.07	-67.16	-24.81	0.00							
Call	29.00	7/19/2008		267.15	160.61	61.77	-6.16	-58.29	-21.60	0.00							
Call	30.00	7/19/2008		240.04	140.01	52.58	-6.75	-50.29	-18.65	0.00							
Call	31.00	7/19/2008		213.80	120.53	44.64	-6.36	-42.56	-15.31	0.00							
Call	32.00	7/19/2008		188.16	101.92	37.53	-5.79	-35.11	-12.70	0.00							
Call	33.00	7/19/2008		165.52	86.44	31.78	-5.74	-28.43	-10.29	0.00							
Call	34.00	7/19/2008		143.58	72.08	26.68	-3.38	-22.99	-8.15	0.00							
Call	35.00	7/19/2008		124.27	59.75	22.13	-2.37	-18.24	-6.37	0.00							
Call	36.00	7/19/2008		106.61	49.46	18.62	-1.32	-11.01	-4.68	0.00							
Call	37.00	7/19/2008		90.83	40.51	15.50	-0.12	-10.01	-3.52	0.00							
Call	38.00	7/19/2008		76.23	32.57	12.73	0.21	-8.52	-2.69	0.00							
Call	39.00	7/19/2008		63.11	26.02	10.19	0.74	-6.85	-1.94	0.00							
Call	40.00	7/19/2008		50.57	18.70	6.03	0.25	-5.44	-1.75	0.00							
Call	41.00	7/19/2008		41.13	14.54	4.59	-1.67	-6.44	-3.33	0.00							
Call	42.00	7/19/2008		34.41	12.32	3.60	-1.47	-5.92	-3.05	0.00							
Call	43.00	7/19/2008		29.40	11.27	4.01	-1.34	-5.73	-2.91	0.00							
Call	44.00	7/19/2008		24.63	9.84	3.50	-0.58	-1.39	-6.85	0.00							
Call	45.00	7/19/2008		18.32	6.17	1.54	-0.22	-0.43	-0.29	0.00							
Call	46.00	7/19/2008		17.90	7.44	3.18	-0.43	-1.11	-0.66	0.00							
Call	47.00	7/19/2008		11.90	3.95	0.95	-0.13	-0.24	-0.17	0.00							
Call	48.00	7/19/2008		9.78	3.14	0.74	-0.10	-0.18	-0.13	0.00							
Call	49.00	7/19/2008		6.63	1.92	0.43	-0.05	-0.09	-0.07	0.00							
Call	50.00	7/19/2008		1.62	0.35	0.06	-0.01	-0.01	-0.01	0.00							
Call	51.00	7/19/2008		0.18	0.02	0.00	0.00	0.00	0.00	0.00							
Call	52.00	7/19/2008		0.15	0.02	0.00	0.00	0.00	0.00	0.00							
Call	53.00	7/19/2008		0.10	0.01	0.00	0.00	0.00	0.00	0.00							
Call	54.00	7/19/2008															
Call	55.00	7/19/2008															
Call	56.00	7/19/2008															
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Call	67.00	7/19/2008															
Call	68.00	7/19/2008															
Call	69.00	7/19/2008															
Call	70.00	7/19/2008															
Call	71.00	7/19/2008															
Call	72.00	7/19/2008															
Call	73.00	7/19/2008															
Call	74.00	7/19/2008															
Call	75.00	7/19/2008															
Call	76.00	7/19/2008															
Call	77.00	7/19/2008															
Call	78.00	7/19/2008															
Call	79.00	7/19/2008															
Call	80.00	7/19/2008															
Call	81.00	7/19/2008															
Call	82.00	7/19/2008															
Call	83.00	7/19/2008															
Call	84.00	7/19/2008															
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Call	92.00	7/19/2008															
Call	93.00	7/19/2008															
Call	94.00	7/19/2008															
Call	95.00	7/19/2008															
Call	96.00	7/19/2008															
Call	97.00	7/19/2008															
Call	98.00	7/19/2008															
Call	99.00	7/19/2008															
Call	100.00	7/19/2008															

\*Blank on any date or in any time period reflects that the Option did not exist on that date or in that time period.

Exhibit 4  
Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock  
Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\*

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	19.00	9/20/2008	1598.43	1428.39	1215.37	1034.60	861.68	954.76	1007.57	1030.28	1010.25	92.45	1092.22	45.85	0.07	0.00	0.00	2.00
Call	20.00	9/20/2008							64.94	76.81	65.32	65.32	78.11	33.64	0.04	0.01	0.00	2.00
Call	21.00	9/20/2008							28.24	37.29	28.82	28.82	38.22	6.41	0.00	0.00	0.00	1.50
Call	22.00	9/20/2008							16.87	23.61	17.47	17.47	24.25	3.24	0.00	0.00	0.00	1.50
Call	23.00	9/20/2008							7.06	12.64	7.56	10.77	10.77	0.87	0.00	0.00	0.00	0.00
Call	24.00	9/20/2008							4.71	7.53	4.39	6.43	6.43	0.50	0.00	0.00	0.00	0.00
Call	25.00	9/20/2008							4.97	8.03	7.10	8.54	8.54	0.00	0.00	0.00	0.00	0.00
Call	30.00	9/20/2008							0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	35.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	40.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	45.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	50.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	55.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	60.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	65.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	70.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	75.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	80.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	85.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	90.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	95.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	100.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	105.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	110.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	115.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	120.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	125.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	130.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	135.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	140.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	145.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	150.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	155.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	160.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	165.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	170.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	175.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	180.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	185.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	190.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	195.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	200.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	205.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	210.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	215.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	220.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	225.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	230.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	235.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	240.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	245.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	250.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	255.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	260.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	265.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	270.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	275.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	280.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	285.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	290.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	295.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	300.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	305.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	310.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	315.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	320.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	325.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	330.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	335.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	340.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	345.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	350.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	355.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	360.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	365.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	370.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	375.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	380.00	9/20/2008							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	385.00	9/20/2008							0.00									



**Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock**  
**Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\***

Strike Price	Expiration	On or Before 6/6/08	6/6/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	9/3/08	9/4/08	9/5/08	9/8/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	6/6/08	76.69	39.43	15.18	0.83	-11.16	-5.49	0.07	0.12	0.06	0.09	0.01	0.00	0.00	0.00
Call	6/6/08	69.99	35.74	14.38	0.95	-9.52	-1.97	0.06	0.11	0.05	0.08	0.01	0.00	0.00	0.00
Call	6/6/08	62.49	31.25	12.51	0.79	-8.41	-1.84	0.05	0.09	0.05	0.07	0.01	0.00	0.00	0.00
Call	6/6/08	55.88	27.50	11.06	0.90	-7.21	-1.21	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00
Call	6/6/08	50.34	24.98	10.18	1.24	-6.18	-0.89	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00
Call	6/6/08	45.13	22.14	9.33	1.07	-5.46	-1.06	0.04	0.08	0.04	0.06	0.00	0.00	0.00	0.00
Call	6/6/08	41.92	10.79	3.82	-0.79	-3.58	-1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	38.12	5.83	1.51	-0.64	-3.30	-1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	34.60	2.38	0.43	-0.51	-2.85	-1.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	31.44	2.14	0.63	-0.10	-0.28	-0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	28.60	2.94	0.93	-0.13	-0.44	-0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	25.90	0.47	0.15	0.04	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	23.40	0.32	0.10	0.02	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	6/6/08	21.00	1.56635	1.18893	1.00512	813.24	925.89	978.46	1020.35	981.11	1038.82	741.92	276.69	258.22	202.50
Call	6/6/08	18.60	1.49286	1.12446	1.11788	746.40	856.82	906.55	949.66	910.97	967.26	678.94	259.12	222.40	155.00
Call	6/6/08	16.20	1.39704	1.02614	846.59	656.42	764.54	815.80	854.92	818.07	871.27	600.21	208.20	181.53	109.00
Call	6/6/08	13.80	1.28750	919.57	740.46	558.15	662.35	712.29	748.74	714.30	765.54	515.34	162.22	149.74	85.50
Call	6/6/08	11.40	1.15631	797.71	624.51	452.17	552.14	600.52	633.63	602.23	646.55	424.24	127.36	117.21	52.00
Call	6/6/08	9.00	1.02662	673.20	507.23	345.00	440.01	531.96	562.72	531.45	574.33	373.07	108.42	99.63	38.50
Call	6/6/08	6.60	844.30	507.23	345.00	440.01	531.96	562.72	531.45	487.81	526.24	318.69	96.71	88.85	28.50
Call	6/6/08	4.20	734.69	552.09	394.78	244.07	332.18	442.62	469.89	443.79	479.64	306.28	87.21	80.25	21.00
Call	6/6/08	1.80	612.07	439.25	292.28	154.76	237.10	316.30	372.31	371.36	410.26	258.75	74.02	64.06	15.50
Call	6/6/08	22.00	502.28	341.13	203.87	82.84	203.29	243.35	280.95	243.98	286.67	165.35	47.46	43.66	11.00
Call	6/6/08	20.00	408.11	260.26	138.23	30.47	97.15	131.42	141.98	131.85	145.43	91.60	33.02	30.62	9.50
Call	6/6/08	18.00	344.75	208.61	97.97	2.60	67.48	93.46	100.99	93.64	103.75	66.17	22.15	20.50	6.00
Call	6/6/08	16.00	316.89	186.83	81.94	-7.09	49.13	78.37	84.72	78.49	87.07	56.18	19.15	17.97	4.00
Call	6/6/08	14.00	291.96	168.13	69.16	-14.16	35.92	64.46	71.74	66.59	71.83	48.88	18.52	17.07	3.50
Call	6/6/08	12.00	271.36	153.99	60.67	-17.53	32.09	57.90	62.29	57.83	64.16	43.72	17.94	16.39	3.00
Call	6/6/08	10.00	246.71	135.63	48.69	-33.20	21.10	47.24	50.99	47.30	52.53	36.37	15.21	14.03	2.50
Call	6/6/08	8.00	225.35	120.38	38.83	-27.42	15.62	38.00	40.96	37.98	42.26	29.07	12.12	11.00	2.00
Call	6/6/08	6.00	206.41	108.32	32.37	-28.68	11.18	31.87	34.32	31.99	35.56	23.04	11.43	11.39	1.50
Call	6/6/08	4.00	178.86	86.80	16.46	-39.77	-2.85	16.19	18.12	16.03	18.99	10.81	0.10	0.07	1.00
Call	6/6/08	2.00	165.27	80.46	15.66	-37.11	-4.12	13.45	15.00	13.08	15.86	9.30	0.08	0.06	0.50
Call	6/6/08	0.00	149.71	70.32	10.48	-36.84	-5.48	10.49	11.82	10.46	12.61	7.29	0.03	0.03	0.00
Call	6/6/08	32.00	138.86	65.51	10.75	-32.54	-3.82	10.59	9.94	9.09	10.79	6.76	0.05	0.04	0.00
Call	6/6/08	30.00	126.69	59.16	8.97	-30.76	-4.42	8.69	9.94	9.09	10.79	6.76	0.05	0.04	0.00
Call	6/6/08	28.00	112.41	50.46	5.03	-30.87	-6.98	4.77	5.94	4.71	5.83	1.59	0.00	0.00	0.00
Call	6/6/08	26.00	107.30	50.29	5.94	-23.66	-1.75	4.77	5.92	4.86	5.81	6.27	0.05	0.04	0.00

\*Returns on any date or in any time period reflects that the Option did not exist on that date or in that time period.



## Exhibit A

[illegible]

\*Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.

Exhibit 4  
Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock  
Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\*

Call/Put	Exercise Price	On or Before Expiration	6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	9/2/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	25.00	1/16/2010	775.36	643.71	490.23	359.89	233.99	309.67	346.62	366.20	347.81	374.18	256.37	90.19	83.03	7.82
Call	30.00	1/16/2010	624.70	506.24	371.70	259.59	151.51	216.54	248.39	263.29	269.60	269.42	187.94	70.44	64.82	4.88
Call	35.00	1/16/2010	502.00	397.19	283.21	189.38	100.13	156.49	181.10	191.59	182.16	196.94	141.81	60.06	55.17	6.41
Call	40.00	1/16/2010	389.95	298.73	204.57	128.41	55.41	100.42	122.11	129.53	123.34	133.69	100.46	44.38	40.15	3.30
Call	45.00	1/16/2010	308.74	230.97	155.12	93.79	36.08	72.81	90.39	95.66	91.61	99.10	77.95	38.82	35.28	3.75
Call	50.00	1/16/2010	243.31	177.32	117.16	69.90	23.12	52.33	65.91	69.56	66.99	72.07	57.76	32.02	29.04	4.76
Call	55.00	1/16/2010	189.36	124.85	88.54	51.18	15.42	38.46	48.89	51.31	49.80	55.53	45.72	28.57	26.12	4.91
Call	60.00	1/16/2010	144.74	99.87	63.86	35.14	7.49	25.60	34.11	35.70	34.79	37.90	31.76	20.11	17.74	0.86
Call	65.00	1/16/2010	114.29	77.76	49.65	28.64	7.91	21.45	28.10	29.24	28.49	30.53	26.43	18.43	16.19	0.78
Call	70.00	1/16/2010	105.10	75.48	53.63	33.90	20.70	32.22	37.15	38.38	37.36	39.68	33.49	14.48	12.81	0.59
Call	75.00	1/16/2010	70.63	46.78	30.65	19.12	7.30	15.48	18.88	19.87	19.17	20.81	16.52	13.77	12.22	0.57
Call	80.00	1/16/2010	54.51	35.97	22.97	12.45	3.20	10.50	13.43	14.10	13.41	14.62	11.91	10.29	8.73	0.37
Call	90.00	1/16/2010	40.76	29.22	21.92	15.57	8.78	12.96	14.60	15.17	14.59	15.64	11.14	8.03	7.09	0.30
Call	100.00	1/16/2010	22.92	16.01	10.92	6.04	1.16	4.13	5.52	6.29	5.52	6.38	2.67	0.08	0.06	0.00
Put	15.00	6/21/2008	8.29	8.29	8.29	8.29	-13.91	-2.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50
Put	17.50	6/21/2008	52.73	43.95	29.96	13.83	-21.99	-4.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	20.00	6/21/2008	76.79	63.69	41.24	20.72	-35.37	-6.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	21.00	6/21/2008	110.33	89.92	62.75	26.23	-56.96	-11.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	22.50	6/21/2008	171.38	140.96	93.62	29.94	-86.82	-9.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	25.00	6/21/2008	228.96	187.21	113.08	26.69	-124.77	-29.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	28.00	6/21/2008	278.20	229.62	138.98	31.45	-127.18	-34.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	29.00	6/21/2008	317.64	261.36	152.82	11.22	-180.34	-40.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	30.00	6/21/2008	353.68	289.23	162.17	28.37	-152.68	-47.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	31.00	6/21/2008	394.73	321.43	176.59	31.95	-149.60	-43.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	32.00	6/21/2008	427.75	345.14	183.03	30.84	-157.43	-47.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	33.00	6/21/2008	455.34	363.34	188.60	29.97	-160.01	-48.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	34.00	6/21/2008	482.10	380.16	193.32	28.31	-161.97	-49.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	35.00	6/21/2008	503.52	392.17	194.91	28.93	-162.41	-50.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	36.00	6/21/2008	520.29	380.72	197.49	28.59	-163.32	-50.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	37.00	6/21/2008	522.01	392.83	201.27	28.28	-164.67	-51.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	38.00	6/21/2008	538.55	401.33	204.02	28.06	-165.52	-52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	39.00	6/21/2008	548.90	405.28	204.20	27.97	-165.49	-52.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	40.00	6/21/2008	565.22	411.06	204.55	27.88	-165.47	-52.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	41.00	6/21/2008	567.96	410.02	202.08	27.80	-164.60	-51.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	42.00	6/21/2008	586.28	423.07	213.60	27.57	-167.38	-53.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	43.00	6/21/2008	579.31	413.49	203.51	27.65	-165.02	-51.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	44.00	6/21/2008	583.00	414.03	203.63	27.58	-165.01	-51.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	45.00	6/21/2008	592.11	423.99	213.71	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	46.00	6/21/2008	594.59	424.22	213.73	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	47.00	6/21/2008	594.73	424.23	213.73	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	48.00	6/21/2008	594.92	424.24	213.74	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	49.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	50.00	6/21/2008	595.06	424.24	213.74	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Put	55.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\*Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.

Exhibit 4  
Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock  
Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\*

Call/Put	Exercise Price	On or Before Expiration	6/5/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	6/17/08	6/18/08	6/19/08	6/20/08	6/21/08	6/22/08	6/23/08	6/24/08	6/25/08	6/26/08	6/27/08	6/28/08	6/29/08	6/30/08	7/1/08	7/2/08	7/3/08	7/4/08	7/5/08	7/6/08	7/7/08	7/8/08	7/9/08	7/10/08	7/11/08	7/12/08	7/13/08	7/14/08	7/15/08	7/16/08	7/17/08	7/18/08	7/19/08	7/20/08	7/21/08	7/22/08	7/23/08	7/24/08	7/25/08	7/26/08	7/27/08	7/28/08	7/29/08	7/30/08	7/31/08	8/1/08	8/2/08	8/3/08	8/4/08	8/5/08	8/6/08	8/7/08	8/8/08	8/9/08	8/10/08	8/11/08	8/12/08	8/13/08	8/14/08	8/15/08	8/16/08	8/17/08	8/18/08	8/19/08	8/20/08	8/21/08	8/22/08	8/23/08	8/24/08	8/25/08	8/26/08	8/27/08	8/28/08	8/29/08	8/30/08	8/31/08	9/1/08	9/2/08	9/3/08	9/4/08	9/5/08	9/6/08	9/7/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08	9/13/08	9/14/08	9/15/08	9/16/08	9/17/08	9/18/08	9/19/08	9/20/08	9/21/08	9/22/08	9/23/08	9/24/08	9/25/08	9/26/08	9/27/08	9/28/08	9/29/08	9/30/08	10/1/08	10/2/08	10/3/08	10/4/08	10/5/08	10/6/08	10/7/08	10/8/08	10/9/08	10/10/08	10/11/08	10/12/08	10/13/08	10/14/08	10/15/08	10/16/08	10/17/08	10/18/08	10/19/08	10/20/08	10/21/08	10/22/08	10/23/08	10/24/08	10/25/08	10/26/08	10/27/08	10/28/08	10/29/08	10/30/08	10/31/08	11/1/08	11/2/08	11/3/08	11/4/08	11/5/08	11/6/08	11/7/08	11/8/08	11/9/08	11/10/08	11/11/08	11/12/08	11/13/08	11/14/08	11/15/08	11/16/08	11/17/08	11/18/08	11/19/08	11/20/08	11/21/08	11/22/08	11/23/08	11/24/08	11/25/08	11/26/08	11/27/08	11/28/08	11/29/08	11/30/08	12/1/08	12/2/08	12/3/08	12/4/08	12/5/08	12/6/08	12/7/08	12/8/08	12/9/08	12/10/08	12/11/08	12/12/08	12/13/08	12/14/08	12/15/08	12/16/08	12/17/08	12/18/08	12/19/08	12/20/08	12/21/08	12/22/08	12/23/08	12/24/08	12/25/08	12/26/08	12/27/08	12/28/08	12/29/08	12/30/08	12/31/08	1/1/09	1/2/09	1/3/09	1/4/09	1/5/09	1/6/09	1/7/09	1/8/09	1/9/09	1/10/09	1/11/09	1/12/09	1/13/09	1/14/09	1/15/09	1/16/09	1/17/09	1/18/09	1/19/09	1/20/09	1/21/09	1/22/09	1/23/09	1/24/09	1/25/09	1/26/09	1/27/09	1/28/09	1/29/09	1/30/09	1/31/09	2/1/09	2/2/09	2/3/09	2/4/09	2/5/09	2/6/09	2/7/09	2/8/09	2/9/09	2/10/09	2/11/09	2/12/09	2/13/09	2/14/09	2/15/09	2/16/09	2/17/09	2/18/09	2/19/09	2/20/09	2/21/09	2/22/09	2/23/09	2/24/09	2/25/09	2/26/09	2/27/09	2/28/09	2/29/09	2/28/09	2/27/09	2/26/09	2/25/09	2/24/09	2/23/09	2/22/09	2/21/09	2/20/09	2/19/09	2/18/09	2/17/09	2/16/09	2/15/09	2/14/09	2/13/09	2/12/09	2/11/09	2/10/09	2/9/09	2/8/09	2/7/09	2/6/09	2/5/09	2/4/09	2/3/09	2/2/09	2/1/09	1/31/08	1/30/08	1/29/08	1/28/08	1/27/08	1/26/08	1/25/08	1/24/08	1/23/08	1/22/08	1/21/08	1/20/08	1/19/08	1/18/08	1/17/08	1/16/08	1/15/08	1/14/08	1/13/08	1/12/08	1/11/08	1/10/08	1/9/08	1/8/08	1/7/08	1/6/08	1/5/08	1/4/08	1/3/08	1/2/08	1/1/08	12/31/07	12/30/07	12/29/07	12/28/07	12/27/07	12/26/07	12/25/07	12/24/07	12/23/07	12/22/07	12/21/07	12/20/07	12/19/07	12/18/07	12/17/07	12/16/07	12/15/07	12/14/07	12/13/07	12/12/07	12/11/07	12/10/07	12/9/07	12/8/07	12/7/07	12/6/07	12/5/07	12/4/07	12/3/07	12/2/07	12/1/07	11/30/07	11/29/07	11/28/07	11/27/07	11/26/07	11/25/07	11/24/07	11/23/07	11/22/07	11/21/07	11/20/07	11/19/07	11/18/07	11/17/07	11/16/07	11/15/07	11/14/07	11/13/07	11/12/07	11/11/07	11/10/07	11/9/07	11/8/07	11/7/07	11/6/07	11/5/07	11/4/07	11/3/07	11/2/07	11/1/07	10/31/07	10/30/07	10/29/07	10/28/07	10/27/07	10/26/07	10/25/07	10/24/07	10/23/07	10/22/07	10/21/07	10/20/07	10/19/07	10/18/07	10/17/07	10/16/07	10/15/07	10/14/07	10/13/07	10/12/07	10/11/07	10/10/07	10/9/07	10/8/07	10/7/07	10/6/07	10/5/07	10/4/07	10/3/07	10/2/07	10/1/07	9/30/07	9/29/07	9/28/07	9/27/07	9/26/07	9/25/07	9/24/07	9/23/07	9/22/07	9/21/07	9/20/07	9/19/07	9/18/07	9/17/07	9/16/07	9/15/07	9/14/07	9/13/07	9/12/07	9/11/07	9/10/07	9/9/07	9/8/07	9/7/07	9/6/07	9/5/07	9/4/07	9/3/07	9/2/07	9/1/07	8/31/07	8/30/07	8/29/07	8/28/07	8/27/07	8/26/07	8/25/07	8/24/07	8/23/07	8/22/07	8/21/07	8/20/07	8/19/07	8/18/07	8/17/07	8/16/07	8/15/07	8/14/07	8/13/07	8/12/07	8/11/07	8/10/07	8/9/07	8/8/07	8/7/07	8/6/07	8/5/07	8/4/07	8/3/07	8/2/07	8/1/07	7/31/07	7/30/07	7/29/07	7/28/07	7/27/07	7/26/07	7/25/07	7/24/07	7/23/07	7/22/07	7/21/07	7/20/07	7/19/07	7/18/07	7/17/07	7/16/07	7/15/07	7/14/07	7/13/07	7/12/07	7/11/07	7/10/07	7/9/07	7/8/07	7/7/07	7/6/07	7/5/07	7/4/07	7/3/07	7/2/07	7/1/07	6/30/07	6/29/07	6/28/07	6/27/07	6/26/07	6/25/07	6/24/07	6/23/07	6/22/07	6/21/07	6/20/07	6/19/07	6/18/07	6/17/07	6/16/07	6/15/07	6/14/07	6/13/07	6/12/07	6/11/07	6/10/07	6/9/07	6/8/07	6/7/07	6/6/07	6/5/07	6/4/07	6/3/07	6/2/07	6/1/07	5/31/07	5/30/07	5/29/07	5/28/07	5/27/07	5/26/07	5/25/07	5/24/07	5/23/07	5/22/07	5/21/07	5/20/07	5/19/07	5/18/07	5/17/07	5/16/07	5/15/07	5/14/07	5/13/07	5/12/07	5/11/07	5/10/07	5/9/07	5/8/07	5/7/07	5/6/07	5/5/07	5/4/07	5/3/07	5/2/07	5/1/07	4/30/07	4/29/07	4/28/07	4/27/07	4/26/07	4/25/07	4/24/07	4/23/07	4/22/07	4/21/07	4/20/07	4/19/07	4/18/07	4/17/07	4/16/07	4/15/07	4/14/07	4/13/07	4/12/07	4/11/07	4/10/07	4/9/07	4/8/07	4/7/07	4/6/07	4/5/07	4/4/07	4/3/07	4/2/07	4/1/07	3/31/07	3/30/07	3/29/07	3/28/07	3/27/07	3/26/07	3/25/07	3/24/07	3/23/07	3/22/07	3/21/07	3/20/07	3/19/07	3/18/07	3/17/07	3/16/07	3/15/07	3/14/07	3/13/07	3/12/07	3/11/07	3/10/07	3/9/07	3/8/07	3/7/07	3/6/07	3/5/07	3/4/07	3/3/07	3/2/07	3/1/07	2/28/07	2/27/07	2/26/07	2/25/07	2/24/07	2/23/07	2/22/07	2/21/07	2/20/07	2/19/07	2/18/07	2/17/07	2/16/07	2/15/07	2/14/07	2/13/07	2/12/07	2/11/07	2/10/07	2/9/07	2/8/07	2/7/07	2/6/07	2/5/07	2/4/07	2/3/07	2/2/07	2/1/07	1/31/07	1/30/07	1/29/07	1/28/07	1/27/07	1/26/07	1/25/07	1/24/07	1/23/07	1/22/07	1/21/07	1/20/07	1/19/07	1/18/07	1/17/07	1/16/07	1/15/07	1/14/07	1/13/07	1/12/07	1/11/07	1/10/07	1/9/07	1/8/07	1/7/07	1/6/07	1/5/07	1/4/07	1/3/07	1/2/07	1/1/07	12/31/06	12/30/06	12/29/06	12/28/06	12/27/06	12/26/06	12/25/06	12/24/06	12/23/06	12/22/06	12/21/06	12/20/06	12/19/06	12/18/06	12/17/06	12/16/06	12/15/06	12/14/06	12/13/06	12/12/06	12/11/06	12/10/06	12/9/06	12/8/06	12/7/06	12/6/06	12/5/06	12/4/06	12/3/06	12/2/06	12/1/06	11/30/06	11/29/06	11/28/06	11/27/06	11/26/06	11/25/06	11/24/06	11/23/06	11/22/06	11/21/06	11/20/06	11/19/06	11/18/06	11/17/06	11/16/06	11/15/06	11/14/06	11/13/06	11/12/06	11/11/06	11/10/06	11/9/06	11/8/06	11/7/06	11/6/06	11/5/06	11/4/06	11/3/06	11/2/06	11/1/06	10/31/06	10/30/06	10/29/06	10/28/06	10/27/06	10/26/06	10/25/06	10/24/06	10/23/06	10/22/06	10/21/06	10/20/06	10/19/06	10/18/06	10/17/06	10/16/06	10/15/06	10/14/06	10/13/06	10/12/06	10/11/06	10/10/06	10/9/06	10/8/06	10/7/06	10/6/06	10/5/06	10/4/06	10/3/06	10/2/06	10/1/06	9/30/06	9/29/06	9/28/06	9/27/06	9/26/06	9/25/06	9/24/06	9/23/06	9/22/06	9/21/06	9/20/06	9/19/06	9/18/06	9/17/06	9/16/06	9/15/06	9/14/06	9/13/06	9/12/06	9/11/06	9/10/06	9/9/06	9/8/06	9/7/06	9/6/06	9/5/06	9/4/06	9/3/06	9/2/06	9/1/06	8/31/06	8/30/06	8/29/06	8/28/06	8/27/06	8/26/06	8/25/06	8/24/06	8/23/06	8/22/06	8/21/06	8/20/06	8/19/06	8/18/06	8/17/06	8/16/06	8/15/06	8/14/06	8/13/06	8/12/06	8/11/06	8/10/06	8/9/06	8/8/06	8/7/06	8/6/06	8/5/06	8/4/06	8/3/06	8/2/06	8/1/06	7/31/06	7/30/06	7/29/06	7/28/06	7/27/06	7/26/06	7/25/06	7/24/06	7/23/06	7/22/06	7/21/06	7/20/06	7/19/06	7/18/06	7/17/06	7/16/06	7/15/06	7/14/06	7/13/06	7/12/06	7/11/06	7/10/06	7/9/06	7/8/06	7/7/06	7/6/06	7/5/06	7/4/06	7/3/06	7/2/06	7/1/06	6/30/06	6/29/06	6/28/06	6/27/06	6/26/06	6/25/06	6/24/06	6/23/06	6/22/06	6/21/06	6/20/06	6/19/06	6/18/06	6/17/06	6/16/06	6/15/06	6/14/06	6/13/06	6/12/06	6/11/06	6/10/06	6/9/06	6/8/06	6/7/06	6/6/06	6/5/06	6/4/06	6/3/06	6/2/06	6/1/06	5/31/06	5/30/06	5/29/06	5/28/06	5/27/06	5/26/06	5/25/06	5/24/06	5/23/06	5/22/06	5/21/06	5/20/06	5/19/06	5/18/06	5/17/06	5/16/06	5/15/06	5/14/06	5/13/06	5/12/06	5/11/06	5/10/06	5/9/06	5/8/06	5/7/06	5/6/06	5/5/06	5/4/06	5/3/06	5/2/06	5/1/06	4/30/06	4/29/06	4/28/06	4/27/06	4/26/06	4/25/06	4/24/06	4/23/06	4/22/06	4/21/06	4/20/06	4/19/06	4/18/06	4/17/06	4/16/06	4/15/06	4/14/06	4/13/06	4/12/06	4/11/06	4/10/06	4/9/06	4/8/06	4/7/06	4/6/06	4/5/06	4/4/06	4/3/06	4/2/06	4/1/06	3/31/06	3/30/06	3/29/06	3/28/06	3/27/06	3/26/06	3/25/06	3/24/06	3/23/06	3/22/06	3/21/06	3/20/06	3/19/06	3/18/06	3/17/06	3/16/06	3/15/06	3/14/06	3/13/06	3/12/06	3/11/06	3/10/06	3/9/06	3/8/06	3/7/06	3/6/06	3/5/06	3/4/06	3/3/06	3/2/06	3/1/06	2/28/06	2/27/06	2/26/06	2/25/06	2/24/06	2/23/06	2/22/06	2/21/06	2/20/06	2/19/06	2/18/06	2/17/06	2/16/06	2/15/06	2/14/06
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**Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock**  
**Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\***

Exercise Price	Expiration	On or Before	6/1/08	6/15/08	6/15/08 to 9/1/08	9/1/08	9/1/08 to 9/15/08	9/15/08 to 9/15/08
Call/Put								
Put	90.00	7/19/2008	578.71	578.71	0.00	7.01	106.98	221
Put	95.00	7/19/2008	578.74	578.74	0.00	7.01	106.98	221
Put	2.50	9/20/2008						156.50
Put	4.00	9/20/2008						215.00
Put	5.00	9/20/2008						289.00
Put	6.00	9/20/2008						410.00
Put	7.50	9/20/2008						547.50
Put	10.00	9/20/2008						640.00
Put	11.00	9/20/2008						737.50
Put	12.00	9/20/2008						835.00
Put	13.00	9/20/2008						933.00
Put	14.00	9/20/2008						1,035.00
Put	15.00	9/20/2008						1,135.00
Put	16.00	9/20/2008						1,235.00
Put	17.00	9/20/2008						1,335.00
Put	18.00	9/20/2008						1,435.00
Put	19.00	9/20/2008						1,535.00
Put	20.00	9/20/2008						1,635.00
Put	21.00	9/20/2008						1,735.00
Put	22.00	9/20/2008						1,835.00
Put	23.00	9/20/2008						1,935.00
Put	24.00	9/20/2008						2,035.00
Put	25.00	9/20/2008						2,135.00
Put	30.00	9/20/2008						3,135.00
Put	35.00	9/20/2008						78.00
Put	2.50	10/18/2008	40.37	38.92	36.85	34.82	32.09	31.62
Put	4.00	10/18/2008	129.15	127.77	125.60	123.33	119.59	122.05
Put	5.00	10/18/2008	255.89	252.82	248.76	244.40	236.28	231.39
Put	6.00	10/18/2008	387.96	382.05	374.03	375.38	360.59	369.77
Put	7.50	10/18/2008	549.75	540.93	528.65	515.31	492.95	506.28
Put	10.00	10/18/2008	703.89	690.81	672.40	652.52	620.27	639.01
Put	12.50	10/18/2008	847.35	829.12	802.86	776.67	730.35	755.47
Put	15.00	10/18/2008	993.36	968.83	932.73	894.23	835.71	868.43
Put	17.50	10/18/2008	1,087.86	1,055.94	1,027.88	956.76	882.24	923.72
Put	20.00	10/18/2008	1,163.60	1,122.89	1,059.86	994.05	901.98	951.46
Put	22.50	10/18/2008						
Put	25.00	10/18/2008						
Put	26.00	10/18/2008						

\* Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.



**Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock**  
**Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\***

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/14/08	6/15/08	6/16/08	6/17/08	6/18/08	6/19/08	6/20/08	6/21/08	6/22/08	6/23/08	6/24/08	6/25/08	6/26/08	6/27/08	6/28/08	6/29/08	6/30/08	6/31/08	7/1/08	7/2/08	7/3/08	7/4/08	7/5/08	7/6/08	7/7/08	7/8/08	7/9/08	7/10/08	7/11/08	7/12/08	7/13/08	7/14/08	7/15/08	7/16/08	7/17/08	7/18/08	7/19/08	7/20/08	7/21/08	7/22/08	7/23/08	7/24/08	7/25/08	7/26/08	7/27/08	7/28/08	7/29/08	7/30/08	7/31/08	8/1/08	8/2/08	8/3/08	8/4/08	8/5/08	8/6/08	8/7/08	8/8/08	8/9/08	8/10/08	8/11/08	8/12/08	8/13/08	8/14/08	8/15/08	8/16/08	8/17/08	8/18/08	8/19/08	8/20/08	8/21/08	8/22/08	8/23/08	8/24/08	8/25/08	8/26/08	8/27/08	8/28/08	8/29/08	8/30/08	8/31/08	9/1/08	9/2/08	9/3/08	9/4/08	9/5/08	9/6/08	9/7/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08	9/13/08	9/14/08	9/15/08	9/16/08	9/17/08	9/18/08	9/19/08	9/20/08	9/21/08	9/22/08	9/23/08	9/24/08	9/25/08	9/26/08	9/27/08	9/28/08	9/29/08	9/30/08	10/1/08	10/2/08	10/3/08	10/4/08	10/5/08	10/6/08	10/7/08	10/8/08	10/9/08	10/10/08	10/11/08	10/12/08	10/13/08	10/14/08	10/15/08	10/16/08	10/17/08	10/18/08	10/19/08	10/20/08	10/21/08	10/22/08	10/23/08	10/24/08	10/25/08	10/26/08	10/27/08	10/28/08	10/29/08	10/30/08	10/31/08	11/1/08	11/2/08	11/3/08	11/4/08	11/5/08	11/6/08	11/7/08	11/8/08	11/9/08	11/10/08	11/11/08	11/12/08	11/13/08	11/14/08	11/15/08	11/16/08	11/17/08	11/18/08	11/19/08	11/20/08	11/21/08	11/22/08	11/23/08	11/24/08	11/25/08	11/26/08	11/27/08	11/28/08	11/29/08	11/30/08	12/1/08	12/2/08	12/3/08	12/4/08	12/5/08	12/6/08	12/7/08	12/8/08	12/9/08	12/10/08	12/11/08	12/12/08	12/13/08	12/14/08	12/15/08	12/16/08	12/17/08	12/18/08	12/19/08	12/20/08	12/21/08	12/22/08	12/23/08	12/24/08	12/25/08	12/26/08	12/27/08	12/28/08	12/29/08	12/30/08	12/31/08																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Call	27.00	10/18/2008	1222.96	1174.19	1097.54	1018.83	912.91	972.95	996.40	1034.24	999.01	1053.61	1061.61	1068.08	1073.33	1078.08	1082.33	1086.08	1089.33	1092.08	1094.33	1096.08	1097.33	1098.08	1098.33	1098.61	1098.83	1099.01	1099.19	1099.33	1099.51	1099.66	1099.83	1099.96	1100.08	1100.21	1100.33	1100.46	1100.58	1100.71	1100.83	1100.96	1101.08	1101.21	1101.33	1101.46	1101.58	1101.71	1101.83	1101.96	1102.08	1102.21	1102.33	1102.46	1102.58	1102.71	1102.83	1102.96	1103.08	1103.21	1103.33	1103.46	1103.58	1103.71	1103.83	1103.96	1104.08	1104.21	1104.33	1104.46	1104.58	1104.71	1104.83	1104.96	1105.08	1105.21	1105.33	1105.46	1105.58	1105.71	1105.83	1105.96	1106.08	1106.21	1106.33	1106.46	1106.58	1106.71	1106.83	1106.96	1107.08	1107.21	1107.33	1107.46	1107.58	1107.71	1107.83	1107.96	1108.08	1108.21	1108.33	1108.46	1108.58	1108.71	1108.83	1108.96	1109.08	1109.21	1109.33	1109.46	1109.58	1109.71	1109.83	1109.96	1110.08	1110.21	1110.33	1110.46	1110.58	1110.71	1110.83	1110.96	1111.08	1111.21	1111.33	1111.46	1111.58	1111.71	1111.83	1111.96	1112.08	1112.21	1112.33	1112.46	1112.58	1112.71	1112.83	1112.96	1113.08	1113.21	1113.33	1113.46	1113.58	1113.71	1113.83	1113.96	1114.08	1114.21	1114.33	1114.46	1114.58	1114.71	1114.83	1114.96	1115.08	1115.21	1115.33	1115.46	1115.58	1115.71	1115.83	1115.96	1116.08	1116.21	1116.33	1116.46	1116.58	1116.71	1116.83	1116.96	1117.08	1117.21	1117.33	1117.46	1117.58	1117.71	1117.83	1117.96	1118.08	1118.21	1118.33	1118.46	1118.58	1118.71	1118.83	1118.96	1119.08	1119.21	1119.33	1119.46	1119.58	1119.71	1119.83	1119.96	1120.08	1120.21	1120.33	1120.46	1120.58	1120.71	1120.83	1120.96	1121.08	1121.21	1121.33	1121.46	1121.58	1121.71	1121.83	1121.96	1122.08	1122.21	1122.33	1122.46	1122.58	1122.71	1122.83	1122.96	1123.08	1123.21	1123.33	1123.46	1123.58	1123.71	1123.83	1123.96	1124.08	1124.21	1124.33	1124.46	1124.58	1124.71	1124.83	1124.96	1125.08	1125.21	1125.33	1125.46	1125.58	1125.71	1125.83	1125.96	1126.08	1126.21	1126.33	1126.46	1126.58	1126.71	1126.83	1126.96	1127.08	1127.21	1127.33	1127.46	1127.58	1127.71	1127.83	1127.96	1128.08	1128.21	1128.33	1128.46	1128.58	1128.71	1128.83	1128.96	1129.08	1129.21	1129.33	1129.46	1129.58	1129.71	1129.83	1129.96	1130.08	1130.21	1130.33	1130.46	1130.58	1130.71	1130.83	1130.96	1131.08	1131.21	1131.33	1131.46	1131.58	1131.71	1131.83	1131.96	1132.08	1132.21	1132.33	1132.46	1132.58	1132.71	1132.83	1132.96	1133.08	1133.21	1133.33	1133.46	1133.58	1133.71	1133.83	1133.96	1134.08	1134.21	1134.33	1134.46	1134.58	1134.71	1134.83	1134.96	1135.08	1135.21	1135.33	1135.46	1135.58	1135.71	1135.83	1135.96	1136.08	1136.21	1136.33	1136.46	1136.58	1136.71	1136.83	1136.96	1137.08	1137.21	1137.33	1137.46	1137.58	1137.71	1137.83	1137.96	1138.08	1138.21	1138.33	1138.46	1138.58	1138.71	1138.83	1138.96	1139.08	1139.21	1139.33	1139.46	1139.58	1139.71	1139.83	1139.96	1140.08	1140.21	1140.33	1140.46	1140.58	1140.71	1140.83	1140.96	1141.08	1141.21	1141.33	1141.46	1141.58	1141.71	1141.83	1141.96	1142.08	1142.21	1142.33	1142.46	1142.58	1142.71	1142.83	1142.96	1143.08	1143.21	1143.33	1143.46	1143.58	1143.71	1143.83	1143.96	1144.08	1144.21	1144.33	1144.46	1144.58	1144.71	1144.83	1144.96	1145.08	1145.21	1145.33	1145.46	1145.58	1145.71	1145.83	1145.96	1146.08	1146.21	1146.33	1146.46	1146.58	1146.71	1146.83	1146.96	1147.08	1147.21	1147.33	1147.46	1147.58	1147.71	1147.83	1147.96	1148.08	1148.21	1148.33	1148.46	1148.58	1148.71	1148.83	1148.96	1149.08	1149.21	1149.33	1149.46	1149.58	1149.71	1149.83	1149.96	1150.08	1150.21	1150.33	1150.46	1150.58	1150.71	1150.83	1150.96	1151.08	1151.21	1151.33	1151.46	1151.58	1151.71	1151.83	1151.96	1152.08	1152.21	1152.33	1152.46	1152.58	1152.71	1152.83	1152.96	1153.08	1153.21	1153.33	1153.46	1153.58	1153.71	1153.83	1153.96	1154.08	1154.21	1154.33	1154.46	1154.58	1154.71	1154.83	1154.96	1155.08	1155.21	1155.33	1155.46	1155.58	1155.71	1155.83	1155.96	1156.08	1156.21	1156.33	1156.46	1156.58	1156.71	1156.83	1156.96	1157.08	1157.21	1157.33	1157.46	1157.58	1157.71	1157.83	1157.96	1158.08	1158.21	1158.33	1158.46	1158.58	1158.71	1158.83	1158.96	1159.08	1159.21	1159.33	1159.46	1159.58	1159.71	1159.83	1159.96	1160.08	1160.21	1160.33	1160.46	1160.58	1160.71	1160.83	1160.96	1161.08	1161.21	1161.33	1161.46	1161.58	1161.71	1161.83	1161.96	1162.08	1162.21	1162.33	1162.46	1162.58	1162.71	1162.83	1162.96	1163.08	1163.21	1163.33	1163.46	1163.58	1163.71	1163.83	1163.96	1164.08	1164.21	1164.33	1164.46	1164.58	1164.71	1164.83	1164.96	1165.08	1165.21	1165.33	1165.46	1165.58	1165.71	1165.83	1165.96	1166.08	1166.21	1166.33	1166.46	1166.58	1166.71	1166.83	1166.96	1167.08	1167.21	1167.33	1167.46	1167.58	1167.71	1167.83	1167.96	1168.08	1168.21	1168.33	1168.46	1168.58	1168.71	1168.83	1168.96	1169.08	1169.21	1169.33	1169.46	1169.58	1169.71	1169.83	1169.96	1170.08	1170.21	1170.33	1170.46	1170.58	1170.71	1170.83	1170.96	1171.08	1171.21	1171.33	1171.46	1171.58	1171.71	1171.83	1171.96	1172.08	1172.21	1172.33	1172.46	1172.58	1172.71	1172.83	1172.96	1173.08	1173.21	1173.33	1173.46	1173.58	1173.71	1173.83	1173.96	1174.08	1174.21	1174.33	1174.46	1174.58	1174.71	1174.83	1174.96	1175.08	1175.21	1175.33	1175.46	1175.58	1175.71	1175.83	1175.96	1176.08	1176.21	1176.33	1176.46	1176.58	1176.71	1176.83	1176.96	1177.08	1177.21	1177.33	1177.46	1177.58	1177.71	1177.83	1177.96	1178.08	1178.21	1178.33	1178.46	1178.58	1178.71	1178.83	1178.96	1179.08	1179.21	1179.33	1179.46	1179.58	1179.71	1179.83	1179.96	1180.08	1180.21	1180.33	1180.46	1180.58	1180.71	1180.83	1180.96	1181.08	1181.21	1181.33	1181.46	1181.58	1181.71	1181.83	1181.96	1182.08	1182.21	1182.33	1182.46	1182.58	1182.71	1182.83	1182.96	1183.08	1183.21	1183.33	1183.46	1183.58	1183.71	1183.83	1183.96	1184.08	1184.21	1184.33	1184.46	1184.58	1184.71	1184.83	1184.96	1185.08	1185.21	1185.33	1185.46	1185.58	1185.71	1185.83	1185.96	1186.08	1186.21	1186.33	1186.46	1186.58	1186.71	1186.83	1186.96	1187.08	1187.21	1187.33	1187.46	1187.58	1187.71	1187.83	1187.96	1188.08	1188.21	1188.33	1188.46	1188.58	1188.71	1188.83	1188.96	1189.08	1189.21	1189.33	1189.46	1189.58	1189.71	1189.83	1189.96	1190.08	1190.21	1190.33	1190.46	1190.58	1190.71	1190.83	1190.96	1191.08	1191.21	1191.33	1191.46	1191.58	1191.71	1191.83	1191.96	1192.08	1192.21	1192.33	1192.46	1192.58	1192.71	1192.83	1192.96	1193.08	1193.21	1193.33	1193.46	1193.58	1193.71	1193.83	1193.96	1194.08	1194.21	1194.33	1194.46	1194.58	1194.71	1194.83	1194.96	1195.08	11



**Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock**  
**Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\***

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	6/19/08	6/20/08	6/23/08	6/24/08	6/25/08	6/26/08	6/27/08	6/28/08	6/29/08	6/30/08	7/1/08	7/2/08	7/3/08	7/4/08	7/5/08	7/6/08	7/7/08	7/8/08	7/9/08	7/10/08	7/11/08	7/12/08 to 9/15/08		
Put	22.50	1/17/2009	990.44	957.46	907.80	856.75	785.06	825.21	840.37	858.27	862.80	872.19	884.18	898.28	912.19	925.19	937.72	949.72	961.19	972.19	982.72	992.80	1002.43	1011.69	1020.58	1029.10	1037.26	1045.06	1052.50	1059.59	1066.24	1072.46	
Put	24.00	1/17/2009	812.25	785.06	735.06	685.06	635.06	585.06	535.06	485.06	435.06	385.06	335.06	285.06	235.06	185.06	135.06	85.06	35.06	-15.06	-65.06	-115.06	-165.06	-215.06	-265.06	-315.06	-365.06	-415.06	-465.06	-515.06	-565.06	-615.06	
Put	25.00	1/17/2009	923.20	896.97	866.97	836.97	806.97	776.97	746.97	716.97	686.97	656.97	626.97	596.97	566.97	536.97	506.97	476.97	446.97	416.97	386.97	356.97	326.97	296.97	266.97	236.97	206.97	176.97	146.97	116.97	86.97	56.97	
Put	26.00	1/17/2009	1030.90	1009.65	986.97	963.97	940.97	917.97	894.97	871.97	848.97	825.97	802.97	779.97	756.97	733.97	710.97	687.97	664.97	641.97	618.97	595.97	572.97	549.97	526.97	503.97	480.97	457.97	434.97	411.97	388.97	365.97	
Put	27.00	1/17/2009	1152.40	1130.94	1109.81	1089.17	1068.46	1047.72	1026.97	1006.22	985.47	964.72	943.97	923.22	902.47	881.72	860.97	840.22	819.47	798.72	777.97	757.22	736.47	715.72	694.97	674.22	653.47	632.72	611.97	591.22	570.47	549.72	
Put	28.00	1/17/2009	1184.95	1163.69	1142.86	1122.46	1102.46	1082.46	1062.46	1042.46	1022.46	1002.46	982.46	962.46	942.46	922.46	902.46	882.46	862.46	842.46	822.46	802.46	782.46	762.46	742.46	722.46	702.46	682.46	662.46	642.46	622.46	602.46	
Put	29.00	1/17/2009	1225.02	1204.84	1185.46	1166.53	1147.53	1128.53	1109.53	1090.53	1071.53	1052.53	1033.53	1014.53	995.53	976.53	957.53	938.53	919.53	900.53	881.53	862.53	843.53	824.53	805.53	786.53	767.53	748.53	729.53	710.53	691.53	672.53	
Put	30.00	1/17/2009	1252.00	1232.00	1212.00	1192.00	1172.00	1152.00	1132.00	1112.00	1092.00	1072.00	1052.00	1032.00	1012.00	992.00	972.00	952.00	932.00	912.00	892.00	872.00	852.00	832.00	812.00	792.00	772.00	752.00	732.00	712.00	692.00	672.00	
Put	31.00	1/17/2009	1275.28	1255.85	1236.85	1217.85	1198.85	1179.85	1160.85	1141.85	1122.85	1103.85	1084.85	1065.85	1046.85	1027.85	1008.85	989.85	970.85	951.85	932.85	913.85	894.85	875.85	856.85	837.85	818.85	799.85	780.85	761.85	742.85	723.85	704.85
Put	32.00	1/17/2009	1302.25	1283.62	1265.42	1247.62	1229.82	1212.02	1194.22	1176.42	1158.62	1140.82	1123.02	1105.22	1087.42	1069.62	1051.82	1034.02	1016.22	998.42	980.62	962.82	945.02	927.22	909.42	891.62	873.82	856.02	838.22	820.42	802.62	784.82	767.02
Put	33.00	1/17/2009	1316.19	1298.19	1280.19	1262.19	1244.19	1226.19	1208.19	1190.19	1172.19	1154.19	1136.19	1118.19	1100.19	1082.19	1064.19	1046.19	1028.19	1010.19	992.19	974.19	956.19	938.19	920.19	902.19	884.19	866.19	848.19	830.19	812.19	794.19	776.19
Put	34.00	1/17/2009	1322.09	1304.80	1287.60	1270.40	1253.20	1236.00	1218.80	1201.60	1184.40	1167.20	1150.00	1132.80	1115.60	1098.40	1081.20	1064.00	1046.80	1029.60	1012.40	995.20	978.00	960.80	943.60	926.40	909.20	892.00	874.80	857.60	840.40	823.20	806.00
Put	35.00	1/17/2009	1345.23	1328.63	1312.03	1295.43	1278.83	1262.23	1245.63	1229.03	1212.43	1195.83	1179.23	1162.63	1146.03	1129.43	1112.83	1096.23	1079.63	1063.03	1046.43	1029.83	1013.23	996.63	980.03	963.43	946.83	930.23	913.63	897.03	880.43	863.83	847.23
Put	36.00	1/17/2009	1358.28	1342.18	1326.08	1309.98	1293.88	1277.78	1261.68	1245.58	1229.48	1213.38	1197.28	1181.18	1165.08	1148.98	1132.88	1116.78	1100.68	1084.58	1068.48	1052.38	1036.28	1020.18	1004.08	987.98	971.88	955.78	939.68	923.58	907.48	891.38	875.28
Put	37.00	1/17/2009	1375.01	1359.41	1343.81	1328.21	1312.61	1297.01	1281.41	1265.81	1250.21	1234.61	1219.01	1203.41	1187.81	1172.21	1156.61	1141.01	1125.41	1109.81	1094.21	1078.61	1063.01	1047.41	1031.81	1016.21	1000.61	985.01	969.41	953.81	938.21	922.61	907.01
Put	38.00	1/17/2009	1367.44	1352.16	1336.88	1321.60	1306.32	1291.04	1275.76	1260.48	1245.20	1229.92	1214.64	1199.36	1184.08	1168.80	1153.52	1138.24	1122.96	1107.68	1092.40	1077.12	1061.84	1046.56	1031.28	1016.00	1000.72	985.44	970.16	954.88	939.60	924.32	909.04
Put	39.00	1/17/2009	1362.16	1347.36	1332.56	1317.76	1302.96	1288.16	1273.36	1258.56	1243.76	1228.96	1214.16	1199.36	1184.56	1169.76	1154.96	1140.16	1125.36	1110.56	1095.76	1080.96	1066.16	1051.36	1036.56	1021.76	1006.96	992.16	977.36	962.56	947.76	932.96	918.16
Put	40.00	1/17/2009	1434.09	1419.21	1404.33	1389.45	1374.57	1359.69	1344.81	1329.93	1315.05	1300.17	1285.29	1270.41	1255.53	1240.65	1225.77	1210.89	1196.01	1181.13	1166.25	1151.37	1136.49	1121.61	1106.73	1091.85	1076.97	1062.09	1047.21	1032.33	1017.45	1002.57	987.69
Put	41.00	1/17/2009	1404.22	1389.84	1375.46	1361.08	1346.70	1332.32	1317.94	1303.56	1289.18	1274.80	1260.42	1246.04	1231.66	1217.28	1202.90	1188.52	1174.14	1159.76	1145.38	1131.00	1116.62	1102.24	1087.86	1073.48	1059.10	1044.72	1030.34	1015.96	1001.58	987.20	972.82
Put	42.00	1/17/2009	1446.56	1432.56	1418.56	1404.56	1390.56	1376.56	1362.56	1348.56	1334.56	1320.56	1306.56	1292.56	1278.56	1264.56	1250.56	1236.56	1222.56	1208.56	1194.56	1180.56	1166.56	1152.56	1138.56	1124.56	1110.56	1096.56	1082.56	1068.56	1054.56	1040.56	1026.56
Put	43.00	1/17/2009	1456.07	1442.07	1428.07	1414.07	1400.07	1386.07	1372.07	1358.07	1344.07	1330.07	1316.07	1302.07	1288.07	1274.07	1260.07	1246.07	1232.07	1218.07	1204.07	1190.07	1176.07	1162.07	1148.07	1134.07	1120.07	1106.07	1092.07	1078.07	1064.07	1050.07	1036.07
Put	44.00	1/17/2009	1456.69	1442.69	1428.69	1414.69	1400.69	1386.69	1372.69	1358.69	1344.69	1330.69	1316.69	1302.69	1288.69	1274.69	1260.69	1246.69	1232.69	1218.69	1204.69	1190.69	1176.69	1162.69	1148.69	1134.69	1120.69	1106.69	1092.69	1078.69	1064.69	1050.69	1036.69
Put	45.00	1/17/2009	1476.12	1462.12	1448.12	1434.12	1420.12	1406.12	1392.12	1378.12	1364.12	1350.12	1336.12	1322.12	1308.12	1294.12	1280.12	1266.12	1252.12	1238.12	1224.12	1210.12	1196.12	1182.12	1168.12	1154.12	1140.12	1126.12	1112.12	1098.12	1084.12	1070.12	1056.12
Put	46.00	1/17/2009	1469.27	1455.27	1441.27	1427.27	1413.27	1399.27	1385.27	1371.27	1357.27	1343.27	1329.27	1315.27	1301.27	1287.27	1273.27	1259.27	1245.27	1231.27	1217.27	1203.27	1189.27	1175.27	1161.27	1147.27	1133.27	1119.27	1105.27	1091.27	1077.27	1063.27	1049.27
Put	47.00	1/17/2009	1469.49	1455.49	1441.49	1427.49	1413.49	1399.49	1385.49	1371.49	1357.49	1343.49	1329.49	1315.49	1301.49	1287.49	1273.49	1259.49	1245.49	1231.49	1217.49	1203.49	1189.49	1175.49	1161.49	1147.49	1133.49	1119.49	1105.49	1091.49	1077.49	1063.49	1049.49
Put	48.00	1/17/2009	1496.39	1482.39	1468.39	1454.39	1440.39	1426.39	1412.39	1398.39	1384.39	1370.39	1356.39	1342.39	1328.39	1314.39	1300.39	1286.39	1272.39	1258.39	1244.39	1230.39	1216.39	1202.39	1188.39	1174.39	1160.39	1146.39	1132.39	1118.39	1104.39	1090.39	1076.39
Put	50.00	1/17/2009	1504.29	1490.29	1476.29	1462.29	1448.29	1434.29	1420.29	1406.29	1392.29	1378.29	1364.29	1350.29	1336.29	1322.29	1308.29	1294.29	1280.29	1266.29	1252.29	1238.29	1224.29	1210.29	1196.29	1182.29	1168.29	1154.29	1140.29	1126.29	1112.29	1098.29	1084.29
Put	55.00	1/17/2009	1543.61	1529.61	1515.61	1501.61	1487.61	1473.61	1459.61	1445.61	1431.61	1417.61	1403.61	1389.61	1375.61	1361.61	1347.61	1333.61	1319.61	1305.61	1291.61	1277.61	1263.61	1249.61	1235.61	1221.61	1207.61	1193.61	1179.61	1165.61	1151.61	1137.61	1123.61
Put	60.00	1/17/2009	1541.62	1527.62	1513.62	1499.62	1485.62	1471.62	1457.62	1443.62	1429.62	1415.62	1401.62	1387.62	1373.62	1359.62	1345.62	1331.62	1317.62	1303.62	1289.62	1275.62	1261.62	1247.62	1233.62	1219.62	1205.62	1191.62	1177.62	1163.62	1149.62	1135.62	1121.62
Put	65.00	1/17/2009	1524.45	1510.45	1496.45	1482.45	1468.45	1454.45	1440.45	1426.45	1412.45	1398.45	1384.45	1370.45	1356.45	1342.45	1328.45	1314.45	1300.45	1286.45	1272.45	1258.45	1244.45	1230.45	1216.45	1202							

Exhibit 4

Inflation/Deflation for Exchange-Traded Options on Lehman Common Stock

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)\*

Exercise Call/Put	Price	Expiration	On or Before	6/5/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08	6/17/08	6/18/08	6/19/08	6/20/08	6/21/08	6/22/08	6/23/08	6/24/08	6/25/08	6/26/08	6/27/08	6/28/08	6/29/08	6/30/08	7/1/08	7/2/08	7/3/08	7/4/08	7/5/08	7/6/08	7/7/08	7/8/08	7/9/08	7/10/08	7/11/08	7/12/08 to 9/15/08
Put	100.00	1/17/2009	1520.93	1372.94	1173.66	1004.60	827.36	930.99	980.24	1020.23	1020.23	982.97	1038.77	748.80	300.25	281.11	27.27	0.00	9,643.00																
Put	110.00	1/17/2009	1522.48	1366.33	1168.82	1000.15	823.93	926.77	976.29	1016.17	1016.17	979.23	1034.59	746.79	299.61	280.53	27.24	0.00	10,645.00																
Put	2.50	4/18/2009																	92.00																
Put	4.00	4/18/2009																	92.00																
Put	5.00	4/18/2009																	92.00																
Put	6.00	4/18/2009																	92.00																
Put	7.50	4/18/2009																	92.00																
Put	9.00	4/18/2009																	92.00																
Put	10.00	4/18/2009																	92.00																
Put	11.00	4/18/2009																	92.00																
Put	12.00	4/18/2009																	92.00																
Put	13.00	4/18/2009																	92.00																
Put	14.00	4/18/2009																	92.00																
Put	15.00	4/18/2009																	92.00																
Put	16.00	4/18/2009																	92.00																
Put	17.00	4/18/2009																	92.00																
Put	18.00	4/18/2009																	92.00																
Put	19.00	4/18/2009																	92.00																
Put	20.00	4/18/2009																	92.00																
Put	25.00	4/18/2009																	92.00																
Put	30.00	4/18/2009																	92.00																
Put	35.00	4/18/2009																	92.00																
Put	2.50	1/16/2010	55.11	51.28	53.14	51.88	50.24	51.32	51.66	52.59	51.79	52.98	45.33	27.47	26.19	4.09	0.00	101.00																	
Put	5.00	1/16/2010	135.99	133.43	125.90	128.36	121.13	124.51	125.59	127.99	125.80	129.27	109.08	63.64	60.73	10.72	0.00	276.00																	
Put	7.50	1/16/2010	226.20	221.15	213.98	208.67	196.37	204.91	209.23	209.23	211.72	175.41	97.48	92.74	14.53	0.00	472.50																		
Put	10.00	1/16/2010	328.05	319.60	307.74	295.51	278.49	288.41	291.96	298.55	292.59	302.53	246.88	133.07	126.54	20.50	0.00	685.00																	
Put	12.50	1/16/2010	424.20	411.75	393.95	376.32	351.71	365.70	370.84	380.04	371.70	385.39	308.05	151.33	147.01	17.15	0.00	912.50																	
Put	15.00	1/16/2010	527.40	510.52	486.19	462.12	439.34	447.81	454.81	465.84	455.92	474.05	372.86	181.99	172.12	19.34	0.00	1,150.00																	
Put	17.50	1/16/2010	633.04	611.05	579.51	548.43	506.97	530.37	539.47	554.55	540.84	563.54	436.42	205.81	195.39	21.61	0.00	1,387.50																	
Put	20.00	1/16/2010	731.20	703.86	664.51	625.81	575.15	603.72	615.10	633.27	616.68	643.85	492.54	227.22	214.37	23.17	0.00	1,635.00																	
Put	22.50	1/16/2010	825.64	792.52	744.82	697.97	638.07	671.99	685.81	707.24	687.79	719.73	541.59	242.09	237.84	24.18	0.00	1,885.00																	
Put	25.00	1/16/2010	916.94	877.64	821.06	765.68	696.36	715.89	732.34	776.80	754.58	790.30	590.35	257.69	242.50	25.23	0.00	2,135.00																	
Put	30.00	1/16/2010	1065.53	1013.02	937.42	863.83	774.66	825.33	847.11	878.86	849.54	892.92	653.03	273.28	256.03	26.05	0.00	2,637.50																	
Put	35.00	1/16/2010	1178.49	1112.15	1016.77	925.55	819.11	881.45	908.74	942.67	911.28	960.98	693.38	281.29	262.85	26.42	0.00	3,137.50																	
Put	40.00	1/16/2010	1270.83	1190.60	1076.21	968.20	847.37	920.52	952.95	990.37	956.39	1011.68	723.03	287.84	268.68	26.73	0.00	3,637.50																	
Put	45.00	1/16/2010	1344.73	1241.07	1108.72	983.82	849.44	931.66	968.51	1007.71	972.37	1026.01	745.45	302.17	282.90	27.19	0.00	4,135.00																	
Put	50.00	1/16/2010	1330.46	1224.35	1076.47	942.22	797.89	887.27	928.05	965.32	933.47	982.10	726.48	298.32	279.46	27.25	0.00	4,637.50																	
Put	55.00	1/16/2010	1339.79	1221.87	1061.57	915.99	759.68	850.15	894.36	931.95	900.34	948.54	702.82	273.57	254.72	25.70	0.00	5,135.00																	
Put	60.00	1/16/2010	1358.68	1230.41	1060.11	907.12	748.10	841.75	887.48	924.87	892.96	941.52	694.06	267.89	249.17	25.25	0.00	5,635.00																	
Put	65.00	1/16/2010	1404.70	1267.56	1092.03	915.86	773.90	864.07	907.97	945.15	913.37	961.69	718.51	295.14	276.34	27.07	0.00	6,135.00																	
Put	70.00	1/16/2010	1390.17	1246.79	1066.54	909.00	745.19	835.87	875.97	912.96	881.44	929.33	678.18	259.61	241.17	24.56	0.00	6,635.00																	
Put	75.00	1/16/2010	1396.12	1244.36	1063.57	907.22	743.11	833.48	873.54	910.14	878.82	926.68	683.03	265.04	246.65	24.98	0.00	7,135.00																	
Put	80.00	1/16/2010	1387.11	1233.62	1054.24	898.33	735.71	825.37	864.97	905.34	874.21	921.83	679.41	257.58	239.10	24.35	0.00	7,635.00																	
Put	90.00	1/16/2010	1397.69	1249.41	1069.60	914.68	752.55	842.47	886.42	922.67	891.58	938.72	698.78	248.46	270.38	26.66	0.00	8,635.00																	
Put	100.00	1/16/2010	1384.53	1238.02	1058.91	905.06	744.27	833.54	877.27	913.18	882.35	929.06	691.59	245.94	268.05	26.49	0.00	9,635.00																	

\* Closing price on September 12, 2008 is the mid-point of the closing bid price and closing ask price on September 12, 2008, where applicable.

\* Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.

**APPENDIX D**

## APPENDIX D

Type of Security	Estimated Average Recovery Per Damaged Security	Estimated Average Cost Per Damaged Security
Common Stock	\$0.02	\$0.004
Options	\$0.59	\$0.11
Common Stock Offering	\$0.03	\$0.01
Senior Unsecured Notes	\$2.12	\$0.38
Subordinated Notes	\$2.34	\$0.42
Preferred Stock Offerings	\$0.24	\$0.04
Principal Protected Notes (PPN) Offerings	\$2.12	\$0.38

**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



**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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### SECTION A - CLAIMANT INFORMATION

**LAST NAME (CLAIMANT)**
**FIRST NAME (CLAIMANT)**
**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** *(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.)*

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 to 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 to 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 in 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).

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**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**



6

**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.

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**IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

7.

**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.

2. **SALES:** Separately list each and every sale, including free deliveries, 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 Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Amount Received (excluding commissions, taxes, and fees)
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	

3. **ENDING HOLDINGS:** State the number of shares of preferred 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".

Insert Code Indicated Above	Number of Shares Held

**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**

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**PURCHASES/ACQUISITIONS AND SALES**

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 F - SCHEDULE OF TRANSACTIONS IN CALL OPTIONS**

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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 (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)
1	1	.	.		/
1	/	.	.		/

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 (Last Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price (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 (Last Chronologically) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price (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**

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)
1	/	.	.		/
1	/	.	.		/

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.



**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*

**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:

David R. Stickney, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130-3582  
(866) 648-2524  
[www.blbglaw.com](http://www.blbglaw.com)

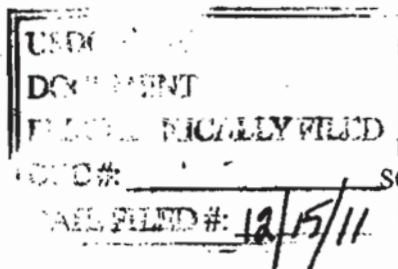
David Kessler, Esq.  
John A. Kehoe, Esq.  
KESSLER TOPAZ MELTZER  
& CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
(610) 667-7706  
[www.ktmc.com](http://www.ktmc.com)

By Order of the Court

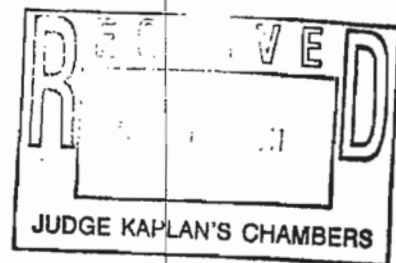


## **EXHIBIT N**





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*

**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 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

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 2, 2012, at 4:00 p.m., 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 of this Court~~, *but with the prior approval of* 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

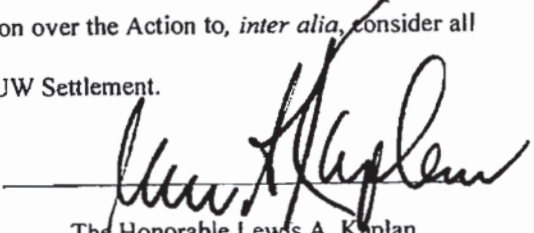
any claim or defense that has been or could have been asserted in this Action, (iv) any damages or lack of damages suffered by Lead Plaintiffs, the UW Settlement Class or anyone else, or (v) that the Settlement Amount (or any other amount) represents the amount that could or would have been recovered 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

<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.

**How to Exclude Yourself from the Underwriter Class Settlement**

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'S APPOINTED COUNSEL**

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@blbglaw.com](mailto:blbg@blbglaw.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:



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	<u><i>For the First Group of Settling Underwriter Defendants:</i></u> CLEARY GOTTLIEB STEEN & HAMILTON LLP Mitchell Lowenthal Victor L. Hou Roger Cooper One Liberty Plaza New York, NY 10006  <u><i>For the Second Group of Settling Underwriter Defendants:</i></u> HOWARD RICE NEMERORSKI CANADY FALK & RABKIN PC Kenneth G. Hausman Three Embarcadero Center Seventh Floor San Francisco, CA 94111-4024
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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 of the following is not a reason to object to 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.

<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 Cr dit 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	7/1/2007	\$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	7/1/2007	\$1,000.00	\$998.26	\$60.00
524908TN4	7.50% Subordinated Notes Due 2038	5/9/2008	\$1,000.00	\$992.79	\$60.00
524908R44	6.875% Subordinated Notes Due 2037	7/1/2007	\$1,000.00	\$993.97	\$60.00
524908TM6	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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### SECTION A - CLAIMANT INFORMATION

<b>LAST NAME (CLAIMANT)</b>	<b>FIRST NAME (CLAIMANT)</b>	
<b>Last Name (Beneficial Owner if Different From Claimant)</b>	<b>First Name (Beneficial Owner)</b>	
<b>Last Name (Co-Beneficial Owner)</b>	<b>First Name (Co-Beneficial Owner)</b>	
<b>Company/Other Entity (If Claimant Is Not an Individual)</b>	<b>Contact Person (If Claimant is Not an Individual)</b>	
<b>Trustee/Nominee/Other</b>		
<b>Account Number (If Claimant Is Not an Individual)</b>	<b>Trust/Other Date (If Applicable)</b>	
<b>Address Line 1</b>		
<b>Address Line 2 (If Applicable)</b>		
<b>City</b>	<b>State</b>	<b>Zip Code</b>
<b>Foreign Province</b>	<b>Foreign Country Code</b>	<b>Postal Code</b>
<b>Telephone Number (Day)</b>	<b>Telephone Number (Night)</b>	
- - -		
<b>Beneficial Owner's Employer Identification Number or Social Security Number</b>		
<b>Email Address</b> <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 to 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 to 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(ji) 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).

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**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**

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**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**



7

**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.

2. **SALES:** Separately list each and every sale, including free deliveries, 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 Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Amount Received (excluding commissions, taxes, and fees)
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	

3. **ENDING HOLDINGS:** State the number of shares of preferred 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".

Insert Code Indicated Above	Number of Shares Held

**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**



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

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)
1	/	.	.		/
1	/	.	.		/

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**

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

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.

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**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*

**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.blbglaw.com](http://www.blbglaw.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:

David R. Stickney, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130-3582  
(866) 648-2524  
[www.blbglaw.com](http://www.blbglaw.com)

David Kessler, Esq.  
John A. Kehoe, Esq.  
KESSLER TOPAZ MELTZER  
& CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
(610) 667-7706  
[www.ktmc.com](http://www.ktmc.com)

By Order of the Court

## **EXHIBIT O**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

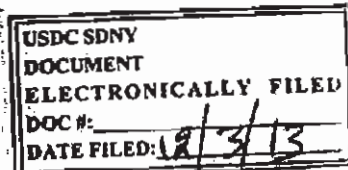
In re LEHMAN BROTHERS SECURITIES  
AND ERISA LITIGATION

This Document Applies To:

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

Case No. 09-MD-2017 (LAK) CLASSERS

ECF CASE



~~PROPOSED~~ ORDER CONCERNING PROPOSED SETTLEMENT  
WITH DEFENDANT ERNST & YOUNG LLP

WHEREAS:

A. Class Representative Oklahoma Firefighters Pension and Retirement System ("Oklahoma"), the Court-appointed Lead Plaintiffs 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 ("Lead Plaintiffs"; collectively, with Oklahoma, "Plaintiffs") on behalf of the Settlement Class (as hereinafter defined), and Ernst & Young LLP ("EY"; collectively, with Plaintiffs, the "Settling Parties") entered into a Stipulation of Settlement and Release dated as of November 20, 2013 (the "Stipulation"), which, together with the exhibits annexed thereto, sets forth the terms and conditions of their proposed settlement and the release of claims and dismissal of the Action against EY with prejudice upon the terms and conditions set forth therein (the "EY Settlement" or "Settlement");



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

C. EY does not oppose this request; and

D. The Court is familiar with and has reviewed the record in the Action and has reviewed the Stipulation, including the exhibits attached to the Stipulation, 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 Stipulation unless otherwise defined herein.

2. Pending further order of the Court, all litigation activity against or by EY in this Action, except that contemplated herein, in the Stipulation, in the Notice or in the Judgment, is hereby stayed and all hearings, deadlines and other proceedings in this Action to the extent they involve claims against EY, except for the Fairness Hearing (defined below), are hereby taken off calendar.

**CLASS CERTIFICATION**

3. The Court finds, upon a preliminary evaluation, that for purposes of the Settlement only, that the requirements of Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, have been met and the Settlement Class (or "EY Settlement Class") should be defined as all investors who (a) purchased or otherwise acquired Lehman Securities identified in Appendix A to the Stipulation, (b) purchased or otherwise acquired Lehman Structured Notes identified in Appendix B to the Stipulation, and/or (c) purchased or otherwise acquired Lehman common stock or call options and/or sold Lehman put options, during the Settlement Class Period. Excluded from the Settlement Class are (i) the named defendants in the Complaint, (ii)

Lehman; (iii) the executive officers and directors of each Defendant or Lehman; (iv) any entity in which any Defendant or Lehman have or had a controlling interest; (v) members of any Defendant's immediate families; (vi) the plaintiffs named in the actions listed on Appendix C to the Stipulation (the "Individual Actions") who do not request removal from the excluded list in accordance with Paragraph 34 of the Stipulation (the "Individual Action Plaintiffs"); (vii) any person or entity that has (a) litigated claims in any forum against EY arising out of the purchase of Lehman Securities during any portion of the Settlement Class Period and received a judgment, or (b) settled and released claims against EY arising out of the purchase of Lehman Securities during any portion of the Settlement Class Period (as identified on a confidential exhibit that will be produced by EY on a confidential basis to the Claims Administrator, but shall not be provided to Co-Lead Counsel or Lead Plaintiffs or to any other person or entity); and (viii) the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded from the 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.

4. The Court hereby finds based on a preliminary evaluation that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, the following are adequate class representatives and preliminarily certifies the following as Settlement Class Representatives for the Settlement Class: Lead Plaintiffs and Oklahoma. The Court further certifies Co-Lead Counsel as Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

5. The Court finds, based on a preliminary evaluation, for purposes of the Settlement only, that as to the 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 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 Settlement Class; (c) the claims of the Settlement Class Representatives are typical of the claims of the Settlement Class; (d) the Settlement Class Representatives and Co-Lead Counsel have and will fairly and adequately represent the interests of the Settlement Class; (e) the questions of law and fact common to the Settlement Class predominate over any questions affecting only individual members of the 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**

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

a. No later than 10 business days following entry of this Order, the Claims Administrator shall cause a copy of the Notice and Claim Form, substantially in the 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 Settlement Class who may be identified through reasonable effort, including in the records that the Claims Administrator obtained in connection with the D&O Settlement and UW Settlements (the "Notice Date");

b. A summary notice (the "Summary Notice"), substantially in the form 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

c. The Notice, the Summary Notice and the Claim Form shall also be placed on the Claims Administrator's website, and the website created for the D&O and UW Settlements, on or before the Notice Date.

7. The Court approves the form of the 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 6 of this Order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. § 78u-4(a)(7), the Constitution of the United States, and any other applicable law, and constitute the best notice practicable under the circumstances.

8. No later than 35 calendar days prior to the Settlement Hearing, Co-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.

9. Nominees who purchased Lehman Securities for beneficial owners who are Settlement Class Members are directed to: (a) request within fourteen (14) calendar days of receipt of the Notice additional copies of the Notice and the Claim Form from the Claims Administrator for such beneficial owners, including those beneficial owners to which it previously sent a notice of the D&O or UW Settlements; or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator within fourteen (14) calendar days after receipt of the Notice, unless the names and addresses were previously provided to the Claims Administrator in connection with the D&O or UW Settlements. If a nominee elects to send the Notice to beneficial owners, such nominee is directed to mail the Notice within fourteen



(14) calendar days of receipt of the additional copies of the Notice 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. Upon full compliance with this Order, including the timely mailing of the Notice to beneficial owners, 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, 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 Fund.

**HEARING: RIGHT TO BE HEARD**


10. The Court will hold a settlement hearing (the "Approval Hearing" or "Fairness Hearing" or "Settlement Hearing") on <sup>April 15, 2014</sup> ~~(DATE TO BE INSERTED)~~, at <sup>4:30 p.m.</sup> ~~4:30 p.m.~~, 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 <sup>218</sup> ~~120~~, for the following purposes: (i) to determine whether the Settlement should be approved as fair, reasonable, adequate and in the best interests of the Settlement Class; (ii) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation, should be entered dismissing and releasing the Settled Claims (as that term is defined in the Stipulation) with prejudice; (iii) to rule upon the Plan of Allocation; (iv) to rule upon Co-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 Settlement. Papers in support of the Settlement, the Plan of Allocation and Co-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.

11. Any member of the Settlement Class may appear at the Approval Hearing and show cause why the proposed Settlement embodied in the Stipulation should or should not be approved as fair, reasonable, adequate and in the best interests of the 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 Co-Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses. However, no Settlement Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the 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 Co-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 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 Plaintiffs and the Settlement Class; and Miles N. Ruthberg, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022 as counsel for EY. Co-Lead Counsel will promptly provide copies of any objections received to counsel for EY *and file copies*

*he with the Court.*

12. Any objection must include: (a) the full name, address, and phone number of the objecting Settlement Class Member; (b) a list and documentation of all of the Settlement Class Member's transactions involving Lehman Securities during the 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~~ <sup>any</sup> 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 have 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 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 Settlement as reflected in the Stipulation, to the Plan of Allocation or to the application by Co-Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. By objecting to the Settlement, the Plan of Allocation and/or the application by Co-Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, 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 Settlement, including, but not limited to,



enforcement of the terms of the Settlement (including, but not limited to, the release of the Settled Claims provided for in the Stipulation and the Judgment).

13. If approved, all Settlement Class Members will be bound by the proposed Settlement provided for in the Stipulation, and by any judgment or determination of the Court affecting Settlement Class Members, regardless of whether or not a Settlement Class Member submits a Claim Form.

14. Any member of the 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 Co-Lead Counsel.

15. The Court reserves the right to (a) adjourn or continue the Approval Hearing, or any adjournment or continuance thereof, without further notice to Settlement Class Members and (b) approve the Stipulation with modification and without further notice to Settlement Class Members. The Court retains jurisdiction of this Action to consider all further applications arising out of or otherwise relating to the proposed Settlement, and as otherwise warranted.

16. All Settlement Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Settlement Class.

#### **CLAIMS PROCESS**

17. In order to be potentially eligible to participate in the Settlement, a Settlement Class Member must complete and submit a Claim Form in accordance with the instructions contained therein, or have previously submitted a valid Claim Form in connection with the D&O or UW Settlements. To be valid and accepted, Claim Forms submitted in connection with the Settlement must be postmarked no later than 120 calendar days after the Notice Date.



18. Any Settlement Class Member who does not timely submit a valid Claim Form, or did not previously submit a valid Claim Form in connection with the D&O or UW Settlements, shall not be eligible to share in the Settlement Fund, unless otherwise ordered by the Court, but will otherwise be bound by all of the terms of the Stipulation and Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for therein.

**EXCLUSION FROM THE SETTLEMENT CLASS**

19. Any requests for exclusion must be submitted in accordance with the instructions included in the Notice and for receipt no later than 21 calendar days prior to the Approval Hearing. Any Settlement Class Member who wishes to be excluded from the Settlement Class should provide his, her or its name, address, and telephone number. The Settlement Class Member should also provide information containing the Settlement Class Member's transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of Lehman Securities during the Settlement Class Period. The request must include a statement that the person or entity wishes to be excluded from the EY Settlement Class, and 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 and the Notice shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

20. Any member of the Settlement Class who does not request exclusion from the Settlement Class in the manner stated in this Order and the Notice shall be deemed to have waived his, her or its right to be excluded from the Settlement Class, and shall forever be barred from requesting exclusion from the Settlement Class in this or any other proceeding, and shall

be bound by the Settlement and the Judgment, including, but not limited to the release of the Settled Claims against the Released Parties provided for in the Stipulation and the Judgment, if the Court approves the Settlement.

21. As set forth above, plaintiffs named in the Individual Actions listed on Appendix C to the Stipulation who do not request removal from the excluded list in accordance with Paragraph 34 of the Stipulation are excluded from the Settlement Class. The Individual Action Plaintiffs may remove themselves from the excluded list and participate in the Settlement ~~and filing a copy of such request with the Court~~ by requesting such removal in writing, agreeing to forego their particular Individual Action and agreeing not to object to any aspect of the Settlement, including the terms of the Settlement, the Plan of Allocation or the requested attorney's fees and reimbursement of Litigation Expenses. Such written request must be received by Co-Lead Counsel and EY's Counsel no later than twenty-one (21) calendar days prior to the Settlement Hearing.

22. The Released Parties shall have no responsibility or liability whatsoever with respect to the Plan of Allocation or Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses. The Plan of Allocation and Co-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 Settlement. At or after the Approval Hearing, the Court will determine whether Co-Lead Counsel's proposed Plan of Allocation should be approved, and the amount of attorneys' fees and Litigation Expenses to be awarded to Co-Lead Counsel. Any appeal from any orders relating solely to the Plan of Allocation or solely to Co-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 Settlement, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement of the Action set forth therein.

23. If a person or entity previously excluded him/her/itself from one or both of the settlement classes certified in connection with the D&O or UW Settlements, or any other settlement, he/she/it is not automatically excluded from the EY Settlement Class. In order to exclude oneself from the EY Settlement Class, the procedures set forth in this Order must be followed. In addition, this Court is not opining on the ability of a person or entity who seeks to exclude themselves from the EY Settlement Class to subsequently bring an action against any of the Released Parties.

24. Only Settlement Class Members and Co-Lead Counsel shall have any right to any portion of, or any rights in the distribution of, the Settlement Fund, unless otherwise ordered by the Court or otherwise provided in the Stipulation.

25. 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 Stipulation and/or further order of the Court.

26. As set forth in the Stipulation, notwithstanding the fact that the Effective Date has not yet occurred, Co-Lead Counsel may pay from the Settlement Fund, without further approval from EY or further order of this Court, all reasonable Notice and Administration Costs actually incurred. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice and Proof of Claim Form, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, publication of the Summary Notice, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice and processing the submitted Claims, and the fees, if any, of the Escrow

Agent. In the event that the Settlement is terminated pursuant to the terms of the Stipulation, all Notice and Administration Costs reasonably paid or reasonably incurred, including any related fees, shall not be returned or repaid to EY or any other Released Party, or to any person or entity who or which paid any portion of the Settlement Amount on their behalf.

27. The fact and terms of this Order and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the Settlement, and any act performed or document signed in connection with this Order and the 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 EY or any other released party to Named Plaintiffs, the 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 Named Plaintiffs, the 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 EY if it was not settled at this point in time. The fact and terms of this Order and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this Order and the Settlement, and any act performed or document signed in connection with this Order and the 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 Settlement, including, but not limited to, the Judgment and the release of the Settled Claims provided for in the Stipulation.

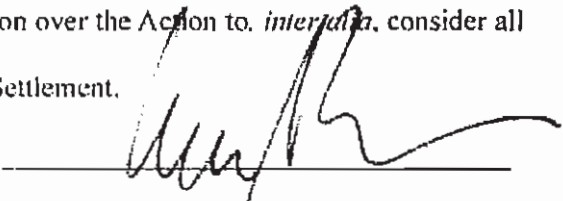


28. Co-Lead Counsel shall apply to this Court, on notice to EY's Counsel, for a Class Distribution Order, *inter alia*: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; and (b) if the Effective Date has occurred, directing payment of the Net Settlement Fund to the Authorized Claimants from the Escrow Account. Payment and/or distribution of any of the Settlement Amount to Settlement Class Members shall be made only after the Effective Date.

29. In the event that the Settlement fails to become effective in accordance with its terms, 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 Settlement), this Order (except Paragraphs 25 and 26) shall be null and void, the Stipulation shall be deemed terminated, and the Settling Parties shall return to their positions without prejudice in any way, as provided for in the Stipulation.

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

Dated: December 3, 2013

  
The Honorable Lewis A. Kaplan  
United States District Judge