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Part	11 of	29

Declaration of Ignacio V. Duran
Exhibit C (Cont.)
Exhibit D

91219477

The New York Times

April 16, 2015 Thursday
Late Edition - Final

SECTION: Section B; Column 0; Business/Financial Desk; Pg. 4

LENGTH: 465 words

HEADLINE: Ernst & Young in Settlement Over **Lehman** Brothers

BYLINE: By MATTHEW GOLDSTEIN

BODY:

Another loose end stemming from the collapse of Lehman Brothers was wrapped up on Wednesday as Ernst & Young agreed to pay $10 million to settle a four-year-old lawsuit brought by New York State authorities.

The settlement between the big accounting firm and Eric T. Schneiderman, the New York State attorney general, resolves civil allegations that Ernst helped Lehman engineer an accounting fraud that made the Wall Street firm appear less leveraged than it really was in the months before its September 2008 bankruptcy filing.

The money being paid by Ernst, which will go to both Lehman investors and the state, is considerably less than the roughly $150 million that state officials had hoped to recoup when the lawsuit was filed by Andrew M. Cuomo just as he was leaving the attorney general's office to become governor of New York.

Mr. Schneiderman, in a statement announcing the settlement, said, "Auditors will be held accountable when they violate the law."

Mr. Cuomo filed the lawsuit in December 2010, several months after the court-appointed examiner in the Lehman bankruptcy found that its management used a series of end-of-the quarter transactions called Repo 105 to manipulate the firm's leverage levels at the end of each quarter. The report by Anton R. Valukas, a former federal prosecutor, presented something of a road map for regulators to pursue lawsuits against Lehman and its auditor over the adjustments that resulted in temporary shifts of tens of billions of debt off the Wall Street firm's balance sheet at the end of every quarter.

But the Securities and Exchange Commission in 2012 closed its investigation into the collapse of Lehman and the Repo 105 balance sheet maneuvers without filing a lawsuit. And in April 2014, an arbitration panel said it found no basis for a malpractice claim brought by the Lehman bankruptcy estate against Ernst over the firm's collapse and the Repo 105 transactions.

The lawsuit brought by New York State authorities stood as one of the last pending legal actions against Ernst arising from the Lehman bankruptcy.

"After many years of costly litigation, we are pleased to put this matter behind us, with no findings of wrongdoing by E.Y. or any of its professionals," a spokesman for Ernst & Young said in an emailed statement.

In October 2013, Ernst agreed to pay $99 million to settle an investor class-action suit that claimed the audit firm looked the other way at Lehman's use of the Repo 105 transactions. About $7 million of the settlement money that Ernst agreed to pay to state authorities will go toward investor restitution as well.

In the arbitration, a panel that included three former judges ruled that Lehman's management, and not Ernst, was most responsible for the controversial accounting maneuver.

URL: http://www.nytimes.com/2015/04/16/business/dealbook/ernst-young-in-settlement-over-lehman-brothers html

LOAD-DATE: April 16, 2015

THE WALL STREET JOURNAL.

The Wall Street Journal

April 16, 2015 Thursday

SECTION: Pg. C2

LENGTH: 535 words

HEADLINE: Ernst Settles **Lehman** Case --- Accounting firm to pay $10 million in agreement with New York's attorney general

BYLINE: By Michael Rapoport

BODY:

Ernst & Young LLP agreed Wednesday to pay $10 million to settle allegations from the New York attorney general's office that the Big Four accounting firm had turned a blind eye when its client, Lehman Brothers Holdings Inc., misled investors before its 2008 collapse.

The settlement resolves a 2010 lawsuit in which the attorney general's office alleged that Ernst & Young, Lehman's outside auditor, allowed the big investment bank to use an accounting maneuver dubbed "Repo 105" that made it appear healthier and less risk-laden than it actually was.

"Auditors will be held accountable when they violate the law, just as they are supposed to hold the companies they audit accountable," New York Attorney General Eric Schneiderman said in a statement.

But Ernst & Young noted that the settlement didn't include any findings of wrongdoing by the firm or any of its professionals. "After many years of costly litigation we are pleased to put this matter behind us," Ernst & Young said in a statement.

The firm has consistently maintained that accounting issues didn't cause Lehman's failure, and that it was always clear to investors that Lehman was a risky, highly leveraged company. It didn't admit or deny wrongdoing.

The settlement marks a subdued ending to a high-profile case that showed the difficulties regulators had assigning blame for the 2008 collapse of Lehman Brothers, which helped precipitate the 2008 financial crisis. No former Lehman executive has ever faced criminal or civil charges over the firm's collapse, even though a 2010 bankruptcy-court examiner's report found there were credible potential legal claims against several people at Lehman as well as against Ernst & Young.

Ernst & Young had previously agreed in 2013 to pay $99 million to settle class-action litigation from Lehman investors over the same issues. Most of the $10 million in the latest settlement also will be distributed to Lehman investors, the attorney general's office said, minus some amounts to reimburse New York state for investigation and litigation costs.

Repo 105 was a tactic Lehman used for years before its collapse, under which it treated short-term securities-repurchase agreements as sales of the securities, instead of as financings. That took as much as $50 billion in assets off Lehman's balance sheet, and Lehman used the funds it got from the transactions to pay down billions of dollars in liabilities -- thus "temporarily and misleadingly" reducing Lehman's apparent leverage, the attorney general's office said.

Ernst & Young gave Lehman's financial statements a clean bill of health even though it knew about Lehman's use of Repo 105 and knew Lehman wasn't disclosing it properly to investors, the attorney general's office has alleged. A New York state judge threw out part of the attorney general's lawsuit in December 2012, saying the state official couldn't seek to recover the $150 million in fees that Ernst received from Lehman. An appeals court overturned that ruling in February 2014, however, saying it was "premature" to exclude those claims. An arbitration panel sided with Ernst & Young in April 2014 in a case brought against it by Lehman.

NOTES:
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THE WALL STREET JOURNAL.
The Wall Street Journal Online

April 15, 2015

SECTION: MARKETS

LENGTH: 551 words

HEADLINE: Ernst & Young Reaches Settlement With N.Y. Attorney General;
Firm to pay $10 million to settle claims it allowed **Lehman** Brothers to mislead investors

BYLINE: By Michael Rapoport

BODY:

Ernst & Young LLP agreed Wednesday to pay $10 million to settle allegations from the New York attorney general's office that the Big Four accounting firm had turned a blind eye when its client Lehman Brothers Holdings Inc. misled investors before its 2008 collapse .

The settlement resolves a 2010 lawsuit in which the attorney general's office alleged that Ernst & Young, Lehman's outside auditor, allowed the big investment bank to use an accounting maneuver dubbed "Repo 105" that made it appear healthier and less risk-laden than it actually was.

"Auditors will be held accountable when they violate the law, just as they are supposed to hold the companies they audit accountable," Attorney General Eric Schneiderman said in a statement.

But Ernst & Young noted that the settlement didn't include any findings of wrongdoing by the firm or any of its professionals. "After many years of costly litigation we are pleased to put this matter behind us," Ernst & Young said in a statement.

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The settlement marks a subdued ending to a high-profile case that showed the difficulties regulators had assigning blame for the 2008 collapse of Lehman Brothers, which helped precipitate the 2008 financial crisis. No former Lehman executive has ever faced criminal or civil charges over the firm's collapse, even though a 2010 bankruptcy-court examiner's report found there were credible potential legal claims against several people at Lehman as well as against Ernst & Young.

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In addition, an arbitration panel sided with Ernst & Young in April 2014 in a case brought against it by Lehman, saying any wrongdoing at the bank was "overwhelmingly attributable" to Lehman itself.

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FACTIVA

THE WALL STREET JOURNAL.

The Wall Street Journal

April 4, 2015 Saturday

SECTION: Pg. B5

LENGTH: 427 words

HEADLINE: MoneyBeat: **Lehman's** Ex-CEO Is Resurfacing

BYLINE: By Maureen Farrell

BODY:

Richard Fuld Jr., who was chief executive of Lehman Brothers Holdings Inc., has been largely out of the public eye since the firm collapsed in 2008.

That is set to change next month.

The organizers of the 2015 Marcum MicroCap Conference said Mr. Fuld will address conference attendees in his "first major public address since leaving Lehman Brothers in 2008," the organizers said in a news release.

Mr. Fuld will discuss "the strategy employed by Lehman Brothers to become one of the world's leading investment banks, aspects of the financial crisis, the current capital market environment and the keys to success for today's growth companies choosing to access the capital markets now," the release said.

Mr. Fuld won't take a fee for his speech, and one of the conference organizers', David Bukzin, a partner at Marcum LLP, said that Mr. Fuld asked Marcum to instead donate his speaking fee, which would have been in the "low five figures" to the nonprofit Harlem Children's Zone instead. Mr. Fuld will take questions from the audience, Mr. Bukzin said.

While he hasn't been much in the public eye, Mr. Fuld hasn't been entirely absent from deal making.

In October, The Wall Street Journal reported that Mr. Fuld advised a little-known company called OpenMatch Holdings LLC in its acquisition of the 130-year-old National Stock Exchange.

Mr. Fuld's Matrix Advisors LLC worked on that deal. Matrix was launched by Mr. Fuld in April 2009, roughly seven months after Lehman's September 2008 collapse -- the largest bankruptcy in U.S. history.

Other clients of Matrix have included Ecologic Transportation Inc. and GlyEco Inc., according to regulatory filings. The firm's website lists just the Matrix Advisors' name and address in Midtown Manhattan but promises more "coming soon."

According to its profile on the resume website LinkedIn, Matrix has at least 10 employees.

Matrix and Mr. Fuld didn't respond to requests for comment that were relayed to an assistant at the firm.

The small firm is a far cry from the roughly 25,000 employees that Mr. Fuld oversaw during his tenure as chairman and chief executive of Lehman from 1994 through 2008. (He took over as CEO in 1993.)

Mr. Fuld has kept a low profile since the financial crisis. He often has been portrayed as the villain of the financial crisis, a risk taker that allowed a 158-year-old investment bank to fall.

Publicly, he has said that he did everything he could to save Lehman and has criticized the government for letting Lehman fail while rescuing other banks.

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

April 4, 2015

SECTION: MARKETS

LENGTH: 458 words

HEADLINE: Lehman's Ex-CEO Is Resurfacing;
Richard Fuld Jr. has been mostly out of the public eye since the firm's collapse

BYLINE: By Maureen Farrell

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While Mr. Fuld has occasionally been photographed with his wife at social functions in recent years, he has kept perhaps the lowest-profile of all financial-crisis era bank chief executives.

Mr. Fuld has kept a low profile since the financial crisis. He often has been portrayed as the villain of the financial crisis, a risk taker that allowed a 158-year-old investment bank to fall.

Publicly, he has said that he did everything he could to save Lehman and has criticized the government for letting Lehman fail while rescuing other banks.

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

March 26, 2015

SECTION: MARKETS

LENGTH: 441 words

HEADLINE: **Lehman** to Pay Out Additional $7.6 Billion to Creditors;
Bulk is earmarked for third-party claimants, which include **Lehman** affiliates being wound down separately

BYLINE: By Patrick Fitzgerald

BODY:

The team winding down Lehman Brothers Holdings Inc. said Thursday it would be paying $7.6 billion to creditors next week, more than six years after the investment bank's collapse triggered the financial crisis.

The bulk of the latest payout, some $6.3 billion, is earmarked for third-party claimants, which include Lehman affiliates that are being wound down separately from the New York-based holding company.

Lehman, which is in liquidation, said that its general unsecured creditors, who were estimated to receive less than 20 cents on the dollar when Lehman's bankruptcy plan went into effect in early 2012, will have received nearly $100 billion, or more than 32 cents on the dollar, after the next distribution is completed. That is up from about 29 cents when Lehman made its sixth distribution last year.

The Chapter 11 payment plan for Lehman Brothers Holdings treats similarly situated creditors of its subsidiaries better than those of the parent. For example, general unsecured creditors of Lehman's Specialty Finance unit, the heart of the failed investment bank's derivatives business, have so far recovered more than 34 cents on the dollar, though they are limited to how much they can claim.

General unsecured creditors of Lehman's commodities unit have received about 75 cents on the dollar, according to papers filed Thursday in U.S. Bankruptcy Court in New York.

Those holding bonds issued by the Lehman parent have now recovered about 35 cents on the dollar, up from an estimated 21.1 cents when Lehman's plan became effective in 2012.

Lehman, once the nation's fourth-largest investment bank, collapsed into the largest bankruptcy ever in September 2008.

After the bank failed, some creditors bailed out, not wanting to wait for their money or to take a chance they wouldn't get paid at all. Hedge funds were willing buyers of their claims, betting they would gain in value after the initial panic subsided.

That bet has become quite fruitful. Since the bankruptcy, Lehman has consistently increased estimates of how much creditors would get back, helping hedge-fund managers like Paulson & Co. and Elliott Management Corp. rake in profits.

A team of bankruptcy professionals, under the direction of Alvarez & Marsal, managed the New York holding company's assets until Lehman's exit from bankruptcy in 2012, when a reorganized company emerged, overseen by a new board of directors.

Because Lehman still has billions in remaining assets and more money to pay creditors, the bank is expected to exist in some form for several more years.

Joseph Checkler contributed to this article.

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THE WALL STREET JOURNAL.

The Wall Street Journal

March 14, 2015 Saturday

SECTION: Pg. B2

LENGTH: 523 words

HEADLINE: Ernst & Young to Settle Two Suits Over **Lehman**

BYLINE: By Patrick Fitzgerald

BODY:

Ernst & Young LLP has agreed to settle a pair of lawsuits filed by the state of New Jersey and a handful of California cities and counties over losses they suffered when Lehman Brothers Holdings Inc. collapsed.

Lawyers for New Jersey and the California municipalities each said they have reached "an agreement in principle" to settle their legal disputes with the accounting firm, according to documents filed in U.S. District Court in New York.

New Jersey, seven California cities and counties plus one California-based insurer had accused Ernst & Young of helping Lehman hide its true financial condition while the bank's executives were pitching them to invest in "safe" Lehman stock and securities.

Terms of the settlement weren't disclosed. Representatives for Ernst & Young, New Jersey and the California plaintiffs either declined to comment or didn't respond to requests for comment.

Pension funds, municipalities and individuals from places as far-flung as Scotland, Ireland and Guam, sued Lehman a few months before its September 2008 collapse after their investments in some $30 billion in Lehman debt and equity went sour.

The suits claimed Lehman's use of so-called Repo 105 deals -- repurchase transactions that allowed Lehman to temporarily lower its leverage -- falsely allowed the bank to present itself as financially stronger than it really was.

The lawsuits also took aim at Ernst & Young for saying Lehman was in compliance with accounting rules even though the auditor was aware of the bank's use of Repo 105 transactions to buff up its balance sheet.

A 2010 report by a bankruptcy-court examiner, exposing Lehman's use of Repo 105s, raised questions about whether its executives and auditors should face any regulatory action or other sanctions.

New Jersey lost more than $192 million on its Lehman investment and San Mateo County alone lost $155 million. Among the other California cities that sued were Auburn, Burbank and San Buenaventura, along with the Contra Costa Water District, Vallejo Sanitation and Flood Control District and Zenith Insurance Co.

Ernst & Young was Lehman's auditor from 2001 until Lehman's collapse. The accounting firm, while denying any liability, agreed to pay $99 million to settle a class-action suit filed by Lehman investors in 2013.

Ernst & Young has always denied allegations of wrongdoing and argued Lehman's demise was caused by the global financial crisis that affected the entire financial sector, not by accounting- or financial-reporting issues.

New Jersey and the California cities and counties also sued former Lehman finance chief Erin Callan, along with former Lehman Chief Executive Dick Fuld and more than a dozen of the bank's other officers and directors. The ex-Lehman officials, without admitting wrongdoing, settled with New Jersey for $8.25 million; they settled with the California municipalities for $9.75 million in 2013.

Lehman emerged from bankruptcy protection in March 2012, but the estate is still winding down and selling off its remaining holdings, a process that is expected to continue for several more years.

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FACTIVA

THE WALL STREET JOURNAL.
The Wall Street Journal Online

March 13, 2015

SECTION: MARKETS

LENGTH: 571 words

HEADLINE: Ernst & Young Settles **Lehman** Suits With New Jersey, California Municipalities;
Suits were over losses suffered when **Lehman** collapsed; terms of settlement weren't disclosed

BYLINE: By Patrick Fitzgerald

BODY:

Ernst & Young LLP has agreed to settle a pair of lawsuits filed by the state of New Jersey and a handful of California cities and counties over losses they suffered when Lehman Brothers Holdings Inc. collapsed.

Lawyers for New Jersey and the California municipalities each said they have reached "an agreement in principle" to settle their legal disputes with the accounting firm, according to documents filed in U.S. District Court in New York.

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Lehman, once the nation's fourth-largest investment bank by assets under management, collapsed into the largest bankruptcy ever in September 2008. The filing sent markets into turmoil and helped trigger a global financial crisis. Lehman's brokerage business was quickly sold to Barclays.

Lehman emerged from bankruptcy protection in March 2012, but the estate is still winding down and selling off its remaining holdings, a process that is expected to continue for several more years.

Write to Patrick Fitzgerald at patrick.fitzgerald@wsj.com

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

March 2, 2015

SECTION: MARKETS

LENGTH: 438 words

HEADLINE: After Bankruptcy, **Lehman** Pays $44 Million in Bonuses;
Failed investment bank still paying bonuses to team winding down its business

BYLINE: By Patrick Fitzgerald

BODY:

Lehman Brothers Holdings Inc. collapsed more than six years ago, but the failed investment bank is still paying millions in bonuses to the team winding down its business.

Lehman, which officially emerged from Chapter 11 nearly three years ago, paid out $44 million last year in bonuses to employees, according to a monthly operating report filed Friday with the U.S. Bankruptcy Court in New York. The bank paid out about $50 million in bonuses in 2013.

A Lehman spokeswoman wasn't immediately available for comment on the bonuses.

Since exiting bankruptcy protection, the investment bank has remained in business, managing a large pool of assets and selling when it finds a good deal, rather than in a panic. This has resulted in greater-than-expected recovery for Lehman's creditors.

The bank's estate has been selling off its real estate and its private-equity stakes as well as winding down its derivatives' positions to pay back its creditors. Lehman, in its most recent estimate, said it expects to bring in $90.6 billion from asset sales to pay back creditors.

Lehman has previously said it expects to pay its postbankruptcy employees and other outside professionals about $1.1 billion over the next three-plus years.

A team of bankruptcy professionals under the direction of Alvarez & Marsal managed the New York holding company's assets until Lehman's exit from bankruptcy in 2012, when a reorganized company emerged, overseen by a new board of directors.

A new board, with executives and directors of businesses and subsidiaries related to Delphi Automotive PLC, Morgan Stanley, American International Group Inc. and Capmark Financial Group Inc., took over in 2012.

Board members received $5.2 million in incentive payments, according to court papers. The incentive payments are based on a sliding scale linked to "value" distributed to unsecured creditors, the speed of the distributions and the reduction of claims against Lehman.

Lehman's September 2008 Chapter 11 filing triggered foreign-bankruptcy proceedings for more than 80 of the bank's far-flung affiliates. The holding company has reached settlements on intercompany claims with virtually all of its foreign affiliates, including those in the U.K., Japan, Switzerland-and now Germany.

Lehman, once the nation's fourth-largest investment bank, collapsed in September 2008 and triggered the largest bankruptcy in history. The investment bank's main business was quickly sold to Barclays PLC, and the company's brokerage is being unwound separately under the provisions of the Securities Investor Protection Act.

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LOAD-DATE: March 3, 2015

THE WALL STREET JOURNAL.
The Wall Street Journal Online

February 19, 2015

SECTION: MARKETS

LENGTH: 453 words

HEADLINE: Judge Approves $2.2 Billion **Lehman** Distribution;
Creditors will have received about $6 billion since July after this distribution is complete

BYLINE: By Joseph Checkler

BODY:

A judge on Thursday said another $2.2 billion can be paid to former employees and other creditors of Lehman Brothers Holdings Inc.'s collapsed brokerage arm.

Judge Shelley C. Chapman of U.S. Bankruptcy Court in Manhattan approved the request by James W. Giddens, the official unwinding the brokerage. After this distribution is complete creditors of the brokerage, called Lehman Brothers Inc., will have received approximately $6 billion since last July. They have recovered about 27 cents on the dollar from what these creditors said they were owed.

"This is a noteworthy achievement," Judge Chapman said in approving the distribution, pointing out the perceived unlikelihood that creditors of the brokerage would receive that much-if anything-when Lehman first collapsed.

"We will work toward additional distributions while maintaining appropriate reserves and protecting claimants' interests and due process rights," Mr. Giddens said in a news release.

The trustee began paying back creditors-former employees, pension funds, banks and investment firms with unsecured claims against the brokerage-last summer after making the brokerage's customers whole.

The distinction between "customer" and "creditor" is a crucial one in the Lehman case. Customer claims get paid before creditors under the law covering failed broker-dealers, the 1970 Securities Investor Protection Act.

Mr. Giddens is now concentrating on resolving remaining claims and making further general creditor distributions to close the estate as promptly as possible.

Individual customers of the U.S. brokerage, which is under the purview of the bankruptcy court but not technically in bankruptcy protection, received about $92.3 billion almost immediately after Lehman collapsed. In all, Mr. Giddens has paid more than $106 billion to customers and hopes to have returned more than $110 billion when he is finished. Customers get 100% of their money back, while unsecured creditors get much less.

Lehman, once the nation's fourth-largest investment bank by assets under management, collapsed into the largest bankruptcy ever in September 2008 with $613 billion in liabilities.

The filing sent markets into turmoil and helped trigger a global financial crisis. Lehman's brokerage business was quickly sold to Barclays, and the company's New York-based holding company officially exited bankruptcy in 2012.

The Lehman estate, which itself has paid back tens of billions of dollars to creditors, is still winding down and selling off its remaining holdings, a process that is expected to continue for several more years. The brokerage is being unwound separately. Judge Chapman is overseeing both proceedings.

Write to Joseph Checkler at joseph.checkler@wsj.com

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

February 2, 2015

SECTION: MARKETS

LENGTH: 500 words

HEADLINE: Lehman Brothers Raises Estimate of Cash for Creditors to $90.6 Billion;
Amount Buoyed by Settlement With German Arm of Firm's Investment-Banking Operation

BYLINE: By Stephanie Gleason

BODY:

The team unwinding Lehman Brothers Holdings Inc. boosted its estimate of how much cash it expects to bring in for creditors to $90.6 billion, buoyed primarily by a settlement with Lehman Brothers Bankhaus A.G., the German arm of Lehman's investment-banking operation.

The new projection represents a $1.8 billion increase over an estimate late last summer of $88.8 billion , according to the company's most recent cash flow estimates, filed Friday with the U.S. Bankruptcy Court in Manhattan.

Lehman Brothers officially emerged from Chapter 11 bankruptcy protection in March 2012 and began paying back creditors the following month. Although Lehman is out of bankruptcy protection, its case is far from over and will likely continue for years as a bankruptcy team continues to liquidate Lehman's assets. Lehman said the wind-down of the business "may extend beyond 2018."

As a result of the gains on its real estate, derivatives and private-equity investments, Lehman Brothers still has $13.8 billion on its balance sheet after making six distributions of $66.1 billion to creditors. Lehman paid out $9 billion to third-party creditors in October.

Between April and October of 2014, Lehman pulled in $700 million from its commercial real estate portfolio, including $286 million from the sale of two real-estate projects on the West Coast and $84 million from the sale of some European hotels.

Another chunk of cash, $600 million, came from gains in Lehman's still-extensive private-equity holdings and investments, including a $144 million dividend on Lehman's Formula One stake.

The inflow of cash to the Lehman estate was partially by professional fees, compensation and administrative expenses.

The biggest boost-some $1.4 billion-to the $1.8 billion increase in Lehman's estimated recoveries came from settlements with the failed investment bank's many affiliates, most notably a settlement with Lehman Brothers Bankhaus.

Lehman's September 2008 Chapter 11 filing triggered foreign-bankruptcy proceedings for more than 80 of the bank's far-flung affiliates. The holding company has reached settlements on intercompany claims with virtually all of its foreign affiliates, including those in the U.K., Japan, Switzerland-and now Germany.

Lehman, once the nation's fourth-largest investment bank, collapsed in the largest bankruptcy in history . Lehman's main business was quickly sold to Barclays PLC, and the company's brokerage is being unwound separately under the provisions of the Securities Investor Protection Act.

A team of bankruptcy professionals under the direction of Alvarez & Marsal managed the New York holding company's assets until Lehman's exit from bankruptcy in 2012, when a reorganized company emerged, overseen by a new board of directors. Lehman says it expects to pay its postbankruptcy employees and other outside professionals about $1.1 billion over the next three-plus years.

--Patrick Fitzgerald contributed to this article.

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FACTIVA

THE WALL STREET JOURNAL.
The Wall Street Journal Online

January 28, 2015

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HEADLINE: **Lehman** Trustee Seeks to Pay Another $2.2 Billion;
James Giddens Wants Court Approval to Make Distribution to Unsecured Creditors

BYLINE: By Patrick Fitzgerald

BODY:

The official winding down Lehman Brothers Holdings Inc.'s brokerage business said Wednesday he plans to return another $2.2 billion in cash to former employees and other creditors, more than six years after the investment bank's collapse.

James W. Giddens, the court-appointed trustee winding down Lehman's broker-dealer, said in a filing Wednesday in U.S. Bankruptcy Court in New York that he was seeking court approval to make another distribution to unsecured creditors. Combined with the $3.7 billion he has already paid, the brokerage's creditors will have recovered about 27 cents on the dollar.

"When this liquidation began, the possibility of a general estate was in doubt, and the fact that general creditors now stand to receive 27% of their allowed claims is a significant achievement," Mr. Giddens said in an emailed statement to The Wall Street Journal.

The trustee began paying back creditors -former employees, pension funds, banks and investment firms with unsecured claims against the brokerage-last summer after making the brokerage's customers whole.

The distinction between "customer" and "creditor" is a crucial one in the Lehman case. Customer claims get paid before creditors under the law covering failed broker-dealers, the 1970 Securities Investor Protection Act.

Mr. Giddens said he would now concentrate on resolving remaining claims and making further general creditor distributions to close the estate as promptly as possible.

Individual customers of the U.S. brokerage, which is under the purview of the bankruptcy court but not technically in bankruptcy protection, received about $92.3 billion almost immediately after Lehman collapsed. In all, Mr. Giddens has paid more than $106 billion to customers and hopes to have returned more than $110 billion when he is finished. Customers get 100% of their money back, while unsecured creditors get much less.

Lehman, once the nation's fourth-largest investment bank by assets under management, collapsed into the largest bankruptcy ever in September 2008 with $613 billion in liabilities.

The filing sent markets into turmoil and helped trigger a global financial crisis. Lehman's brokerage business was quickly sold to Barclays, and the company's New York-based holding company officially exited bankruptcy in 2012.

The Lehman estate is still winding down and selling off its remaining holdings, a process that is expected to continue for several more years. The brokerage is being unwound separately. Judge Shelley C. Chapman is overseeing both proceedings.

The bankruptcy judge will consider the trustee's request to distribute the funds to creditors at a hearing slated for Feb. 19 in New York.

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THE WALL STREET JOURNAL.
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January 26, 2015

SECTION: BUSINESS

LENGTH: 664 words

HEADLINE: Ex-**Lehman** Trader Continues Fight for Multimillion-Dollar Bonus;
Trustee Tries to Sort Other Squabbles with Former Employees

BYLINE: By Joseph Checkler

BODY:

A former Lehman Brothers trader is still fighting for bonus money he says is owed him from 2008.

In a filing with U.S. Bankruptcy Court in Manhattan, Jonathan Hoffman, a global rates trader, denies an assertion by the trustee unwinding Lehman's brokerage that he was "fully paid" $84.8 million in bonus money he was owed. Mr. Hoffman, who at the time of Lehman's collapse was the bank's third-highest paid rank-and-file employee, also denies Lehman's assertion that he is asking to be paid twice for the bonus. Mr. Hoffman says his bonus package with Lehman was separate from the one he negotiated with Barclays PLC after Barclays bought the brokerage . Barclays paid Mr. Hoffman a bonus as part of his compensation.

"Hoffman's agreement with Barclays compensates him for work he performed for Barclays after he was terminated by LBI," Mr. Hoffman's lawyers said in a filing. "The Barclays contract does not state that Barclays was compensating or intended to compensate Hoffman for his past work with LBI." LBI refers to Lehman Brothers Inc., the name of Lehman's brokerage business.

"The Trustee continues to make good progress in winding-down the estate while protecting the interests of all creditors, which includes disputing the claim of one former employee seeking to collect tens of millions in bonus for the second time," said Jake Sargent, a spokesman for Lehman trustee James W. Giddens, in a statement emailed to The Wall Street Journal.

Mr. Hoffman hasn't denied that Barclays paid him some bonus money for 2008. But he has said he negotiated his contract with Barclays separate from the acquisition, and that money paid by Barclays had nothing to do with his Lehman contract.

He says when he left the bank, he was owed $76.3 million bonus for 2008 and another $7.7 million for the second installment of his 2007 bonus.

"Barclays did not pay him $76 million, or anything close to that, for work relating to 2008," Douglas Baumstein, a lawyer for Mr. Hoffman, said in a statement emailed to The Wall Street Journal in December. "Mr. Hoffman was paid pursuant to his Barclays' contract, not pursuant to his Lehman contract."

The fight with Mr. Giddens is expected to come in front of Lehman's bankruptcy judge on April 22. Mr. Hoffman had wanted the matter to be argued in January, but Mr. Giddens had objected to such a short timetable.

In a filing in December, Mr. Giddens's lawyers said, "The trustee expects that the evidence will show that the amount Barclays paid to Mr. Hoffman related to his work at [Lehman]."

Even if the claim were accepted, it would likely be paid at less than the full amount, since only customers of the brokerage received all they are owed. Mr. Hoffman would be considered a general unsecured creditor.

When asked about Mr. Hoffman's employment, a Barclays official had testified in court in 2010 that Barclays "issued him with a similar contract" as his agreement with Lehman.

The Barclays' official added that the bank typically matched Lehman bonuses "as part of the acquisition."

Mr. Giddens's objection to the bonus comes as he tries to sort out other squabbles with former Lehman employees. The trustee's lawyer said in December he hopes to reach settlements on most of the disputes.

The parent company of Lehman's brokerage emerged from bankruptcy in March 2012, and it remains a business with a board and billions of dollars in assets. As Lehman sells assets or settles claims, the pool of money that can be returned to its creditors grows. That number is now more than $90 billion.

Separate from Lehman Brothers Holdings Inc.'s Chapter 11 case, the brokerage is technically not in bankruptcy but is being unwound separately by Mr. Giddens under the provisions of the Securities Investor Protection Act.

Mr. Giddens has already paid back about $110 billion to creditors, including about $107 billion to those with "customer" status and more than $3 billion to general creditors of the brokerage.

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

January 22, 2015

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LENGTH: 379 words

HEADLINE: Judge Approves **Lehman** Settlement With Pimco;
Bond Firm Will Get a Fraction of What It Said It Was Owed by the Brokerage

BYLINE: By Joseph Checkler

BODY:

A judge on Thursday approved a settlement between the trustee unwinding Lehman Brothers Inc. and Pacific Investment Management Co. that settles $187 million of Pimco's claims against the brokerage.

A lawyer for Lehman trustee James W. Giddens said the deal resolves the "last major" dispute among creditors asserting "customer" status in the case.

In court papers filed late last month , Mr. Giddens said the settlement fully resolves the vast majority of remaining customer claims against the brokerage by reclassifying them as less-valuable unsecured claims. Pimco will get a fraction of what it said it was owed.

The deal addresses 81 claims and leaves Pimco, a unit of German insurer Allianz SE, with a $146.6 million general unsecured claim outstanding against the brokerage.

That doesn't mean Pimco is getting the full $146.6 million; the distinction between a customer claim and a general unsecured claim is crucial in Lehman's unwinding. Customers of the brokerage, including the 110,000 individual retail customers who were paid back in the days immediately following Lehman's 2008 bankruptcy filing, are set to recover

100 cents on the dollar in accordance with Mr. Giddens's creditor-payback plan. But general unsecured claims are destined to recover much less.

Pimco, which oversees pension and 401(k) assets for millions of Americans, will receive a $20 million cash payment under the deal. The mutual-fund company has been working to stem an exodus of investors in the wake of co-founder Bill Gross's sudden departure in September.

Some Pimco clients also will receive a total of $25.6 million in returned collateral.

In return, the Lehman brokerage's estate will receive $4.9 million, also from returned collateral, and would avoid future litigation that could prove both expensive and time-consuming.

This type of dispute has been common during Mr. Giddens's unwinding of the brokerage, as creditors sought larger recoveries. So far, Mr. Giddens has paid out about $105 billion to customers of Lehman's brokerage business.

Separate from Lehman Brothers Holdings Inc.'s Chapter 11 case, the brokerage is technically not in bankruptcy but is being unwound separately under the provisions of the Securities Investor Protection Act.

Tom Corrigan contributed to this article.

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THE WALL STREET JOURNAL.
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January 14, 2015

SECTION: MARKETS

LENGTH: 262 words

HEADLINE: **Lehman** Brothers To Sell Another $2.5 Billion In Unsecured Claims;
Process To Wind Down Its Holdings Expected To Continue For Several More Years

BYLINE: By Chelsey Dulaney

BODY:

Lehman Brothers Holdings Inc. said Wednesday that it has agreed to sell another $2.5 billion in bankruptcy claims that the failed investment bank holds against its U.S. brokerage arm.

Lehman has been selling off the unsecured creditor claims in recent months as it continues to wind down its holdings, a process that is expected to continue for several more years. In September, Lehman agreed to sell $2.5 billion in claims for about 25% of their face value.

Lehman, once the nation's fourth-largest investment bank by assets under management, collapsed into the largest bankruptcy ever in September 2008, with $613 billion in liabilities. Most of Lehman's brokerage business was sold to Barclays PLC, and the holding company officially exited bankruptcy in 2012. What remains of Lehman's brokerage unit is being wound down separately from the holding company.

The claim sales, which would raise funds to pay off the billions Lehman owes its customers and creditors, have turned attention to the little-noticed world of bankruptcy-claims trading, where billions of dollars in claims trade each month as distressed-debt investors buy up claims from creditors on the cheap and then jockey for a position to receive payment.

Lehman brokerage customers received about $92.3 billion almost immediately after Lehman collapsed, and since then total distributions have exceeded $110 billion, representing a 100% recovery for customers and priority creditors. However, unsecured creditors are receiving just a portion of their claims.

Write to Chelsey Dulaney at Chelsey.Dulaney@wsj.com

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THE WALL STREET JOURNAL.

The Wall Street Journal

January 3, 2015 Saturday

SECTION: Pg. B2

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HEADLINE: **Lehman** Trustee Settles Pimco Claims

BYLINE: By Tom Corrigan and Joseph Checkler

BODY:

The trustee unwinding Lehman Brothers Holdings Inc.'s U.S. brokerage arm has struck a deal with Pacific Investment Management Co. that would settle more than $187 million in claims against the brokerage at a fraction of their asserted value.

In court papers filed on Wednesday with the U.S. Bankruptcy Court in New York, lawyers for Lehman trustee James W. Giddens said the settlement, which was the product of "extensive discussions and negotiations," would fully resolve the vast majority of remaining customer claims against the brokerage, Lehman Brothers Inc., by reclassifying them as less-valuable unsecured claims.

The deal addresses 81 claims and, if approved by a judge, would leave Pimco, a unit of German insurer Allianz SE, with an outstanding $146.6 million general unsecured claim against the brokerage.

Some Pimco clients also would receive a total of $25.6 million in returned collateral, the court papers show.

Pimco, which oversees pension and 401(k) assets for millions of Americans, will receive a $20 million cash payment. The mutual-fund company has been working to stem an exodus of investors in the wake of co-founder Bill

Gross's sudden departure in September.

In return, the Lehman brokerage's estate would receive $4.9 million, also from returned collateral, and would avoid future litigation that could prove both expensive and time-consuming.

A hearing to approve the proposed settlement with Pimco is scheduled for Jan. 22.

The distinction between a customer claim and a general unsecured claim is at the heart of the settlement. Customers of the brokerage, including the 110,000 individual retail customers who were paid back in the days immediately following Lehman's 2008 bankruptcy filing, are set to recover 100 cents on the dollar in accordance with Mr. Giddens's creditor-payback plan. But general unsecured claims are destined to recover much less.

This type of dispute has been common during Mr. Giddens's unwinding of the brokerage, as creditors sought larger recoveries. Mr. Giddens has paid out about $105 billion to customers of Lehman's brokerage business.

Separate from Lehman Brothers Holdings, the brokerage technically isn't in bankruptcy but is being unwound separately under the provisions of the Securities Investor Protection Act.

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

January 2, 2015

SECTION: BUSINESS

LENGTH: 386 words

HEADLINE: Trustee and Pimco Agree Over **Lehman** U.S. Brokerage;
Deal Would Settle $187 Million in Claims at a Fraction of Their Asserted Value

BYLINE: By Tom Corrigan

BODY:

The trustee unwinding Lehman Brothers Holdings Inc.'s U.S. brokerage arm has struck a deal with Pacific Investment Management Co. that would settle more than $187 million in claims against the brokerage at a fraction of their asserted value.

In court papers filed on Wednesday with the U.S. Bankruptcy Court in New York, lawyers for Lehman trustee James W. Giddens said the settlement, which was the product of "extensive discussions and negotiations," would fully resolve the vast majority of remaining customer claims against the brokerage, Lehman Brothers Inc., by reclassifying them as less-valuable unsecured claims.

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Separate from Lehman Brothers Holdings, the brokerage technically isn't in bankruptcy but is being unwound separately under the provisions of the Securities Investor Protection Act.

Joseph Checkler contributed to this article.

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Washington Post Blogs
The Fact Checker

March 15, 2016 Tuesday 7:04 AM EST

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HEADLINE: Donald Trump's false claim that John Kasich 'helped' **Lehman** Brothers 'destroy the world economy'; Trump's claim is simply not credible.

BYLINE: Michelle Ye Hee Lee

BODY:

> "John Kasich helped Wall Street predator Lehman Brothers destroy the world economy."
>
> --voiceover in Donald Trump campaign ad, released March 11, 2016

Trump appears to be ramping up his rhetoric ahead of the March 15 Ohio primary. The Republican front-runner previously has made similar attacks over Kasich's tenure at Lehman Brothers, but rarely so dramatic as blaming the Ohio governor for the collapse of the investment banking firm and helping start a global financial crisis. So we were curious to know exactly what Kasich's role was in the fall of the Wall Street giant. Trump's campaign, as usual, did not respond to our inquiry.

This ad can also be viewed through our partners at Political TV ad Archive.

Lehman Brothers filed for bankruptcy protection on Sept. 15, 2008, sending shock waves through the global financial system. Even today, financial experts debate whether the financial crisis could have been averted had the government stepped in and arranged for an orderly sale to another investment firm, as it had six months earlier when Bear Stearns also teetered on the edge of collapse because of bad bets in the mortgage-backed securities market. Some argue that the government should have -- and could have -- saved Lehman and averted the cascading effect across Wall Street and the global economy.

Kasich was hired by the investment banking firm in 2001, long before it went under. He left Congress as House Budget Committee chairman in 2001, and then worked at Lehman for seven years.

Kasich has been criticized over his Lehman connection since his 2010 gubernatorial race, when then-Gov. Ted Strickland and other Democrats accused him of leaving the firm with a bonus while the rest of the country, and Ohio, suffered.

For the most part, Kasich has played down his time at the firm. He now says the experience gave him first-hand knowledge of how private sector leaders create jobs and grow their businesses.

During the 2010 campaign, Kasich had bragged about having been a part of a team that took Google public in 2004. But the Dayton Daily News found Kasich overstated his own involvement and the company's role. Google had hired 28 investment firms to underwrite the initial public offering, and Lehman was the fifth underwriter. The company thus didn't play a significant role in Google's IPO, according to the article. But Kasich did know the founders of Google, and pitched Lehman as a second- or third-tier underwriter.

Kasich says he worked out of a two-man office in Columbus. He was a managing director -- one of about 700 in a company of 25,000 -- in the investment banking unit, not making risky mortgage investments or offering home loans. He never served on the board, as Trump once claimed during a GOP debate. (Kasich is not listed among the 51 highest paid Lehman employees in 2007.)

Gary Weinstein, former global chief administrative officer for investment banking and Kasich's boss at Lehman, confirmed Kasich's description of his role. Weinstein hired, supervised and mentored Kasich at the firm. After Kasich became Ohio's governor, he appointed Weinstein as a finance industry representative to his 21-member Executive Workforce Board to help restructure Ohio's workforce programs.

Kasich's role as managing director was unique, unlike the others who shared his title. He had no direct experience in investment banking but brought government experience, regulatory perspective, connections and a go-getter attitude, said Weinstein, now retired in Connecticut. Kasich advised companies on various deals and strategic initiatives, like mergers and acquisitions and public offerings.

"He didn't have any insight or oversight on strategic decisions of any kind that related to the firm," Weinstein said.

Other former coworkers have said Kasich used his contacts to facilitate meetings and help generate business for the firm. For example, after Sept. 11, 2011, attacks, Kasich brought a working group together with government and venture-capital representatives over technology issues in the Defense Department, Bloomberg Politics reported.

Weinstein compared blaming Kasich for the collapse of Lehman to blaming a pilot for the fall of Trump Airlines, one of several failed business ventures that carried the Trump brand.

"They have a real responsibility. They need to make sure the passengers get where they're going," Weinstein said. "But they don't have anything to do with the financials of the company, the future of the company, the hiring or firing, anything like that. To say that you were a pilot who flew the route from Boston to LaGuardia on Trump Airlines, and when Trump went under, you should bear that responsibility -- a layman would say, what are you talking about?"

It's worth noting two other claims made in the ad: "Kasich gave Ohio ObamaCare and increased our budget more than any other governor in the U.S." This is similar to a new ad by Conservative Solutions PAC, a pro-Marco Rubio super PAC. (We fact-checked the two claims when a pro-Jeb Bush super PAC made them, and have written about Kasich's economic record as governor.)

Kasich has, indeed, allowed Medicaid expansion in Ohio under the Affordable Care Act, or Obamacare, saying it would help Ohio's poorest residents. He opposed state exchanges under Obamacare and has called for the law's repeal.

There has been a net tax cut of $5 billion under Kasich, according to state budget officials. The left-leaning Center for Budget and Policy Priorities found that Ohio ranks among the top five states with the biggest income-tax cuts, as a share of the state's economy. But as we've warned before, it's difficult to compare one state's total tax cuts to another because states have varying budget cycles and types of tax revenue.

Kasich received a D in the libertarian Cato Institute's 2014 Fiscal Policy Report Card, but was praised for his income-tax cuts and the tax reform legislative packages he signed into law. Kasich raised some sales taxes in the state but his income-tax cuts resulted in a net tax decrease in the most recent state budget. His score was dragged down by his spending increases and his decision to expand Medicaid, the report card said.

Kasich worked at Lehman Brothers, but that's about all Trump's campaign gets accurate in this ad about his association with the firm. Kasich had no banking experience prior to getting hired by the firm, and he largely played a facilitator role as managing director. He gave strategic financial advice to other companies and generated business by using his contacts in various sectors - not making risky mortgage investments.

Perhaps one could argue that it's all part of the Lehman operation. But it's preposterous and simply not credible to say Kasich, as one managing director out of 700, in a firm of 25,000, "helped" the firm "destroy the world economy."

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2 of 10 DOCUMENTS

washingtonpost.com
Washington Post Blogs

February 10, 2016 Wednesday 6:50 PM EST

LENGTH: 1273 words

HEADLINE: 'Fixers': a financial thriller with cameos by Hillary Clinton and Obama;
A fictionalized account of the 2007 financial crisis and its fallout by a former partner at **Lehman** brothers

BYLINE: Michael Dirda

BODY:

Michael M. Thomas's "Fixers" isn't just an audacious financial thriller, it's also, even primarily, a meditation on values. The novel juxtaposes traditional ideals of loyalty, service, patriotism and noblesse oblige against the relentless, pathological venality of contemporary Wall Street, where, as Thomas's narrator observes, "legality is the sole animating principle of morality."

More dramatically, "Fixers" reveals the purported financial shenanigans that made possible the 2008 election of our current president and the real reasons the federal government bailed out the banks and investment groups that caused the global financial crisis of that same year. As Thomas says in his acknowledgments, the book "imagines connections between known sets of facts that add up to an alternative, plausible interpretation and explanation of the financial crisis and its aftermath." Call it a fantasy, then, but is it? Besides being a best-selling novelist, Thomas is also a former partner at Lehman Brothers. His initial premise certainly seems believable:

"The exercise of power in America today is almost entirely an insider's game that completely shuts out 99.9 percent of the population, which is never made truly privy to the backstage dealings that decide matters of great pith and moment - which in this great, shining republic generally run to the issue of who is to get what and for how much, with the bulk of the money coming from the full faith and credit of the American taxpayer. We groundlings are never told what was actually, exactly said and agreed, as opposed to what They - with a capital T - and their stooges in the media tell us. You might say that I intend to bridge the gap between the true facts of the matter and what the public will have been told."

That "I," by the way, is 46-year-old Chauncey Arlington Suydam III, a high-end arts adviser who helps institutions find donors to underwrite operas, exhibitions and other expensive cultural events. Chauncey, as his name suggests, was brought up in the WASP establishment - banker father, education at Groton and Yale, membership in Skull and Bones, a few years in the CIA, where he specialized in covert financial operations. While deeply devoted to the vanishing ideals of the old-money, Yankee ascendancy, he's nonetheless a man with few illusions:

"The key to Wall Street is that these people really don't give a damn about what anyone other than peers and competitors think and their lawyers and accountants tell them. . . . That said, you also need to consider that they've managed to work things out so that what they do, overpaid though it may be, has become essential to the working of the world. Life runs on fossil fuels and credit."

One morning in mid-February of 2007, Chauncey is summoned to a breakfast meeting by his old CIA boss, Leon Mankoff. Now the head of the giant investment bank Struther Strauss, known as STST, Mankoff explains that he's worried about the future. He foresees "every kind of computer-driven financial calamity: credit freeze, bank insolvencies, a foreclosure pandemic, a liquidity crisis, accounting scandals, balance sheet implosions, a few big firms driven to the wall, total breakdown of trust between institutions" and more. "Something needs to be done," he tells Chauncey - and right now. "I want you to fix next year's presidential election for me."

Mankoff believes that the election of Hillary Clinton, the leading Democratic candidate, would be a disaster for Wall Street. If the crisis comes, only Uncle Sam will have pockets deep enough to fund a bailout. But Clinton, both egregiously ambitious and untrustworthy in Mankoff's view, might see political fodder in attacking rather than assisting the Street. However, there's this other guy, a young senator from Illinois. He's charismatic but lacks the serious money to mount an effective challenge to Clinton. Still, that could change if his campaign were suddenly enriched by, say, $75 million. Just for starters, of course.

Despite a few qualms, Chaun-cey soon finds himself flying to California, where he "accidentally" bumps into the senator's chief adviser during a think-tank weekend at Bohemian Grove. While giving the pol a ride back to Chicago in a private jet, Chauncey dangles Mankoff's $75 million carrot, which he promises to deliver in ways that won't draw attention to its true origins. The candidate - referred to only as Our Guy or OG - doesn't need to know a thing. In return, Mankoff simply wants three particular people appointed to positions high up in the new administration.

"Fixers" takes the form of Chauncey's laptop diary, as we follow him through years of secret machinations, culminating in a lot of second thoughts. Along the way, we meet the gossipy Lucia, who runs public relations for STST, legendary Merlin Gerritt (obviously based on Warren Buffett), muckraking reporter Marina Hochster and Washington insider Ian Spass (his last name means "joke" in German). Best of all, the San Calisto gang - a quartet of retired, old-school brokers - provides a kind of Greek chorus to the novel. "If there's one philosophical point they're agreed on," says Chauncey of the group, "it's that back in their day, the work was about building: raising money for new companies, new factories and stores, new processes. Today it's mainly about extracting - whether what's under the microscope is a company being hollowed out financially in a leveraged buyout, or practically everything in the magic slice-and-dice world of securitization."

Most of the impending financial crisis, Chauncey realizes, grew out of the 1999 gutting of the protective regulations of the Glass-Steagall Act, coupled with the complex, interconnectivity of modern investments. One bad apple can make everyone sick. Of course, the cardinal principle of the Street remains invariable: "It's always the other person's fault." Such cynical observations are among the many pleasures of Thomas's book: "Complexity is the first refuge of the scoundrel"; "Never attribute to malice that which can be adequately explained by stupidity." Chauncey himself reminds us of Adlai Stevenson's great one-liner: "Here's the conclusion on which I base my facts."

As "Fixers" progresses, the Mankoff plan initially seems to be working perfectly - and then complications, some of them personal, lead Chauncey to reflect on what he's wrought.

I won't reveal too much more but do want to stress the novel's breezy, engaging style, one that can move effortlessly from explaining junk bonds and derivatives to quoting Gibbon and making wisecracks. One Wall Street legend, Chauncey tells us, was the "sort of fellow, you saw him in the locker room, you took your wallet into the shower with you." Slick spin-doctoring, he notes, readily transferred responsibility for the mortgage crisis to Uncle Sam and the borrowers. "The mortgage promoters, lenders, and packagers were just poor saps, mere putty in the hands of indigents and incompetent, crypto-socialist bureaucrats."

"Fixers" is, in the end, an exhilarating book to read and a depressing one to think about. A guilt--ridden Chauncey increasingly mourns the principles and traditions upheld by a dying WASP aristocracy. High standards in business practice, service to our country, a truly useful life - can such ideals, he wonders, be reawakened in a culture that so zealously worships Mammon and grotesquely rewards cheats and scam artists? You tell me.

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Michael Dirda reviews each Thursday in Style and is the author, most recently, of "Browsings: A Year of Reading, Collecting, and Living With Books."

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THE WALL STREET JOURNAL.

The Wall Street Journal

February 8, 2016 Monday

SECTION: Pg. A1

LENGTH: 1031 words

HEADLINE: **Lehman** Brothers, Long Gone, Is Still With Us in Spirits --- Infamous bank's name lives on in rap, art and a Scotch with a 'bereft peatiness'

BYLINE: By Margot Patrick

BODY:

LONDON -- Lehman Brothers is gone, but anyone wanting to savor the distinct taste of financial ruin that its name evokes has ways to do so.

With a dram of Lehman Brothers Scotch, say.

"It has a contrite, bereft peatiness," says James Green, a 34-year-old London entrepreneur who has created a new liquor line with the doomed bank's logo.

He is describing his flagship Scotch whisky, labeled Ashes of Disaster. "The remit to the master blender was to taste the ups and downs of the economic devastation of 2008."

That year Lehman hit the rocks, helping trigger the global financial crisis. But its name lives on.

"Lehman moment" is shorthand for failure of companies, politicians and countries. Rap lyrics, cartoons and concept artists have invoked the name.

"It's an explosive brand with great intrinsic value," says Mr. Green, who plans to offer his spirits online and has gotten orders from bars in London and New York.

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Ashes of Disaster, made by Angus Dundee Distillers PLC, is a Scotch with peatiness "tempered with humility to demonstrate the lack of activity that followed the devastation," he says. Evergreen, a Scotch with "notes of growth and promise," represents rebirth.

"We want people to taste the story," Mr. Green says.

Labeling a bottle Lehman tracks a branding tactic of using words with negative connotations to be edgy. Satan sells numerous liquors, including Jim Beam's Devil's Cut. Irish whiskey Titanic was introduced in 2011 to mark the 100th anniversary of the doomed ship's launching.

The downside of the Lehman moniker, says Dean Crutchfield, a New York brand consultant: "It is building recognition out of a name that disgusted millions of people on the planet."

"There is the issue of association and people not wanting to be associated with the bank that brought down the world economy."

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NOTES:
PUBLISHER: Dow Jones & Company, Inc.

LOAD-DATE: February 8, 2016

THE WALL STREET JOURNAL.
The Wall Street Journal Online

February 8, 2016

SECTION: PAGE ONE

LENGTH: 1057 words

HEADLINE: **Lehman** Brothers Still With Us in Spirits, via Scotch Whisky;
A new Scotch whisky carries the **Lehman** Brothers name, but the brand's owner isn't drinking to that

BYLINE: By Margot Patrick

BODY:

LONDON-Lehman Brothers is gone, but anyone wanting to savor the distinct taste of financial ruin that its name evokes has ways to do so.

With a dram of Lehman Brothers Scotch, say.

"It has a contrite, bereft peatiness," says James Green, a 34-year-old London entrepreneur who has created a new liquor line with the doomed bank's logo.

He is describing his flagship Scotch whisky, labeled Ashes of Disaster. "The remit to the master blender was to taste the ups and downs of the economic devastation of 2008."

That year Lehman hit the rocks, helping trigger the global financial crisis. But its name lives on.

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Write to Margot Patrick at margot.patrick@wsj.com

NOTES:
PUBLISHER: Dow Jones & Company, Inc.

LOAD-DATE: March 7, 2016

The New York Times

January 31, 2016 Sunday
Late Edition - Final

SECTION: Section A; Column 0; Classified; Pg. 25

LENGTH: 294 words

HEADLINE: Paid Notice: Memorials JOHNSON, J. ROBERT. AGE 79, DIED JANUARY 14, 2016, OF COMPLICATIONS OF PARKINSON'S DISEASE IN CHARLOTTE, NC. BORN AND RAISED IN NEW YORK CITY, BOB WAS A GRADUATE OF MANHATTAN'S STUYVESANT HIGH SCHOOL AND WENT ON TO ATTEND THE UNIVERSITY OF PENNSYLVANIA WHERE HE WAS A MEMBER OF THE SIGMA CHI FRATERNITY AND THE SPHINX SENIOR SOCIETY, THE OLDEST AND MOST PRESTIGIOUS HONOR SOCIETY OF THE UNIVERSITY OF PENNSYLVANIA. UPON HIS GRADUATION FROM PENN IN 1958, HE WENT ON TO EARN HIS JURIS DOCTORATE DEGREE FROM NEW YORK UNIVERSITY'S SCHOOL OF LAW AND WAS A CAPTAIN IN THE UNITED STATES COAST GUARD. MR. JOHNSON PRACTICED LAW IN NEW YORK CITY BEFORE FINDING HIS TRUE CALLING ON WALL STREET. MR. JOHNSON'S CAREER BEGAN AT KUHN LOEB WHICH LATER MERGED WITH **LEHMAN** BROTHERS IN 1977. HE WAS A PARTNER AT **LEHMAN** BROTHERS WHICH WAS THE PINNACLE OF HIS WORK LIFE. HE ABSOLUTELY LOVED THE CAMARADERIE OF HIS **LEHMAN** PARTNERS AND ASSOCIATES AND RETIRED SHORTLY AFTER THE "GREAT HOUSE OF **LEHMAN**" MERGED WITH SHEARSON

BODY:

JOHNSON--J. Robert. Age 79, died January 14, 2016, of complications of Parkinson's Disease in Charlotte, NC. Born and raised in New York City, Bob was a graduate of Manhattan's Stuyvesant High School and went on to attend the University of Pennsylvania where he was a member of the Sigma Chi Fraternity and the Sphinx Senior Society, the oldest and most prestigious honor society of the University of Pennsylvania.

Upon his graduation from Penn in 1958, he went on to earn his Juris Doctorate degree from New York University's School of Law and was a captain in the United States Coast Guard. Mr. Johnson practiced law in New York City before finding his true calling on Wall Street. Mr. Johnson's career began at Kuhn Loeb which later merged with Lehman Brothers in 1977. He was a partner at Lehman Brothers which was the pinnacle of his work life. He absolutely loved the camaraderie of his Lehman partners and associates and retired shortly after the "Great House of Lehman" merged with Shearsonmerican Express in 1984. In the ensuing years he pursued business ventures, was active in various charities and loved following his grandchildren's sporting adventures. A lifelong New Yorker, Bob moved to Charlotte, NC to be closer to his two daughters and his grandchildren. He is survived by his son Hal Johnson of Mill Valley, CA and Telluride, CO, his daughters, Brooks Johnson and Jennifer Miller of Charlotte, NC and his eight grandchildren: Reilly and Summer Johnson, Chase and Dylan Johnson, Mitchell Morrow and Cole, Cade and Cameron Miller. He is also survived by his sister Carole Bayer of Tucson, AZ and his many relatives in Gothenburg, Sweden. No services are planned but the family will come together to celebrate his life this summer per his request. 1/3

URL:

LOAD-DATE: January 31, 2016

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The New York Times Blogs
(First Draft)

January 31, 2016 Sunday

SECTION: US; politics

LENGTH: 506 words

HEADLINE: Group Backing Chris Christie Criticizes John Kasich for **Lehman** Brother Ties

BYLINE: NICK CORASANITI and ALEXANDER BURNS

HIGHLIGHT:

As Mr. Kasich and Mr. Christie are locked in a tight battle for fourth place in New Hampshire, America Leads, the “super PAC” supporting Mr. Christie, is running ads accusing Mr. Kasich of profiting off the financial crisis while he was a managing general partner at Lehman Brothers.

BODY:

[Video: Watch on YouTube.]

Donald J. Trump has criticized Gov. John R. Kasich of Ohio at numerous debates, including for his tenure as a managing general partner at a bank that was central to the financial crisis.

Now, America Leads, the "super PAC" supporting Gov. Chris Christie of New Jersey is putting some money behind Mr. Trump's accusations in a withering attack ad aimed at Mr. Kasich.

It begins with Mr. Kasich saying "I was a banker and I was proud of it," before cutting to Mr. Trump's criticism, and rifling through Mr. Kasich's record as both a congressman and a businessman, accusing him of profiting off the financial crisis while a partner at Lehman Brothers.

The negative ad comes as Mr. Kasich and Mr. Christie, both far behind Mr. Trump, are locked in a tight battle for fourth place and a strong showing in New Hampshire, and are pursuing a similar subset of voters.

But Mr. Christie and Mr. Kasich do not typically go after each other on the stump. On the contrary, Mr. Christie has trained his fire mainly on Senator Marco Rubio of Florida, and said last week in a radio interview that he considered Mr. Kasich a "very good governor." (He added that he viewed himself as a better one.)

Mr. Kasich, meanwhile, has refrained from attacking any of his opponents in his campaign events, though a "super PAC" supporting his campaign has done so with paid advertising.

But if Mr. Christie has held back against Mr. Kasich, the outside group supporting Mr. Christie's candidacy has increasingly shifted into attack mode. Even before the anti-Kasich ads began running, America Leads was sending mail to New Hampshire voters branding Mr. Kasich as a tax hiker.

"No amount of New Jersey bullying and false attacks by Chris Christie's cronies will hide Christie's own failures of credit downgrades and budget deficits," said Chris Schrimpf, a spokesperson for the Kasich campaign. "As a result over 60 percent of the voters that know Christie best don't approve of him. In ohio John kasich turned an $8 billion budget hole into a $2 billion surplus, saw Ohios credit outlook improve, and cut a record amount of taxes. As a result over 60 percent of voters approve of him in the most important of all swing states."

The Lehman Brothers attack may be a particularly raw one for Mr. Kasich. Democrats used his affiliation with the failed bank to brand him, during his campaign for governor in 2010, as a "congressman from Wall Street."

Mr. Kasich has attempted to minimize his Lehman connection, joking about his tenure at the bank in campaign speeches. (He did not repeat the joke in a handful of campaign events a reporter attended over the weekend.)

Tucker Martin, a spokesperson for America Leads, said the ad was in response to an escalation in attacks from the Kasich team.

"The Kasich team has spent well over a month attacking Governor Christie," he said. "All we're doing is noting a vote Governor Kasich took, and a job he held. It's simply another part of his bio and his record, presented to voters for their consideration."

LOAD-DATE: January 31, 2016

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7 of 10 DOCUMENTS

The New York Times

January 26, 2016 Tuesday
Late Edition - Final

SECTION: Section A; Column 0; National Desk; FIRST DRAFT; Pg. 14

LENGTH: 306 words

HEADLINE: Unprompted, Kasich Makes Light of Tenure at **Lehman** Brothers

BYLINE: By ALEXANDER BURNS

BODY:

MANCHESTER, N.H. -- John Kasich is campaigning for president as the good-humor man, eschewing what he calls the "doom and gloom" of his rivals for the Republican nomination.

The Ohio governor's cheerful demeanor extends even to an episode of his career that opponents have used against him: Mr. Kasich's stint at Lehman Brothers, the investment bank that collapsed in 2008, helping to start a global financial crisis.

Mr. Kasich brought up his Lehman years, unprompted, at one of his New Hampshire events on Monday, and laughed off the attacks on his connection with the failed firm.

"I've been accused of bankrupting Lehman Brothers," he joked, to laughter from the crowd at the Manchester Rotary Club. "I actually operated a two-man office in Columbus, Ohio. If I can bankrupt Lehman Brothers from there, I ought to be pope."

Mr. Kasich has made the joke before. An adviser on the sidelines of his event said it has become a regular feature of his speeches. But Mr. Kasich's tenure at the bank may become newly relevant in the campaign if he continues his climb into the top tier of candidates in New Hampshire.

Donald J. Trump has already mocked Mr. Kasich for his past affiliation with Lehman, criticizing him in a fall debate for holding a senior position at the bank "when it went down the tubes." And Democrats have attacked Mr. Kasich's Lehman credentials since his first campaign for governor in 2010.

Should Mr. Kasich emerge as a finalist for the Republican nomination, opponents in both parties might force him to address his work at Lehman in a less lighthearted way.

Find out what you need to know about the 2016 presidential race today, and get politics news updates via

Facebook, Twitter and the First Draft newsletter.

This is a more complete version of the story than the one that appeared in print.

URL:
http://www.nytimes.com/politics/first-draft/2016/01/25/unprompted-john-kasich-makes-light-of-his-tenure-at-lehman-brothers/

GRAPHIC: PHOTO: Gov. John R. Kasich in Newmarket, N.H., on Monday. (PHOTOGRAPH BY JIM COLE/ASSOCIATED PRESS)

LOAD-DATE: January 26, 2016

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THE WALL STREET JOURNAL.
The Wall Street Journal Online

January 26, 2016

SECTION: MARKETS

LENGTH: 586 words

HEADLINE: J.P. Morgan to Pay $1.42 Billion to Settle Most **Lehman** Claims;
Deal doesn't resolve all of failed investment bank's claims against J.P. Morgan

BYLINE: By Patrick Fitzgerald

BODY:

J.P. Morgan Chase & Co. has agreed to pay the remnants of Lehman Brothers Holdings Inc. $1.42 billion in cash to settle most of the failed investment bank's lawsuit over claims that J.P. Morgan illegally siphoned billions of dollars from Lehman before its collapse.

Representatives for Lehman and J.P. Morgan declined to comment.

The settlement comes after a federal judge last fall ruled for J.P. Morgan , saying the bank didn't abuse its leverage as Lehman's primary clearing bank to force the investment bank to hand over more collateral in the weeks before its September 2008 collapse.

Related

* Lehman Sues Japanese Investment Bank Over Derivatives (Dec. 29)

* Lehman Trustee Begins Third Payout to Brokerage Creditors (Sept. 9)

The deal, unveiled Monday night in a filing in U.S. Bankruptcy Court in New York, resolves the bulk of Lehman's $8.6 billion lawsuit against J.P. Morgan and the bank's counterclaims against Lehman. It also puts to rest Lehman's challenges over J.P. Morgan's closeout of thousands of derivatives contracts following the investment bank's collapse.

Although the settlement doesn't resolve all the claims between Lehman and J.P. Morgan, it ends a "significant portion" of their disputes, court papers said, and allows the postbankruptcy Lehman estate to make another $1.5 billion distribution to the investment bank's creditors.

Lehman initially sued J.P. Morgan in May 2010, alleging in the suit that J.P. Morgan engaged in a "voracious" cash grab to create an $8.6 billion "slush fund" in the investment bank's final days. Lehman had pledged billions of dollars as collateral for tens of thousands of derivatives transactions with J.P. Morgan as well as for overnight loans arranged by the bank.

As Lehman's chief clearing bank, J.P. Morgan provided cash advances of as much as $100 billion a day to Lehman to facilitate overnight repurchase, or repo, agreements. That role resulted in J.P. Morgan being one of Lehman's main adversaries in numerous disputes surrounding the investment bank's demise as well as one of its largest creditors.

J.P. Morgan later countersued the investment bank, saying it extended to Lehman hundreds of billions of dollars in credit that actually benefited Lehman's creditors by avoiding a fire sale of the bank's assets in the days following Lehman's failure.

In the turbulent days after Lehman filed for bankruptcy, it sold its broker-dealer business to Barclays PLC. When the dust settled, J.P. Morgan said some $25 billion it had advanced to Lehman's broker-dealer was left unpaid and it was stuck with the illiquid securities that Barclays didn't want. To close the hole, J.P. Morgan applied $8.6 billion of collateral that Lehman's holding company had pledged to the bank in the days before its collapse.

Lehman, once the nation's fourth-largest investment bank, collapsed into the largest bankruptcy ever in September 2008. The filing sent markets into turmoil and helped trigger a global financial crisis.

The legal fight with J.P. Morgan is one of a few large remaining orders of business for Lehman, which officially emerged from chapter 11 protection in March 2012. Since then, the company, which is being overseen by a new board of directors, has paid back tens of billions of dollars to creditors while searching for more funds through lawsuits and settlements. The holding company is winding down and selling off its remaining holdings, a process that is expected to continue for several years.

Write to Patrick Fitzgerald at patrick.fitzgerald@wsj.com

NOTES:
PUBLISHER: Dow Jones & Company, Inc.

LOAD-DATE: January 26, 2016

THE WALL STREET JOURNAL.
The Wall Street Journal Online

January 5, 2016

SECTION: LIFE

LENGTH: 1200 words

HEADLINE: Author David **Lehman** Takes On Jack Daniel's Sinatra Century;
Want to get your swing on like Sinatra? A special-edition bottle from Jack Daniel's promises just that. Noted Sinatra scholar David **Lehman** took the bottle and its accompanying playlist for a spin

BYLINE: By David Lehman

BODY:

1. The Background

Frank Sinatra discovered Jack Daniel's one sleepless night in the early 1940s. "It's been the oil to my engine ever since," he later said. He famously praised "anything that gets you through the night, be it prayer, tranquilizers or Jack Daniel's." Frank always kept a bottle nearby, offstage, and he was buried with a flask of JD in his casket.

In her autobiography, Judith Campbell Exner-the moll who was mistress to both John F. Kennedy and the head of the Chicago mob-recalled a day spent with Sinatra. He "acknowledged the comings and goings of an endless string of visitors, growled at flunkies, drank martinis, ate lunch, drank Jack Daniel's, ate hors d'oeuvres, drank Jack Daniel's, ate dinner, and drank more Jack Daniel's."

By the mid-1960s, Sinatra could drink a fifth of Jack Daniel's and still go on stage.

2. The Anticipation

Like any respectable Sinatra aficionado, I've imbibed my share of Tennessee's trademark sour mash whiskey. And as the author of a new book titled "Sinatra's Century," I had extra incentive to try the latest ultra-premium Jack Daniel's bottle, sent to me by my editor at The Wall Street Journal. Called, by coincidence, Sinatra Century, the limited-edition 100-proof whiskey was aged in 100 "alligator-charred" oak barrels (so called for their scaly interior surface, the deepest of all the chars used to impart flavor and color to the liquor). It hit shelves in October, in plenty of time for toasts to Frank Sinatra on his 100th birthday, December 12, 2015.

I wrote my book because I've loved the singer's voice, musical savvy and definitive versions of standards ever since I heard "All the Way" and "Witchcraft" on the radio when I was 8 or 9. Timing it to the centennial, I wrote the book in 100 parts, because Sinatra's career ran parallel to and threw into relief what Henry Luce called the "American century," and because the century is the perfect form for a subject with so many facets.

Jack Daniel's already has a top-shelf whiskey with Sinatra's name on it: Sinatra Select, which is selling well at twice the price of single-barrel bourbons that are just as good. Part of me wondered whether, with "Sinatra Century," JD is selling a name and a future souvenir rather than a whiskey that can go head-to-head with A. H. Hirsch Reserve or the best of Buffalo Trace's Antique Collection.

3. The Presentation

The packaging of Sinatra Century is as lavish as it should be, priced at $379 or more per one-liter bottle. It arrives in a lacquered case with an engraved brass handle. Pop open the case, and the bottle sits like a dark liquid jewel set against black velvet. Each bottle is numbered-mine is FAS 23095, the initials standing for Francis Albert Sinatra. Also included: a slim hard-bound book devoted to Sinatra's relationship with Jack Daniel's and a tie clip that doubles as a thumb drive.

The last item comes loaded with a previously unreleased album of a live Sinatra performance: 13 songs, two monologues and a coda consisting of a brief monologue and foreshortened reprise of "My Kind of Town" as exit music, all recorded at the Sands Hotel in Las Vegas in January 1966. Frank had just turned 50 and was teamed with brilliant arranger Quincy Jones and the Count Basie Orchestra. What better way to return to that evening than with a rocks glass in hand?

4. The Proof

More Message in a Bottle

* Must You Know Scotch Lingo to Enjoy a Single Malt?

* Author Lauren Holmes on Rum and Coke and Youthful Indiscretions

* Novelist Jami Attenberg on Why Whiskey Is for Sharing

* Michael Paterniti on Alessio Vermouth di Torino Rosso

* Christina Nichol on Croft Quinta da Roêda 2012 Vintage Port

Isn't "proof" a lovely word? It stands in one context for the potency of a potable, and in another it means verification: a geometrical proof, say. Both senses come into play here. Would Sinatra Century prove potent enough to accompany belters like "Luck Be a Lady" and "Fly Me to the Moon"? At 100 proof, it had better.

As to color, I said amber, my wife said topaz. She described the taste as "warm orange afterglow." I sipped again and said, "Cognac." She said, "The Cognac of bourbons." Goes well with dark chocolate. Warms the soul "in a drear-nighted December" (to quote Keats). The whiskey is the best I've had from Jack Daniel's.

How to drink it? Neat or over ice. We stuck to Sinatra's recipe: "three rocks, two fingers and a splash." We omitted the splash.

5. The Playlist

Sinatra Century promises not merely a whiskey but an experience. So you're sitting in your favorite reclining armchair sipping and playing the recording of that Sands appearance of January 1966. It opens with a trusty icebreaker, "Come Fly with Me," then turns to a ballad he's sung since his crooner days, the Gershwins' "I've Got a Crush on You." Self-consciousness spoils the verse intro. The skinny singer can scarcely keep a straight face when obliged to sing "I'm your big and brave and handsome Romeo."

He's on safer ground with Cole Porter's "I've Got You Under My Skin." Perhaps the most celebrated of all Sinatra's up-tempo finger-snappers, it brings out his swinging best. In adapting Nelson Riddle's 1956 arrangement, Quincy Jones makes miraculous use of reeds and muted horns to compensate for the lack of a string section.

Sinatra always maintained he was at heart a saloon singer and he proves it anew in "Street of Dreams" and Matt Dennis's great, haunting "Angel Eyes." As you savor another swallow, the pace changes with "Fly Me to the Moon," a highlight of the night. Sinatra reinvented Bart Howard's 1954 song: It wasn't a sad wistful plea, after all, but an assertive proclamation of love. It was also a nod to NASA's great decade, the conquest of space as a seduction song. Killer arrangement. Love that flute.

The timeless "You Make Me Feel So Young" shows Sinatra at his most buoyant, and then he turns up the warmth in Johnny Mandel's Oscar-winning "Shadow of Your Smile." Sinatra is dating Mia Farrow and Mia likes the song.

Frank Loesser's "Luck Be a Lady" comes from the musical "Guys and Dolls." In the movie version, Sinatra played Nathan Detroit, but it was Marlon Brando as Sky Masterson who got to sing this ode to gambling that marks the show's heroic climax. Now, to correct the injustice, Sinatra demonstrates how the song should be sung. One of Sinatra's anthems in the 1960s, a hymn to Las Vegas, here it's as electric as "Fly Me to the Moon," with a tail like that of "My Kind of Town."

Time for another round.

The audience is hushed when Frank sings "It was a Very Good Year," where again the reeds do the work of strings, and then the Rodgers and Hart standard "Where or When," not only a marvelous love song but also the greatest ever on the subject of déjà vu: "Some things that happen for the first time / Seem to be happening again."

The nightclub act ends with a song Sinatra owns: "My Kind of Town," the terrific tribute to Chicago that Sammy Cahn and Jimmy Van Heusen wrote for their boss to sing in "Robin and the Seven Hoods," his last movie musical.

By now you've made a dent in the bottle and you're robustly singing along.

-Mr. Lehman is the author of "Sinatra's Century: One Hundred Notes on the Man and His World" (Harper).

NOTES:
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MENU

FINANCE LEHMAN BROTHERS

Here are the crazy stocks Lehman Brothers is still trading

by Jen Wieczner @jenwieczner SEPTEMBER 18, 2015, 6:30 AM EDT

Lehman Brothers Holdings' current offices on the 40th floor of New York's Time & Life Building, on Sept. 15, 2015, exactly seven years after the bank's collapse.

Photograph by Jen Wieczner

Would the last trader at Lehman please turn out the lights?

On the seventh anniversary of the financial giant's historic collapse, someone is still trading stocks at Lehman Brothers.

Since Lehman filed for bankruptcy on Sept. 15, 2008—crashing the market and helping to trigger the financial crisis and Great Recession—it has mostly been selling off what was once a staggering $639 billion in assets and trying to liquidate its massive web of investments. Yet at the offices of Lehman Brothers Holdings, on the 40th floor of the Time & Life building (just 16 floors above Fortune's offices), someone was still buying stocks as recently as last winter. The remnants of the portfolio are a reminder of just how complex—and financially vast—an entity Lehman was, and the time and effort it has taken to wind down

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remnants of the portfolio are a reminder of just how complex—and financially vast—an entity Lehman was, and the time and effort it has taken to wind down its assets. Seven years later, that unwinding process has no end in sight.

Lehman Brothers Holdings continues to quietly manage a stock-only portfolio—albeit a relatively puny one. According to Lehman's latest SEC filing, as of June 30 the portfolio had just under $1.2 million in assets, the only individual equity positions that Lehman currently discloses. That portfolio now holds two stocks: Texas-based marketing firm Bazaarvoice (BV ▲ 4.50%) (its top holding at $934,000) and insulation maker Aspen Aerogels (ASPN ▲ 0.24%),

But in March, Lehman owned a good deal more: It reported that the value of the stock portfolio had soared to $38 million in the first quarter of 2015, up from the $1.6 million reported at the end of 2014. Lehman had apparently received a windfall early this year, with which it bought $33 million of Alcoa (AA ▲ 2.52%) shares and $3.6 million worth of Norwegian Cruise Line Holdings (NCLH ▲ 3.64%), exchanging the $2000 worth of UBS (UBS ▲ 3.43%) shares that it held in December.

Still, Lehman's current two-stock portfolio is a sliver of what it was a year ago, when it had $48.4 million invested in seven stocks: Besides Aspen Aerogels, Bazaarvoice and UBS, it also owned Warren Buffett's Berkshire Hathaway (BRK.A ▲ 1.52%), General Electric (GE ▲ 2.82%), publisher Houghton Mifflin Harcourt (HMHC ▲ 1.19%), and Synovus Financial Corp. (SNV ▲ 0.31%). The surprise? None of those positions appear to be leftovers from a pre-financial crisis fund: Lehman bought all of those stocks in 2013 and 2014, according to Bloomberg data.

Lehman Brothers Holdings would not comment on the trades or its ongoing restructuring efforts. But a source familiar with the liquidation process confirmed that Lehman still manages an equity portfolio "primarily to maximize value to pay back creditors"—as the bank's ultimate mission (and reason for continued existence) is to repay its debts.

"There's very little money that can be made by holding the assets that" Lehman has, the person said. The bank takes advantage of "whenever there's an opportunity to manage and to hold...because the time value of money plays in to all of this and [Lehman] would be monetizing wherever it makes sense to do so."

Lehman also continues to hold stocks whose value may have sunk and "it doesn't pay to sell," the person said, in hopes of milking them for more money when prices recover.

The stock portfolio is just a tiny piece of what's left of Lehman's investment colossus. Lehman Brothers Holdings, which managed the bulk of Lehman's U.S. assets after the bankruptcy, is now down to $15 billion in assets and 200 employees, though other parts of the former Lehman entity are untangling at least several billion more.

It's unclear, however, why the value of Lehman's holdings fluctuated and ballooned so dramatically earlier this year. Many of its assets are still tied up in litigation. Court rulings and settlements will often free up assets and cash reserves, which might then be dropped into various Lehman accounts.

Andrew Metrick, deputy dean and finance professor at the Yale School of Management, offered another hypothesis: It's possible that the Alcoa and Norwegian Cruise Line positions that suddenly showed up in the portfolio in the first quarter—and disappeared the next—had been owned in a limited partnership investment vehicle, such as a private equity fund. Since those funds generally have an investment lockup period of seven years or more (during which assets are illiquid), Lehman may have bought a stake pre-market crash that was only just distributed this year in the form of stock. "Typically such stakes get sold quickly after distribution, and so would appear on a [disclosure] for only a short time," Metrick says.

Lehman's $1 million stock portfolio is small enough that it could be sold off fairly quickly, unless it gets another large infusion. But when will the bank finally cash out completely? Probably not until Lehman's last trader standing turns out the lights.

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LEHMAN BROTHERS

LEADERSHIP ELECTION 2016

Here's Why John Kasich Has a Great Shot at Being the Business Candidate

COMMENTARY by Cyrus Sanati @beyondblunt FEBRUARY 10, 2016, 3:08 PM EDT

Ohio Governor and Republican presidential candidate John Kasich speaks to supporters at a primary election watch party after finishing second to Donald Trump, February 9, 2016, in Concord, New Hampshire

Photograph by Dominick Reuter—AFP/Getty Images

Kasich aims to balance the selfishness unbridled capitalism with the unrealistic ideals of socialism

The strong showing by Ohio governor John Kasich in Tuesday night's New Hampshire primary shouldn't be dismissed. His second place finish behind the bombastic Donald Trump is the logical conclusion in what has become "a tale of two elections"—one sane, and the other not so much.

But does Kasich have what it takes to triumph over Trump's big mouth and defend himself from the incoming barrage of attack ads to clench the Republican nomination?

To do that, he needs to win the hearts and minds of fiscal conservatives and moderate Republicans and prove to them that he has the experience to get the country's finances back in order. This is no small task, but it is doable. In the end, it will come down to his record and his platform—both of which remain unknown to the vast majority of potential primary voters.

Trending Video

Kasich has been branded as a “compassionate conservative” for his moderate stance on a variety of social and economic issues. This type of conservatism aims to improve the general welfare of society as a whole, not just that of the 1% or the downtrodden. Kasich is often heard quoting Michael Novak, an American Catholic philosopher who is best known for his book, *The Spirit of Democratic Capitalism*. In it, Novak argues that democracy is essentially incomplete without a free market economy, but that this economy needs to be nourished by a moral and pluralistic liberal culture to function properly.

Kasich supports relatively moderate policies in a bid to balance the inherent selfishness and greed of unbridled capitalism, represented best by Donald Trump, with the utopian and unrealistic ideals of socialism (see under: Bernie Sanders). It is no surprise that Kasich finds himself in between the Republican and Democratic winners of New Hampshire—he is the third way, the moderate way. While Kasich cringes whenever he is referred to as a “moderate,” it is nevertheless why he has been so successful in navigating Ohio politics, one of the most “purple” states in the union.

Kasich is eager to talk about his record in government, and for good reason; he actually has one worth talking about. He is the only candidate who has served as both a member of congress, representing Ohio in the House for 18 years, as well as governor of a state, running Ohio for the past five years. When he was a congressman in the 1990s, he was the right hand man to former House Speaker Newt Gingrich, who appointed him as head of the important House Budget Committee. He was considered tough but fair and worked closely with the Clinton Administration to balance the federal budget in 1997 for the first time in nearly 30 years. This budget surplus would last until George W. Bush slashed taxes in 2001 in a bid to stimulate growth following the dot-com recession.

Kasich wants to balance the Federal budget once again, which, at last count, is around $500 billion in the red. President Obama's 2017 budget proposal, which was unveiled on Tuesday, does not envision the U.S. realistically reaching a balanced budget within the next decade, based on a variety of assumptions regarding growth, entitlement spending, and future tax revenue. While the national debt would continue to rise in real terms, the White House projects that its size as a proportion to GDP would remain relatively unchanged over the next 10 years at around 75% of GDP. To maintain this level, though, the U.S. would need to take in around $4.5 trillion more over the next decade than it is currently expected to collect, according to projections from the Congressional Budget Office.

The Republican primary nominees each have a vague budget plan, most of which sees them not only erasing the budget deficit but also miraculously cutting the national debt, all while cutting taxes and raising spending on the military. Unless those tax cuts cause the U.S. economy to grow as fast as China in the next few years, which is highly unlikely, then pretty much all of the budgets put forth by the nominees would pull the country further into debt—far more than the depressing budget put forth by the White House on Tuesday.

But of all of the nonsensical budget plans out there, Kasich's plan is perhaps the best among all of the bad. He isn't promising a miracle, but things don't add up nicely, either. Above all else, Kasich says he will balance the budget in a relatively doable eight years, as opposed to overnight like some magician. He also wants to keep government spending under control. For example, he is pretty much the only Republican candidate who hasn't promised some massive increase in military spending.

Unlike many of his fellow nominees, he is not in favor of a regressive "flat tax." Instead, he wants to "simplify and cut taxes for Americans by reducing the number of brackets from seven to three," and then slashing the top rate from the current 39.6% to 28%. His plan also vaguely calls for "cutting the other rates as well," but it is unclear by how much.

Kasich wants to increase the Earned Income Tax Credit by 10%, cut the long-term capital gains rate from 20% for top earners to 15%, eliminate the estate tax completely, all while preserving the deductions for charitable donations and mortgage interest. But with the rich paying most of the taxes in this country, all of this would cause the budget deficit to pretty much explode, unless there was a commensurate increase in economic growth or an offsetting tax increase somewhere else.

Kasich believes he can achieve much of that growth by revamping the corporate tax code, something that has been talked about for years in Washington but hasn't happened. He wants to cut the top rate from 35% to 25% and double the research and development tax credit for businesses bringing in under $20 million in gross receipts. He also wants to give a tax discount to American companies on income they earned abroad in a bid to repatriate some of the $2 trillion in untaxed profits that are stashed overseas. He would then shift the country to a territorial tax system where the government would only tax corporate revenue earned inside the U.S.

Now, Kasich does not say anything about closing loopholes that allow corporations to lower their tax rate. Few, if any, corporations pay 35% of their profits to the federal government. Indeed, over a five-year period, the average federal corporate tax rate for some of the largest Fortune 500 companies was around 19.4%, according to an analysis by the Citizens for Tax Justice. A lot of companies paid far less, including 26 that paid nothing at all over the entire five-year period, the group said. If the loopholes were all eliminated and a flat 25% tax was instituted, then U.S. companies could actually end up paying more in taxes than they otherwise would.

But while Main Street could actually end up paying more under Kasich's tax plan, Wall Street probably won't. Unlike Jeb Bush and Donald Trump, Kasich opposes the populist move to get rid of the carried interest rule, which allows the income earned by investment firms, such as private equity firms, hedge funds, and venture capital firms, to be taxed at a lower capital gains rate. Kasich believes removing the carried interest rule would lower risk taking and hurt investment.

Kasich may not be Wall Street's best friend, but he isn't its biggest enemy, either. While Kasich has said that the Dodd-Frank Wall Street Reform and Consumer Protection Act "went overboard," in regulating the trading activities of banks, he doesn't want to totally rip it up, either, which is the position of most of his rivals, including Marco Rubio and Jeb Bush. So it is unlikely he will try to repeal all of Dodd-Frank.

After all, Kasich is the only candidate who truly worked on Wall Street. Following a super short presidential bid in 2000, Kasich left Capitol Hill to become a banker at Lehman Brothers, the notorious investment bank whose collapse spurred the global financial meltdown in 2008. While most politicians who make the transition to finance work mostly as "door openers" during their tenure on Wall Street, like Jeb Bush and his work at Lehman and Barclay's, Kasich was fully invested in his career as a banker. "A lot of the things I learned on Capitol Hill are very applicable to Wall Street," Kasich told the *The Plain Dealer* in 2001. "It is about being creative, being aggressive, coming up with new ways of doing things. It will really round me out as a person."

In his nearly eight-year tenure at Lehman, Kasich worked on a multitude of deals and made a few million dollars, but he was "hardly a star" at the firm, a person with knowledge of the matter told *Fortune*. Nevertheless, he did play a key role in getting Lehman on the Google IPO deal back in 2004, thanks to his contacts in Silicon Valley. While Lehman was one of 23 firms on that particular deal and

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was not the lead book runner, it was still a big get for the baby banker.

While his Wall Street career was relatively innocent, it nonetheless was subject to attack when he ran for Ohio governor in 2010. He was quoted in 2001 saying that the bank's villainized chief executive Dick Fuld was "an awesome guy" and "a great leader," which didn't really help him in his bid to distance himself from the financial meltdown that came amid Lehman's collapse. While he wasn't a member of the management team and worked mostly out of a two-man office at his home in Columbus, his opponent tried to pin the mortgage crisis on him and his supposed "greed."

But while being a banker at Lehman certainly did not help his campaign, it didn't kill it either. The race was close but the sad state of Ohio's economy took precedence in voters' minds. In 2014, Ohio overwhelmingly reelected Kasich. With the financial crisis further in the past now, Kasich's Lehman link is unlikely to make a big impact in his presidential bid, although his opponents, especially Donald Trump, have tried to resurrect the issue.

Kasich isn't the most charismatic candidate out of the bunch, but he isn't totally off his rocker, either. He is over-promising when it comes to tax cuts, but it isn't as fantastical as the plans being touted by others. His ties to Wall Street are somewhat problematic, but few will really care, especially because the firm he worked at no longer exists. If moderate rivals such as Jeb Bush pull out and endorse Kasich relatively soon, he may have a real shot at stopping Trump's seemingly unstoppable momentum.

MENU

VENTURE LEHMAN BROTHERS

How Surviving Lehman Brothers Made Me A Better CEO

COMMENTARY by Justin Palmer FEBRUARY 2, 2016, 11:51 AM EDT

Two employees of Christie's auction house maneuver the Lehman Brothers corporate logo.
Photograph by Oli Scarff

"I came out of that role with the experience of a wartime general."

The training ground at the bankrupt Lehman Estate is one of the primary things that helped me become successful.

As the recession took hold toward the end of 2009, I caught up with a good friend who had worked at the investment bank prior to its bankruptcy. He was in what seemed to be a career whirlwind that ended with him being retained by Lehman Brothers Holdings – the bankrupt entity – to help manage the real estate assets of the Lehman Estate. I was bored at my current job, and I became more and more interested in the work that he was describing as his day-to-day role in the bankruptcy. I had no idea the domino effect that conversation would have on my career over the next three years.

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Within a few weeks, I made the jump from a well-known institutional real estate investment firm to the bankrupt estate of Lehman Brothers. I was in shock during my first few months, as I seemed to be in the heart of the financial equivalent of a nuclear explosion. Lehman, at the time, had approximately $18 billion worth of real estate assets on its balance sheet, and I had joined a small, close-knit, group of former Lehman employees to help execute the work-outs and restructuring of those assets.

I spent about two and a half years at the Lehman Estate, and I came out of that role with the experience of a wartime general. I had foreclosed on several prominent New York property owners, and I worked with Lehman's creditors to finish the construction, repositioning and stabilization of a portfolio of commercial properties that were valued around $400 million. It was organized chaos. Anything that could have gone wrong with those assets, did. And it was my job to fix it, no matter how big or small the issue.

When I left the estate, I knew I was ready to pursue investments on my own. Ultimately, I took a role in acquisitions with a boutique Manhattan-based developer to sharpen my development skills. I only lasted about six months with the firm prior to starting my own business – Synapse Development Group, a real estate investment and development firm.

No one could understand what I had seen during the largest real estate bankruptcy in U.S. history. No one could understand that someone my age could have acquired such intense experience, during the biggest real estate downturn in recent history.

For those of you who are entrepreneurs, or aspiring entrepreneurs, I have outlined what I consider to be the three most valuable lessons of my experience working at Lehman Brothers, and how it prepared me to run a company.

Be resourceful

At Lehman, we were charged with finding a path to maximizing the recovery value of each asset – even if that meant investing more capital from the estate to achieve that value. As an entrepreneur in the real estate development business, our investors do not partner with us to listen to all the challenges that a development project entails. They partner with our firm, because we have the skill set to find a way to maximize the value on a project. The difference between companies that make it and companies that don't is a slim margin and those that "find a way" are here to tell the war stories.

Be strategic

Dealing with the inter-workings of a bankrupt company while trying to inject capital into real estate assets, required what author Howard Marks refers to as "second-level thinking," which is not easy to maintain. Second-level thinking requires someone to consider multiple scenarios and outcomes, while addressing the myriad of factors that come into play on an investment (feasibility, finance-ability, insurance, legal structure, public relations). As an entrepreneur, second-level thinking is the reality of your day-to-day, no matter what business you run. Entrepreneurs are taxed with the heavy load of their company, and evaluating endless potential outcomes is not easy, but it is required.

Results matter more than effort

At Lehman, there were a lot of pissed off people and understandably so. Most creditors received pennies on the dollar as the recovery value of their original investment. I learned very early on that "trying" to maximize value of the asset that I worked on was not enough to achieve notoriety in that environment. Results and actual recovery value were all that mattered. In running a business, trying really hard does not pay your overhead – you either do, or you don't.

Justin Palmer is the founder and CEO of Synapse Development Group

Justin Palmer is the founder and CEO of Synapse Development Group.

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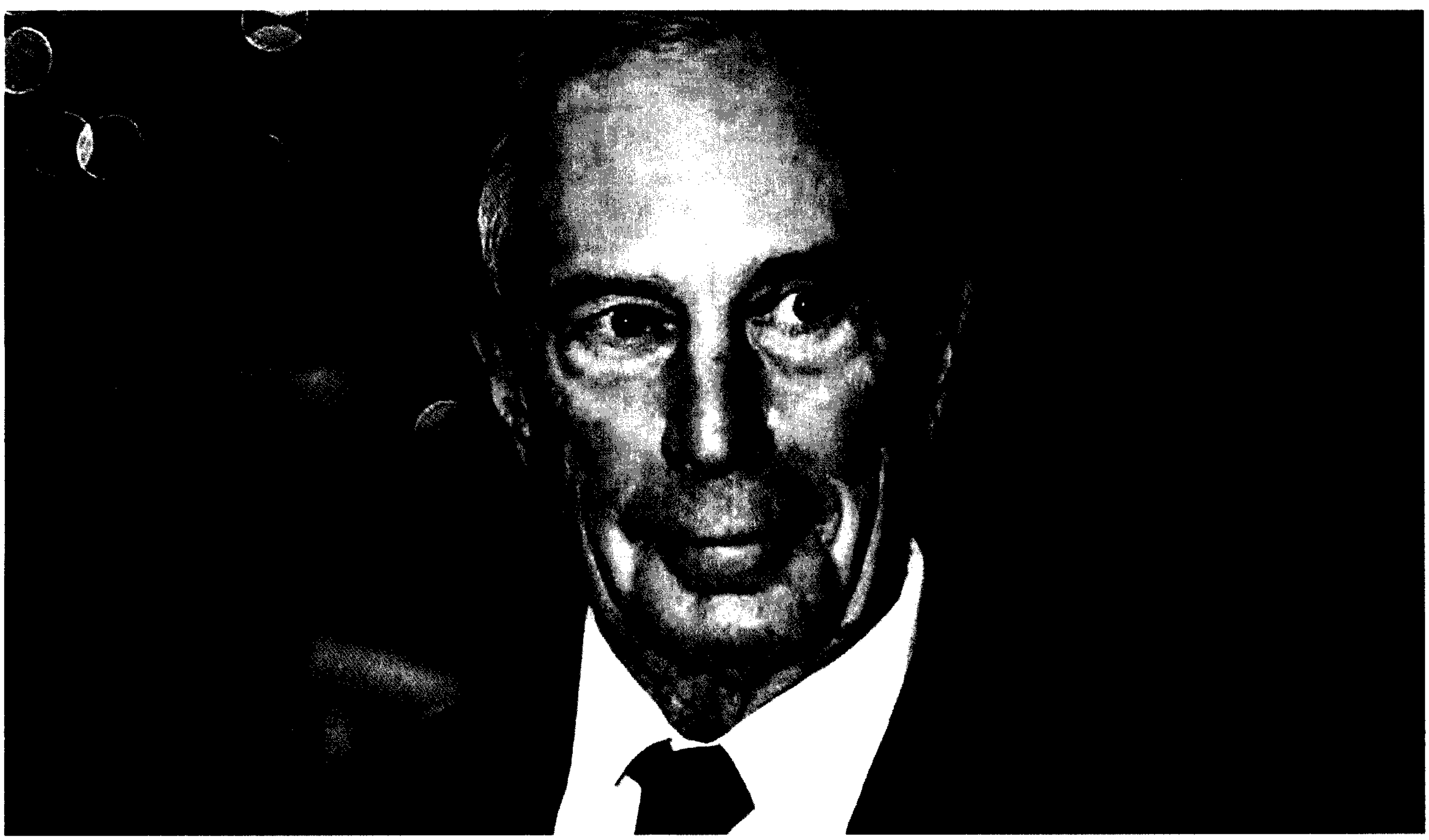
FINANCE BARCLAYS

Mike Bloomberg Just Picked up This Key Barclays Unit

by Reuters DECEMBER 16, 2015, 11:09 AM EDT



Michael Bloomberg,

Photograph by Ilya S. Savenok — Getty Images

For $781 million

Barclays has sold its benchmark indices and risk analytics business, which includes the widely used Barclays U.S. Aggregate Bond Index, to financial information provider Bloomberg for about 520 million pounds ($781 million).

Barclays (**BCS ▼ -0.16%**) said on Wednesday the sale of its Risk Analytics and Index Solutions business will result in a pretax gain of about 480 million pounds and lift its common equity capital ratio by about 10 basis points when the deal completes, expected by mid-2016.

The bank said it was further evidence of its reduction of activities that it does not consider strategically important.

Barclays and Bloomberg said they would maintain a co-branding arrangement on the benchmark indices for an initial term of five years.

“As financial markets continue to evolve, our clients need and expect the index business to evolve too,” said Michael Bloomberg, the company’s founder.

Barclays put its index business up for sale in 2014 after designating it as ‘non-core’, but an auction ran into difficulty after would-be buyers realized some bond pricing data would not be part of the package, people familiar with the situation told Reuters last year. That was partly because some of the data were owned by Bloomberg, the sources said.

Barclays obtained some of its index business as part of its Lehman Brothers acquisition in 2008.

It includes fixed income, inflation-linked, and swaps indices, such as its Aggregate, High-Yield, Emerging Markets, Municipal, and Universal Index families.

Thomson Reuters competes with Bloomberg as a financial news and information provider.

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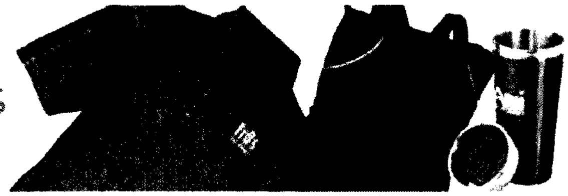
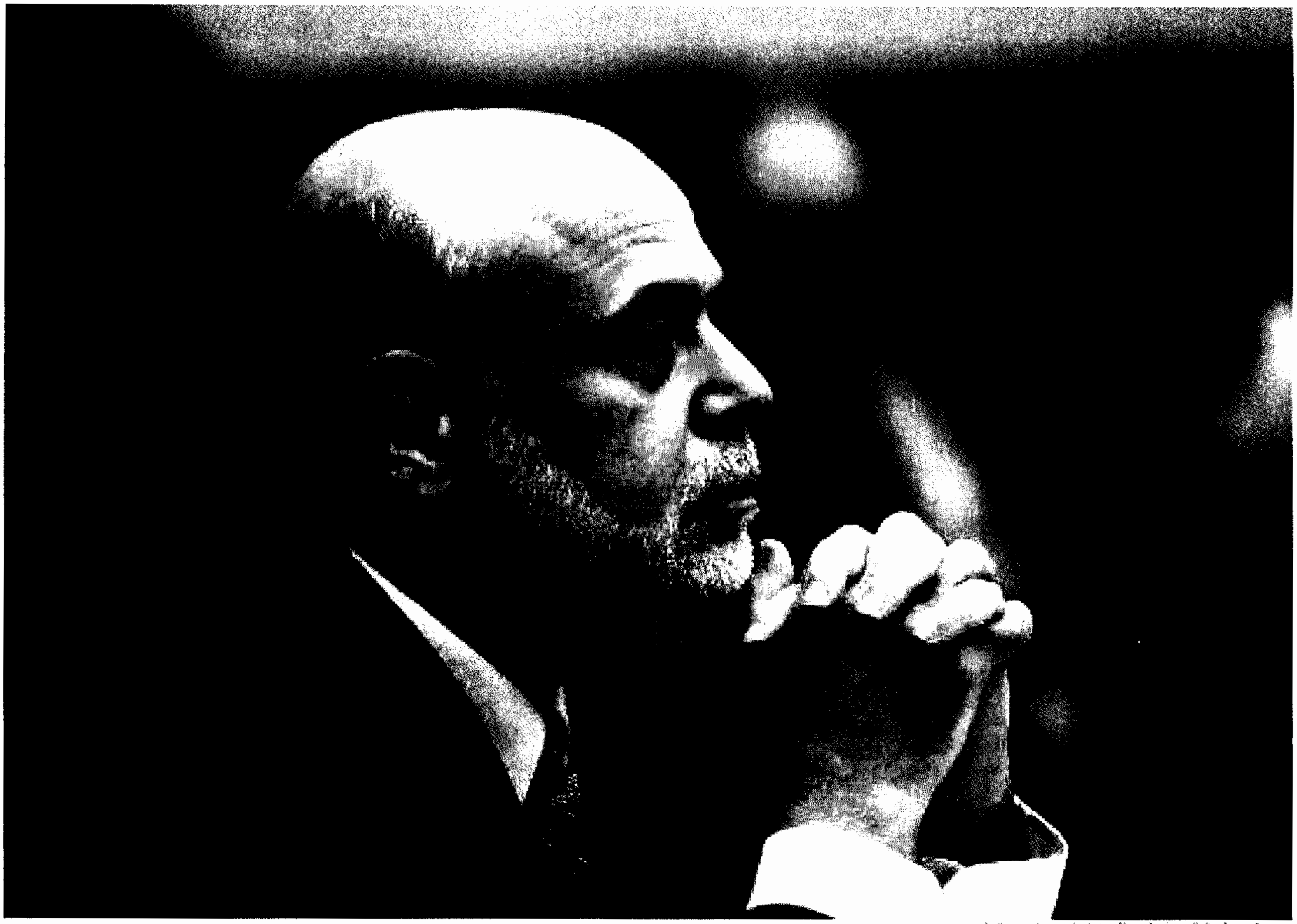


FORTUNE INSIDERS BEN BERNANKE

In his new memoir, Ben Bernanke is wrong about the fall of Lehman

COMMENTARY by Peter J. Wallison OCTOBER 16, 2015, 9:06 AM EDT



The ex-Fed Chair could have saved the bank and possibly averted the financial catastrophe that followed, but didn't.

In his just released memoir, *The Courage to Ac*t, former Fed chairman Ben Bernanke is still not willing to disclose the real reason why he and Treasury Secretary Hank Paulson allowed Lehman to fail in September 2008— anact which triggered the financial crisis and the ensuing Great Recession.

Bernanke and Paulson's original mistake in March 2008 was to rescue Bear Stearns, the smallest of the Wall Street investment banks. This was unnecessary, but led market participants to expect that no other large financial firms would be allowed to fail. When Lehman was not rescued, the market's expectations were upended and an enormous panic ensued.

Why did Bernanke and Paulson rescue Bear Stearns but not Lehman, which was about 50% larger than Bear Stearns?

The first excuse Bernanke offered when chaos followed Lehman's bankruptcy was that the Fed did not have the legal authority to make the loan. That was also his position when he testified before the Financial Crisis Inquiry Commission, of which I was a member. There he said, when I questioned him, that the Fed needed collateral to make such a loan and Lehman didn't have enough. He was vague about what he knew of Lehman's financial condition, and how he knew it. I was puzzled at the time about why he was not more informed about matters of such importance, especially when Bernanke was on record as having told the FCIC that he knew a catastrophe would ensue if Lehman was not rescued.

Now, in his new book, Bernanke says that after Lehman's bankruptcy he and Paulson should have been more candid about why they didn't rescue the investment bank. They couldn't tell the truth, he suggests, because they didn't want to spook the market. "We had agreed in advance to be vague," he says, "because we were intensely concerned that acknowledging our inability to save Lehman would hurt market confidence." This, he says, allowed people to believe, erroneously, that the government had deliberately allowed Lehman to fail. Yet what has since come to light suggests that Bernanke and Paulson could have rescued Lehman, and possibly averted the catastrophe that followed Lehman's failure, but failed to act for personal reasons.

On September 29, 2014, a New York Times story by Peter Eavis and James B. Stewart reported that unnamed economists at the New York Fed had analyzed Lehman's financial condition before that fateful weekend, and believed that, as the article stated, "Lehman might, in fact, be a candidate for rescue." In other words, these economists had concluded that Lehman had sufficient collateral for a loan from the Fed, but they were never asked for their views. This suggests that neither Bernanke nor anyone else really wanted to know whether Lehman could be rescued.

There is good reason to believe this. Paulson had made it clear, only days before the Lehman failure, that he would not support the use of government funds to rescue Lehman. In his book, Stress Test, former New York Fed president and former Treasury secretary Tim Geithner describes a conference call with Paulson on the evening of September 11 — only four days before Lehman filed for bankruptcy. In that call, which also included Bernanke and SEC chair Chris Cox, Paulson said that "he didn't want to be known as 'Mr. Bailout,' that he could not support another Bear Stearns solution." Indeed, Bernanke himself reported the same conversation, in an interview that appears in David Wessel's book, *In Fed We Trust*.

Regardless of Bernanke's courage to act, he couldn't have acted after Paulson's decision. The Fed could not take responsibility for bailing out Lehman without the Treasury secretary's support. Instead, carrying out the idea that Lehman couldn't have been rescued, after the crash Paulson and Bernanke went to Congress for $800 billion in TARP funds—not because the Fed couldn't rescue Lehman, but because no one wanted to take responsibility for doing so. TARP, then, became a source of fully justified taxpayer rage about bailing out Wall Street, even though it is not clear that any of the largest banks that received TARP funds actually needed a bailout.

The decision of Bernanke and Paulson not to tell the truth about why Lehman was allowed to fail has had major consequences. Most importantly, it reinforced the impression that the government needed even more power than it already had to rescue failing firms. This provided the foundation for the Dodd-Frank Act, and the reason for the additional powers given to the Treasury, the Fed and the other financial regulators. Today, the regulations spawned by Dodd-Frank are responsible for the slow U.S. economic recovery.

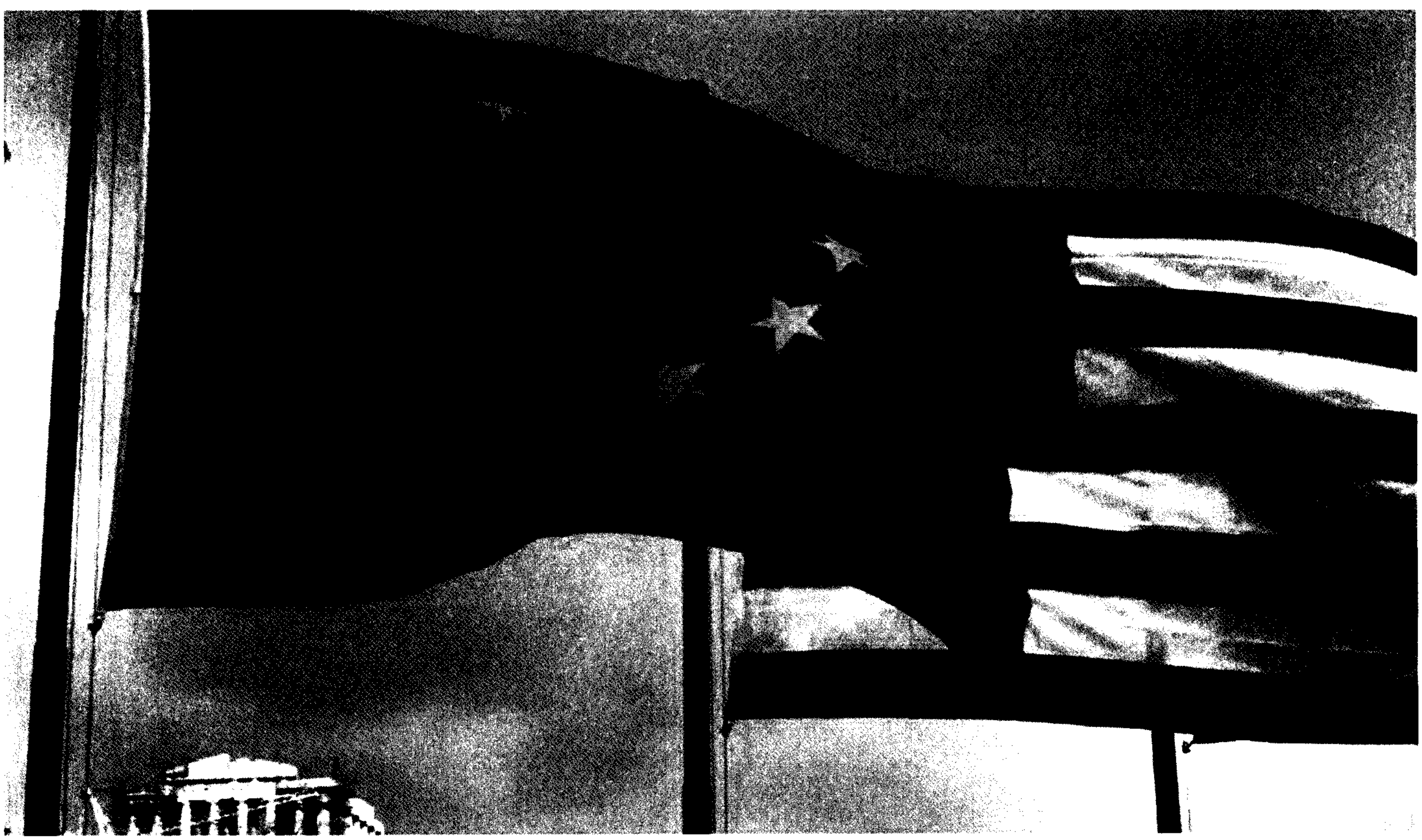
Peter J. Wallison is the Arthur F. Burns fellow in Financial Policy Studies at AEI. He is the author of Hidden in Plain Sight: What Really Caused the World's Worst Financial Crisis and Why It Could Happen Again. The book describes what really happened in 2008.

MENU

FORTUNE INSIDERS GREECE

How Greece could go down like Lehman Brothers

by S. Kumar @skumarus JUNE 29, 2015, 10:18 AM EDT



Photograph by Oli Scarff — Getty Images

Before allowing Greece to collapse, Europe should heed lessons from the 2008 financial crisis.

After bailout talks broke down with Greece's creditors over the weekend, the government on Monday closed all banks, the stock market and put restrictions on cash withdrawals as the Mediterranean nation teeters on the verge of a financial meltdown.

Greece's creditors are playing hardball, which is understandable. The country is due to repay $1.7 billion to the International Monetary Fund on Tuesday, but the European Central Bank has refused to extend emergency funding unless Greece promises to institute meaningful reforms to its economy. While the Greek government has unveiled a plan to increase taxes to raise more money, the European Union and the IMF are skeptical — mainly because higher taxes could impede economic growth in the future. They would rather see sharp spending cuts.

The problem is that Greece has already gone past the point of no return. Implementing severe austerity measures won't stabilize its economy; it would actually choke off the economy. At this point, the EU and IMF need to decide whether making an example of Greece to Europe's other debt-trouble nations is worth risking the immense economic turmoil that will surely infect most of Europe if Greece collapses.

Today's situation brings to mind an argument that some economists have posed over the past few years: Greece's financial disaster could be as bad, if not worse, than Lehman Brothers, the storied investment bank that collapsed in 2008 and sparked a market panic that quickly spread through the entire U.S. financial system. In that case, the government was unwilling to bail out Lehman because it had just saved Bear Stearns and was wary of setting a bad precedent. But it failed to foresee the chain of dominos that the bank was a part of and would inevitably bring down.

The lesson there was that it wasn't just the exposure that other market players had to Lehman, but the erosion of confidence in the financial system that led to a full-blown crisis. Banks, after witnessing the abandonment of Lehman, felt they could not rely on the help of the U.S. government to weather their brewing subprime mortgage storms. As a result, they stopped lending to each other and to other businesses, which led to an instant credit freeze and a dangerous increase in borrowing rates.

The aftermath, as the world remembers, was very bad. It necessitated an unprecedented bailout of nearly every large financial institution, including Bank of America (BAC ▲ 0.86%), Citigroup

(C ▲ 1.61%), Goldman Sachs (GS ▲ 1.88%), and Morgan Stanley (MS ▲ 3.30%), as well as insurance giant AIG (AIG ▲ 0.83%) and automaker General Motors (GM ▲ 0.98%). It can be argued that had the government saved Lehman, thereby preventing market panic and giving other banks time to unwind their exposure to toxic subprime mortgages, the fallout might have been somewhat contained and a softer economic landing achieved.

In addition, a bailout, as *The New York Times* points out, could have been easily structured to protect taxpayers, as the U.S. government's rescue of AIG illustrates. At the time, though, Washington was more worried about excusing bad behavior than following the prudent plan of action. In the end, Congress and the White House would have no choice but to do what they didn't want to. Greece's detractors should learn from this experience. The real threat from a Greek economic collapse is not just the default on its debt or its exit from the euro, but a larger panic that could ripple across broader European markets, according to *The LA Times*.

That, in turn, could encourage investors to flee their positions regardless of merit; creditors demanding their money overnight, borrowing costs skyrocketing, and ordinary depositors withdrawing their cash in hordes – bleeding banks dry and sending already weak nations, such as Italy, Spain, and Portugal, into a death spiral. And neither would this disease remain contained to a few pockets since a crisis of confidence in the euro would impact the entire EU business establishment. A broad market sell-off and widespread bank runs are not out of the question.

During the Lehman crisis, government regulators fretted about condoning Too-Big-to-Fail, and rightfully so. But in the process they only created many more instances of Too-Big-to-Fail. Greece is small compared with many other more developed European economies, but the potential impact of its collapse on the rest of the region is not. As such, it is exactly like Lehman, and the EU and IMF should realize that before allowing it to collapse.

Kumar is a tech and business commentator. He has worked in technology, media, and telecom investment banking. Kumar does not own shares of the companies mentioned in this article.

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LEADERSHIP ENTREPRENEURS

How one MBA went from Lehman Brothers to high-pressure juice

by Lauren Everitt APRIL 24, 2015, 10:17 AM EDT

Hillary Lewis
Photograph by Andrea Hubbell Photography

Wall Street veteran Hillary Lewis' high-pressure processed juice has made it to store shelves all around the country.

(Poets&Quants) — Hillary Lewis awoke on a clear September morning in 2013 in Charlottesville, Va. with an awful feeling. She'd overslept to 7:30 a.m. (she usually rises at 6:00 a.m.), and she was expecting the biggest delivery of her life — quite literally.

A "Wide Load" truck with a 35,000-pound high-pressure processing (HPP) machine was barreling down the highway toward Charlottesville as she lay in bed racking her brain. What was missing?

The crane company had never called to confirm. Was it coming? The HPP machine team had flown in from Spain to oversee the installation — the electrician, plumbing, and refrigeration guys were all at the warehouse twiddling their thumbs. She was paying for the flatbed truck by the hour, but without the crane, there was no way to move the machine off the truck and into the new headquarters of her startup. Everyone would be idle while her first serious capital injection dripped away, minute by minute.

Lewis, a 2013 UVA Darden MBA, was in the process of launching Lumi Organics, a startup that produces all-natural juices and pasteurizes them with high-pressure processing, instead of the standard heat or chemical processes that often destroy key nutrients. Lumi (shorthand for "love you, mean it") cold-presses two pounds of organic fruits and vegetables into each 16-ounce bottle. The processing method is a key differentiator in a crowded marketplace, according to Lewis. High-pressure processing is particularly effective for preserving vital enzymes and nutrients, she explains.

The Spanish overseer from the HPP installation team demanded to see the man in charge. The then-27-year-old Lewis piped in, "I'm the women in charge." The overseer mumbled a Spanish expletive under his breath.

The crew crowded around Lewis and bombarded her with questions: Was the crane coming? When? How long would it take? "I look at all these guys that were older than me and was like, 'Listen, it's not helpful for anyone to be freaking out right now; there's nothing we can do about it besides find a solution, so I need everyone to calm down,'" she recalls.

Unfazed, Lewis started calling every crane company in the area. She was determined to find the right one or at least someone to come lift the machine off the truck.

Lewis, now 29, isn't one to bend to pressure. In fact, her first foray into business after graduating from Penn State in 2008 had prepped her for pressure-cooker situations. After collecting her diploma, she moved to New York City and joined Lehman Brothers.

Her first week at the desk, the firm went bankrupt. "It was tragic for the amount of money people lost all around the world, but it was a really interesting learning experience. It forced me to have responsibility straight out of the gate at Barclays after they acquired Lehman," she recalls.

So while the men around her grumbled about the crane, Lewis kept calm and dialed on. "Freaking out about something doesn't get you anywhere ... you have to be cool, calm, and collected," she says.

She worked as an analyst for nearly two years at Barclays before joining Avenue Capital Group in

2010 as an associate. There, Lewis worked with teams to turn around "distressed companies." Still, something was missing. "At the end of the day, I didn't feel like my day-to-day work was very rewarding, and I wasn't doing something that was necessarily improving other people's lives," she recalls.

Lewis decided to earn an MBA. In her essays, she laid out three goals: 1. Start my own company 2. Use U.S. manufacturers 3. Provide some sort of public service. In 2011, she enrolled at the University of Virginia's Darden School of Business determined to launch her own enterprise.

Lewis dived into the school's entrepreneurship activities. Her first year, she attended the Jefferson Innovation Summit and remembers being inspired by John Mackey, the co-founder and co-CEO of Whole Foods Market. For her summer internship, she worked for Altamar Brands, a spirits startup, while subletting a room in a friend's Boston apartment. Her bosses were on either coast, leaving her to find her own way and set her own schedule, an experience she says prepped her for running a company solo.

Despite driving hard for entrepreneurship from the get-go, Lewis still experienced doubts. "I was applying for consulting roles, and I remember being in an interview with BCG or Bain, it was one of the two, and the person I was interviewing with just looked at me and asked, 'Why are you here?' I was like, 'Why are you asking me this question in an interview?' But it was a good question. It made me stop and think about what I really wanted to do," she says.

Lewis left the interview and reread her B-school admissions essays. She knew what she wanted to do: start her own company.

Now to figure out what that was ...

Lewis was shopping at a Charlottesville Whole Foods in April 2013. She spotted a juice company from New York that she recognized from her days on Wall Street. They were selling 16-ounce bottles of high-pressure-processed juice for $9.99 — in Virginia. She bombarded the buyer stocking shelves with questions. She found out that the store could barely keep them in stock.

Lewis couldn't believe it. She bought five bottles. "That was like a one-minute moment of truth in the Whole Foods shopping aisle," she recalls. "It was the most expensive trip to Whole Foods I'd ever made."

She brought the juice to Darden Professor Casey Lichtendahl, a beverage industry veteran who co-founded Tradewinds Beverage Company, which was acquired by Nestlé Waters North America. Lewis explained her business proposition and pointed to the bottles as proof of the market. She would start her own high-pressure-processed juice business right there in Charlottesville. If a New York City company could do it, she could too. Lichtendahl was impressed. He jumped on board as her first investor.

Lichtendahl advised her to produce the juice in-house and urged her to get the high-pressure processing machine and a manufacturing facility, an old AutoZone warehouse in Charlottesville. "That made the stakes a lot higher and the intensity stronger. At the end of day, I had to sell product and I had to make money because I had a lot of people counting on me, and we had to cover our costs," she recalls.

Lewis and Lichtendahl both knew she'd landed on a golden opportunity that wouldn't wait. As a second-year MBA, she plowed ahead with her business — sinking every last second into getting it off the ground. "When everyone was enjoying their final six to eight weeks of school and all the fun trips before they started their post-Darden jobs, I was working seven days a week, 16-hour days," she recalls.

But it was a race to secure a presence in a booming sector. "The faster I moved, the faster I could be one of the first to market .... [juice company] Suja started in May 2012 with a pretty hefty sum of private equity money behind them, and also their CEO was a former executive from Coco-Cola, and I didn't necessarily have those things to help me along," she recalls.

The next six months were a whirlwind. "November 7, 2013, I was on the shelf next to ... the competition that inspired me," Lewis recalls. "So it was six months from idea to fully integrated manufacturing facility to a juice on the Whole Foods shelf."

Lewis says Darden proved pivotal in shaping her business. Even the classes that seemed like blow-offs at the time were key. "Everyone makes fun of leadership organization and interpersonal communications classes in business school, and they're like, 'Why is this important?' But leading organizations and understanding interpersonal communications are the most important elements to business I think."

For guidance, Lewis relied on Yael Grushka-Cockayne, an assistant professor at Darden who specializes in decision making and project management. “I’m literally the worst person when it comes to making lists; I work best when I have a ton of things to do,” Lewis says. Grushka-Cockayne kept her on track and pushed her to map out a 12-week plan to bring Lumi to life.

With Grushka-Cockayne’s planning prowess and Lichtendahl’s beverage acumen, Lewis managed to pull it off. Within the first six weeks, Lumi Juice appeared on the shelves of 13 Whole Foods. “All the buyers thought I was crazy because I was going in there in November and December to sell the product, and what’s in a cold case in November and December? Eggnog and pumpkin spiced latte stuff. The refrigerator is full of holiday items,” she says.

She pressed her case: The New Year’s resolution crowd would be looking to shed their holiday baggage soon. The buyers bought it — and Lumi.

Now, Lumi Juice is in all 42 Whole Foods stores in the mid-Atlantic region, 43 Safeways, and some 100 Fresh Markets across the U.S. The juice averages $7.99 for a 16-ounce bottle and $4.25 for a 10-ounce. Lewis already has her eyes on other Whole Foods locations and nationwide grocery chains; she aims to expand into more health-food items, such as smoothies.

As for the botched crane delivery, Lewis’ don’t-panic approach paid off. She eventually got ahold of the crane company, which apologized for losing her reservation and sent the equipment out immediately.

“I was just sitting on the loading dock and taking some deep breaths, and I look down the road, and all of a sudden there’s the crane and the machine on the flatbed truck directly behind it … it couldn’t have been better timing,” she recalls. “I just smiled at all the guys, and I was like, ‘See, it was no problem; it’s totally fine.’”

Later, she and the Spanish team bonded over beers. The guy who’d asked for the man in charge told her he’d been really nervous that the crane wouldn’t arrive. Lewis admitted she had her own doubts. “I was really nervous too, but I couldn’t let that show. You have to operate like it’s going to get done, that’s how a lot of things happen.”

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FINANCE LEGAL

Ernst & Young settles with N.Y. for $10 million over Lehman auditing

by Reuters APRIL 15, 2015, 5:45 PM EDT

Andrew Unangst Getty Images

The 2010 lawsuit claimed E & Y's auditing facilitated a "massive accounting fraud" and sought $150 million in fees.

Ernst & Young will pay $10 million to settle a New York lawsuit accusing the accounting firm of helping Lehman Brothers deceive investors in the years leading up to its 2008 collapse, the New York attorney general said on Wednesday.

The 2010 lawsuit claimed Ernst & Young's auditing facilitated a "massive accounting fraud" and sought $150 million in fees that the firm earned from Lehman between 2001 and 2008, plus investor damages and equitable relief.

While the $10 million was much smaller than what the attorney general's office had sought, Ernst & Young agreed to pay $99 million in damages to investors in a class action settlement approved a year ago.

The case was the only action by a law enforcement authority in connection with Lehman's 2008 collapse, New York Attorney General Eric Schneiderman said in a statement.

"If auditors' reports...provide cover for their clients by helping to hide material information, that harms the investing public, our economy and our country," Schneiderman said.

Nearly all the $10 million will go to investors in Lehman securities, the office said.

The case was the last significant lawsuit against Ernst & Young over Lehman, according to a spokeswoman for the accounting firm.

"After many years of costly litigation, we are pleased to put this matter behind us, with no findings of wrongdoing by EY or any of its professionals," the firm said in a statement.

According to the complaint, Ernst approved the "surreptitious" removal of tens of billions of dollars of debt from Lehman's balance sheet to make the investment bank appear less indebted at the close of financial quarters.

Lehman filed for bankruptcy on Sept. 15, 2008, helping to trigger the global financial crisis. Once the fourth-largest U.S. investment bank, Lehman held large quantities of risky subprime mortgage securities.

The complaint alleged that, for more than seven years before Lehman's bankruptcy, the bank made use of transactions known as "Repo 105s," short-term financing that temporarily moved as much as $50 billion from its balance sheet.

The lawsuit followed a report about the transactions by former federal prosecutor Anton R. Valukas, who served as a bankruptcy court examiner for Lehman.

The attorney general's office took more than a dozen depositions in the case and elicited information that also helped the earlier class action, the office said.

Ernst & Young last month agreed in principle to settle lawsuits filed by New Jersey and California municipalities over their losses from the Lehman collapse.

A year ago, an arbitration panel found no basis for a Lehman malpractice claim against Ernst, ruling that any wrongdoing linked to the accounting maneuver was "overwhelmingly attributable to Lehman."

"Lehman's audited financial statements clearly portrayed Lehman as what it was – a highly leveraged entity operating in a risky and volatile industry; and Lehman's bankruptcy was not caused by any accounting issues," Ernst & Young said in a statement after the class action settlement.

In 2012, the trial judge in the New York case ruled that the state had no authority to obtain the accounting fees because they were not paid by consumers or the state. But an appeals court reversed him last year, saying that a forced repayment could deter wrongdoing, an important decision for future cases.

The attorney general's case also was the first against the auditor of a public company under New York's Martin Act, the powerful securities fraud statute Schneiderman used last year to sue Barclays (**BCS ▼ -0.16%**) over high-speed trading in its "dark pool" trading platform.

Lehman ended its three-year Chapter 11 in 2011 with a liquidation plan slated to repay creditors about $65 billion, or an average of about 21 cents on the dollar for allowed claims.

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FORTUNE 500

Our annual ranking of America's largest corporations

Lehman Brothers

Rank: 62 (Previous rank 94)

Get quote: LEH

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CEO Richard S. Fuld Jr.
Address 745 Seventh Ave., New York, NY 10019
Phone 212-526-7000
Website http://www.lehman.com

Revenues	32,420 0	52.6
Profits	3,260 0	37.6
Assets	410,063 0	ó
Stockholders' Equity	16,794 0	ó
Market Value 3/17/2006	38,529 3	ó

Revenues	10.1	2005 $	10.87
Assets	0.8	% change from 2004	37.6
Stockholders' equity	19.4	1995-2005 annual grow h rate %	28.6

2005	47.7
1995-2005 annual rate	29.1

Industry: Securities

1	Morgan Stanley	30	52,498.0
2	Merrill Lynch	34	47,783.0
3	Goldman Sachs Group	41	43,391.0
4	Lehman Brothers	62	32,420.0
5	Bear Stearns	202	11,552.4
6	Charles Schwab	418	5,151.0
7	Franklin Resources	474	4,310.1
8	A.G. Edwards	665	2,611.8
9	ETrade Financial	679	2,550.7
10	Legg Mason	695	2,489.6
11	Raymond James Financial	769	2,157.0
12	T. Rowe Price	963	1,515.8
13	Jefferies Group	971	1,497.9

From the April 17th, 2006 issue

Footnote:
Figures are for fiscal year ended Nov. 30, 2005.

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How the states stack up

Texas	56
New York	55
California	52

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Best employers

These companies appear on both the FORTUNE 500 and our 2006 ranking of the Best Companies to Work For.

FedEx	212,241
Intel	48,655
Starbucks	91,056

See the rest

Most profitable companies

Exxon Mobil	36,130 0
Citigroup	24,589 0
Bank of America Corp.	16,465 0

See the rest

Women CEOs of FORTUNE 500 companies

There are more women running FORTUNE 500 companies this year than there were last year. Currently, 10 FORTUNE 500 companies are run by women (up from 9 last year), and a total of 20 FORTUNE 1000 companies have women in the top job (up from 19). (more)

AMERICA'S MOST ADMIRED COMPANIES 2007 **FORTUNE**

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MOST ADMIRED

Lehman Brothers Holdings (LEH)

www.lehman.com
Overall score: 6.92
Top 20 rank: N/A
Rank among Securities: 1

Address: 745 Seventh Ave.
New York, NY, 10019
Phone: 212-526-7000

Innovation	1
People management	1
Use of corporate assets	1
Social responsibility	1
Quality of management	1
Financial soundness	1
Long-term investment	1
Quality of products/services	1

What readers say...

ī I worked at DST Systems, Inc. They are not concerned about heir em...

ī Northrop Grumman has change their internal people skills to money mo...

ī ACS has no business on this list! The only list they could top is ...

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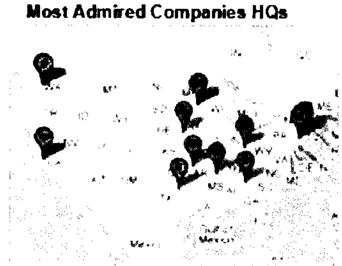
Most Admired Companies HQs



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MOST ADMIRED COMPANIES 2007

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Target's fashion statement

Here's a look at some of the looks behind Proenza Schouler for Target, no. 13 on America's Most Admired list. **(more)**

Toyota's all-American ads

From Elvis to Beyonc&eacute: How Toyota, no. 3 on Fortune's list of America's Most Admired Companies list, keeps rolling. **(more)**

How we pick the Most Admired companies

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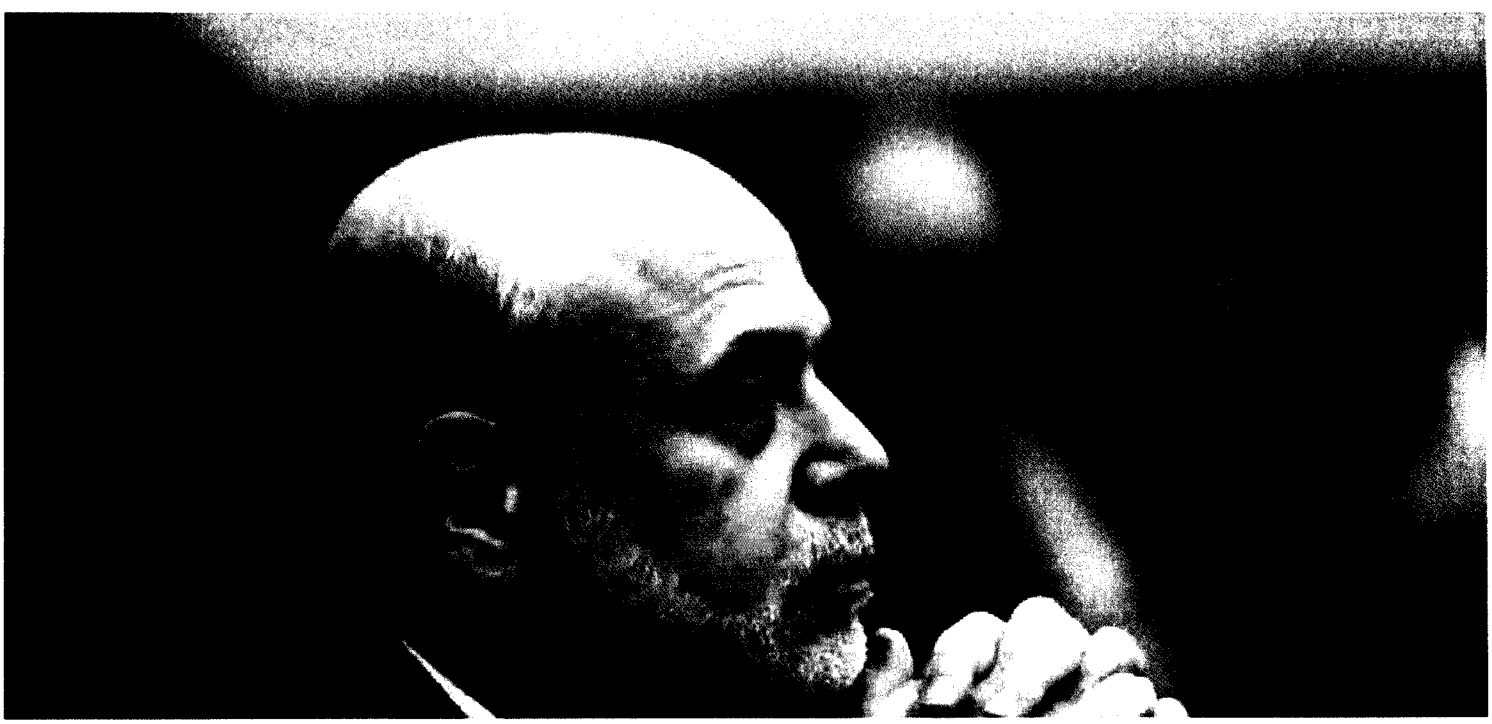
MENU

TERM SHEET

Fed transcripts: Bernanke chose to let Lehman fail

FEBRUARY 21, 2014, 7:27 PM EDT

Newly released transcripts cast doubt on the claim that the Fed didn't have the power to save the investment bank.



Ben Bernanke on Capitol HIll

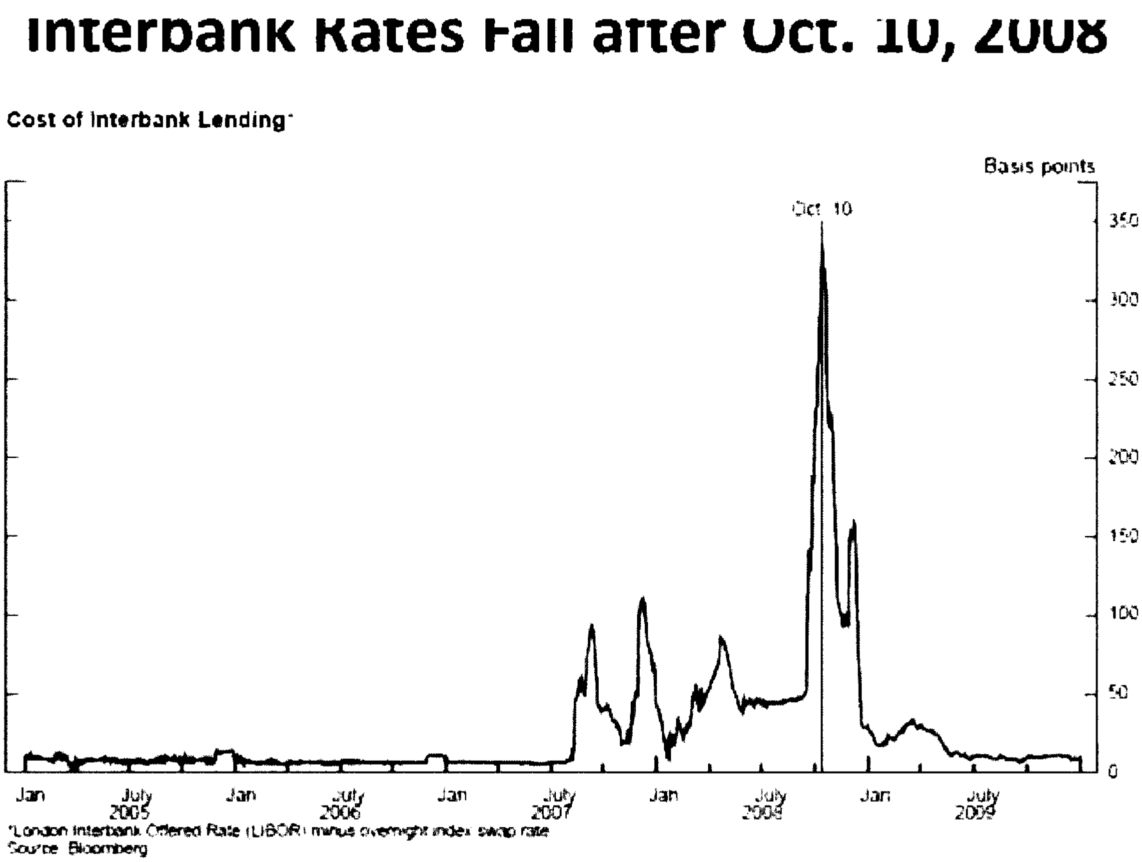
FORTUNE — September 15, 2008 was a watershed moment for the financial crisis that consigned much of the world to an economic malaise from which we are still recovering. That day, government officials hastily arranged a sale of investment bank Merrill Lynch to Bank of America (BAC ▲ 0.79%), while another bank — Lehman Brothers — was allowed to file for bankruptcy.

The failure of Lehman Brothers sent shockwaves through the global financial system, accelerating the crisis until leaders of the seven largest economies met on Oct. 10 and pledged to not let any more systemically important financial institutions go under. This promise led to the eventual passage of TARP and the much-maligned bank bailouts that, while politically unpopular, helped the world avoid a Great Depression-style meltdown.

Trending Video

MORE: Why gold might drop another 50%

Here's a slide from Ben Bernanke's 2012 lecture on the Federal Reserve's response to the crisis. It shows just how much this concerted action helped calm financial markets and dampen the severity of the crisis:



The chart shows the interest rates banks required to lend to each other overnight, an excellent measure of overall stress in the financial system. While they were at elevated rates going back to the middle of 2007, it was really Lehman's failure that sent financial markets into panic mode and the promise of government backstops that calmed the markets and set the stage for a recovery.

Given this picture, the decision to not even attempt to use whatever government powers were available to save Lehman Brothers is questionable. Ben Bernanke and other officials have claimed that they did not have the necessary tools to save Lehman. In the case of the Treasury Department, this may be accurate. TARP had not yet been passed and Secretary Hank Paulson didn't have a huge pot of money to pump into Lehman, as it later would with other major banks.

MORE: Janet Yellen's big fumble

The Fed's claim that it didn't have the power to save Lehman is much more dubious, and is further weakened by transcripts released Friday morning of the central bank's 2008 meetings. The standard excuse for its inaction on Lehman is that central banks should be the lender of last resort to banks that are in a liquidity crunch, but are still solvent. That is, the Fed should lend money to any bank that has collateral to offer. When defending his decision to not intervene with Lehman, Bernanke has claimed that he could not offer anything because the bank was insolvent:

> Lehman Brothers was in itself probably too big to fail, in the sense that its failure had enormous negative impacts on the global financial system ... But there we were helpless, because it was essentially an insolvent firm.

But the difference between a firm being insolvent and illiquid isn't cut-and-dried, and it hinges on how you value a bunch of inscrutable assets. Based on the opinions of Federal Reserve Open Market Committee members revealed in the recently released minutes, the decision to let Lehman fail seems to have much more to do with an ideological aversion to government intervention than anything else. Here's St. Louis Fed President James Bullard on Sept. 16, the day after the Lehman bankruptcy:

> My policy preference is to maintain the federal funds rate target at the current level and to wait for some time to assess the impact of the Lehman bankruptcy filing, if any, on the national economy ... By denying funding to Lehman suitors, the Fed has begun to reestablish the idea that markets should not expect help at each difficult juncture. Changing rates today would confuse that important signal and take out much of the positive part out of the previous decision.

Hindsight is 20/20, of course, but it is stunning that Fed members thought that the Lehman bankruptcy could conceivably have no effect on the economy. Notice as well that Bullard paints the decision to not save Lehman as not one of necessity but of choice.

MORE: How a national sales tax could solve America's inequality problem

Boston Fed President Eric Rosengren was perhaps the most insightful member of the Fed Board in 2008, as he was one of the few in favor of lowering interest rates as early as September, and questions the wisdom of the decision to let Lehman fail:

> I think it's too soon to know whether what we did with Lehman is right. Given that the

> Treasury didn't want to put money in, what happened was that we had no choice. But we took a calculated bet. If we have a run on the money market funds or if the nongovernment tri-party repo market shuts down, that bet may not look nearly so good.

Rosengren's statement is a bit murky here. He calls letting Lehman fail a "calculated bet" but then says that the Fed had "no choice." This waffling has the whiff of justification, however. In e-mails unearthed by the Financial Crisis Inquiry Commission, we can see that the Fed was clearly considering a $200 billion loan to help keep Lehman afloat. These emails called that approach "a gamble" that might be worth taking.

But the Fed never took it, and it appears they did so at least partly for ideological reasons. This is all the more confusing because the federal government had spent the last 30 years intervening in crises to prevent destructive financial system meltdowns. In light of this, economist Alan Meltzer has called the decision "one of the worst blunders in Federal Reserve history." Five years later, the recently released transcripts give us no reason to disagree with Meltzer's assessment.

Ex-Lehman CFO Erin Callan stirs the pot on women and work

by Patricia Sellers @pattiesellers MARCH 11, 2013, 3:41 PM EDT

BARCLAYS004203


COURTESY LEHMAN BROTHERS

Erin Callan

Facebook ( ) COO Sheryl Sandberg and Yahoo ( ) CEO Marissa Mayer aren't the only ones stirring up debate about women in the workplace.

Sunday's *New York Times* featured an unexpected guest writer: former Lehman Brothers ( ) CFO Erin Callan on "Is There Life After Work?"

As you may recall, ex-Lehman CEO Dick Fuld pushed out Callan and President Joe Gregory in June 2008, four months before Lehman crashed into Chapter 11 bankruptcy. Callan did a short stint at Credit

Suisse, quit that job, and never looked back. I profiled Callan in *Fortune* in early 2010. In late 2011, she married Anthony Montella, her firefighter boyfriend whom she knew from high school.

Trending Video

It may be a sign of the times that Callan's *New York Times* essay is generating buzz–more than Callan, now 47, anticipated, she told me in an email this morning. "I wrote the piece because I felt it was important for young women to know there is no magic formula to 'have it all,'" she said in her email.

Doesn't Callan's prescription for happiness–essentially, fall off the perch, lean back, and learn "how to live a life"–counter the empowerment message that Sandberg delivers in her new book, *Lean In: Women, Work and the Will to Lead?*

Sandberg is being interviewed tonight in New York at an event hosted by *Time Magazine*, which has her on its current cover. I'll ask Sandberg and let you know tomorrow.

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TERM SHEET

Market sees no Lehman-like moment in Greece

by Stephen Gandel @stephengandel JUNE 15, 2012, 8:36 PM EDT

Investors are assuming banks and money market funds have prepared for the worst.

Fortune — Not too long ago investors were running scared from any investment that seemed remotely tied to Europe. Now, on the eve of a Greek vote that could throw the continent's finances into question again, U.S. investors are blowing off the idea that Europe's a major risk. The S&P 500 is rebounding from its May pummeling. Another Lehman Brothers. No way. The prevailing line these days is that a Greek exit from the Euro would be "manageable."

Yesterday I was talking to a hedge fund manager who used to trade the shares of large-cap financial stocks. To say he is a cautious guy would be an understatement. Back in the mid-1990s, he warned me about the dangers of securitization, the process that created subprime mortgage bonds and CDOs and many of the other "innovations" that led to the financial crisis. Yet, when another trader recently brought up MetLife's (MET ▲ 0.73%) significant holdings of bonds tied to Greece, Portugal and some of Europe's other weaker financial nations, he said he mostly dismissed the guy. "They've known about the risk for two years," he says. "You're telling me they haven't dealt with it?"

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MORE: Europe's darkest clouds hang over Italy

And that appears to be the presumption running the market right now. Since we have known about Greece and the European debt crisis for at least a year now, and really much longer than that, MetLife and others have surely acted to protect themselves. But have they? The risk is that the market is presuming that MetLife and others have done more than they actually have.

Large U.S. banks, for instance, have mostly sold off or hedged nearly all of their exposure to Greece. But they have recently been increasing their exposure to Italy and France. So they are protected if Greece defaults. But if that leads to a wider run on European banks, large U.S. banks could still lose billions.

MORE: Why I'm Betting on Europe

Money market funds, another source of European worry last summer, are eliciting fewer concerns than they were a year ago. About three-quarters of the assets under management at Federated Investors (FII ▲ 2.64%) are in money market funds. Nonetheless, shares of the company are up 43% this year.

Federated, like other money market fund managers, has cut the European exposure of its prime money market funds from 45% a year ago. At 21%, though, Federated has more invested in Europe than any of its competitors. None of the 10 Wall Street analysts who follow Federated are currently recommending the stock. Still, it appears most of the analysts' worries are related to pending money market regulatory changes, not fears about Europe.

"We've been stressed on Europe three times in the past five years," says Credit Suisse analyst Craig Siegenthaler, who gives Federated's shares an "underperform" rating. "Investors are less worried about European commercial paper exposure this time around." Siegenthaler says it would be very hard for Federated's money market funds to have major losses. You would have to have a Lehman-like event, he says. And that's exactly the point.

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TERM SHEET

FDIC says it's prepared for the next Lehman

by Stephen Gandel @stephengandel MAY 10, 2012, 8:55 PM EDT

Government plan for troubled banks involves a temporary take-over by Uncle Sam.

PHOTO: JOHN R. COUGHLIN

FDIC says it can avoid a Lehman repeat

FORTUNE — The next Lehman Brothers may not happen over the course of a weekend. It could take a couple of months. The question is if that would be an improvement.

On Thursday, Martin Gruenberg, who is the acting chairman of the Federal Deposit Insurance Corp., speaking at a conference put on by the Federal Reserve Bank of Chicago, laid out for the first time publicly the government's plan to deal with the next Lehman Brothers-like failure. Under the Dodd-Frank bank reform law, the FDIC has the responsibility of wind-downing large banks that regulators think are headed for bankruptcy.

He said the FDIC's plan is for the government to take over the parent company of a troubled large bank, rather than let it fail immediately. The FDIC would then fire the bank's executives and its board, and run its subsidiaries, like its branches or its stock trading operations, until the FDIC was able to find a buyer for the failed bank. In the process, Gruenberg says, the FDIC would wipe out the value of the bank's stock. Some of the bank's bonds would be converted into stock in the new bank. Other bond holders would take some losses. And the government would provide the financing to let the company continue to run.

Trending Video

The whole process could take a couple of months, Gruenberg said. But he said it would be a better route for the market in general than what happened after Lehman. "The goal of the resolution strategy is to come up with something that could be used and maintain financial stability," says Gruenberg. Gruenberg says his agency has been in constant contact with the big banks and generally the reaction has been positive to the plan. "Their general response is that our plan make sense."

At the conference on Thursday, some questioned whether the plan would work. Richard Bove, a bank analyst at Rochdale Securities, said he thought the plan would make bank stocks more risky. Mark Flannery, an economist at the University of Florida, said banks were savvy enough to figure out how to shift all their assets so that the government wouldn't be able to get a hold of them.

Others in the past have questioned if the FDIC would be able to force bond holders of a failed bank to take losses. If the holders of those bonds are other banks, then that could cause other banks to fail as well. Anat Admati, an economist at Stanford University, who is on the advisory panel that helped the FDIC come up with resolution plan, says the government still has to iron out its process for deciding when the FDIC would take over a bank. "One can do a great job of preparing a plan," says Admati. "The question is whether it would really get triggered."

One participant asked Gruenberg if the FDIC would consider testing its resolution authority on Fannie Mae and Freddie Mac. Gruenberg responded that the FDIC had no authority over the large mortgage guarantee companies that were taken over by the government in late 2008.

Republicans in the House of Representatives have recently begun an initiative to repeal the part of the Dodd-Frank law that gives the FDIC resolution authority. Gruenberg seemed optimistic that those efforts wouldn't succeed. "There's fairly broad bi-partisan agreement that too big to fail is not a good thing," says Gruenberg. "Without this, you create an expectation of public support that creates an uneven playing field."

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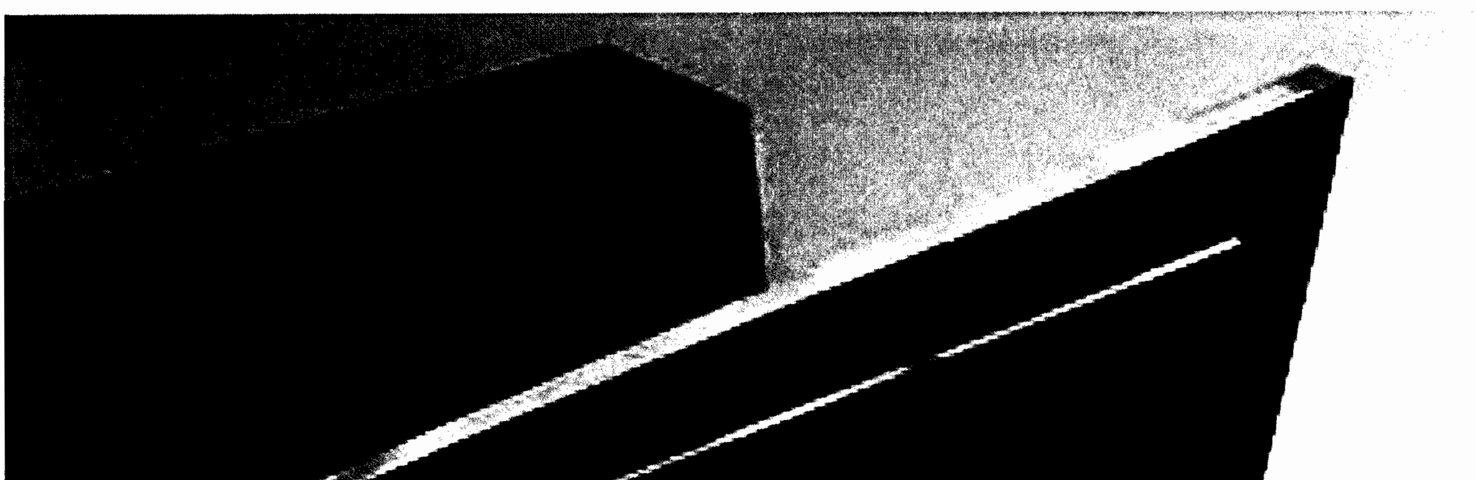
FINANCE TERM SHEET

In Europe, echoes of Lehman, with much bigger consequences

by Cyrus Sanati @beyondblunt SEPTEMBER 16, 2011, 3:01 PM EDT

What started as a sovereign debt crisis in Europe is slowly turning into a potentially disastrous banking crisis. It's like watching a bad rerun of a movie with a worse ending.



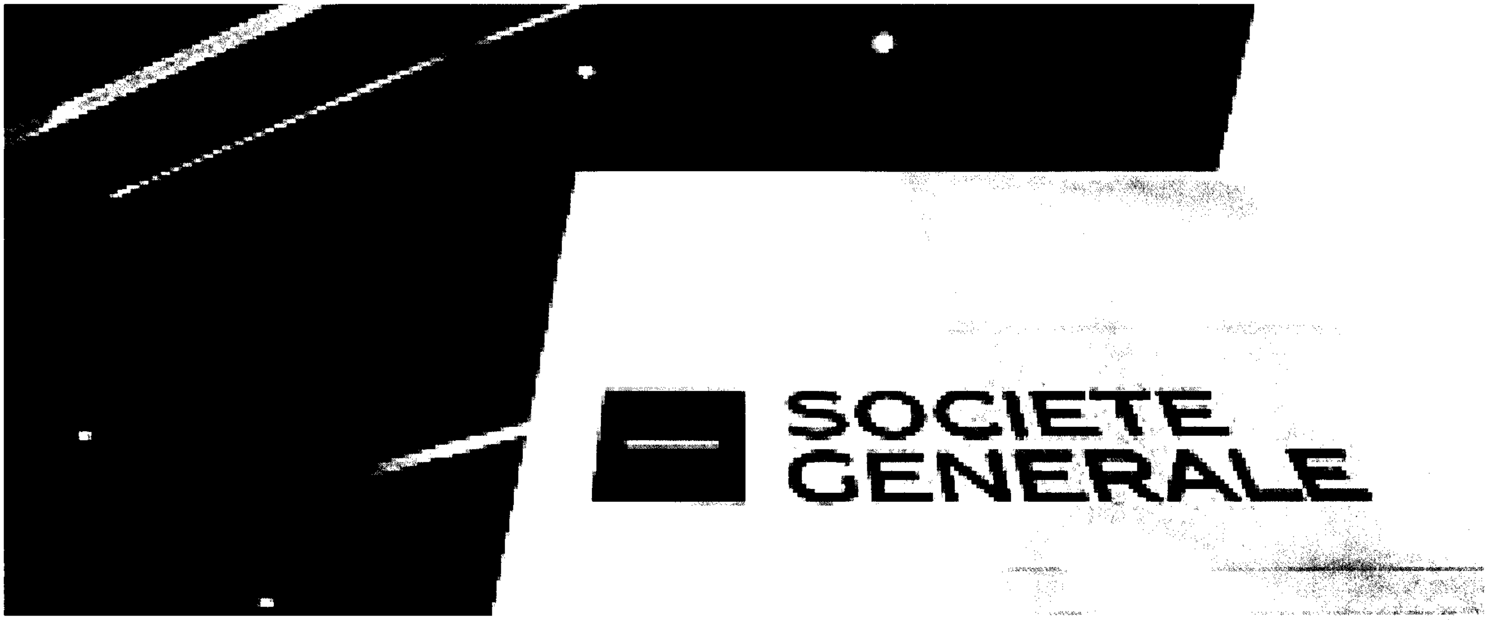


PHOTO: FABRICE DIMIER/BLOOMBERG VIA GETTY IMAGES

FORTUNE — The European economic contagion that began 18 months ago as a sovereign debt crisis is dangerously mutating into a full-blown banking crisis. With Greece in de-facto market default, weak banks within the eurozone have started to fall ill as their investors, trading partners and clients pull short-term funding. The move by central banks on Thursday to provide extended U.S. dollar loans to European banks is only a stopgap measure. A Lehman Brothers-like collapse or a Northern Rock-like bank run still cannot be ruled out at this point for several of the eurozone's largest financial institutions.

The market has hammered French banks into the ground first, but banks in Italy, Spain, Germany and the United Kingdom face serious funding issues as well. Swift action is needed on the part of eurozone members to shore up confidence in its crippled banking sector. The expansion of the European Financial Stability Facility (EFSF) is a good start, but more money will be needed to ensure investors that it's all clear to park their cash with European banks again.

Trending Video

BARCLAYS004216

The alarm bells were sounded on trading floors in Paris and New York this week. Société Générale, Credit Agricole and BNP Paribas – the three major French banking institutions – have seen their share prices move violently in recent days, ostensibly because of their exposure to toxic Greek sovereign debt. On Wednesday Moody's downgraded the credit rating of Société Générale and Credit Agricole one notch and kept BNP Paribas on review for a downgrade.

But the violent drops in their share prices seem to go beyond the banks' exposure to Greece and the credit downgrade. Take Société Générale for example. The bank's total exposure to Greek sovereign debt, including the amount held by its Greek subsidiary, is around 5 billion euros. That's equivalent to around 1% of the bank's balance sheet and around the same amount of money the bank lost at the hands of rogue trader Jérôme Kerviel in 2009.

As punishment for its Greek sovereign investments, the market wiped out 56% off Société Générale's market value in the last three months up to Thursday. That's around 3.5 times the value of its exposure to Greek sovereign debt, which is clearly overkill. Some of the extra losses baked in to the market value haircut derive from the bank's exposure to the private Greek credit market through the bank's local subsidiary. But the market seems to be sending a signal that it is worried about much more than the bank's measly Greek exposure. The big fear is that Société Générale, along with its French banking brethren, is extremely undercapitalized and could therefore collapse at any moment.

Echoes of Lehman

Banks fund their activities in many ways and through a myriad of currencies. The most reliable source of funding for a bank is common equity capital, followed by the money received from depositors through checking and savings accounts. But in Europe, especially in France, a large chunk of funding comes in the form of short-term loans from prime money funds, money market accounts and other banks. This short-term funding is rolled over nightly in some cases, making it an extremely unreliable and volatile source of funding. One reason Société Générale may be the first bank in Europe hit hard is because 73% of its total debt has maturities of less than one year, the highest ratio of any large bank in Europe.

The Lehman collapse in 2008 showed the world how dangerous it was to depend on short-term funding. Rumors of the bank's imminent collapse caused dealers to pull their short-term funding and within days the bank was insolvent. A similar situation seems to be taking place in Europe, but in slow motion. For example, U.S. money market funds have cut their funding levels to French banks by 40% in the three months through August 11th, according to Deutsche Bank (**DB ▼ -0.78%**). This has forced the French banks to take out U.S. dollar loans from the European Central Bank at a higher interest rate in order to have enough U.S. dollars to fund their capital markets and financing activities.

Société Générale and Credit Agricole's U.S. dollar-denominated assets represent 19% and 14%, respectively, of their total balance sheet at the end of 2010, according to Barclays. Banks are required to hold a certain percentage of their assets in cash and other liquid securities to protect themselves from funding shortfalls that could be caused by not having enough dollars on hand.

What happens after a Greek default

On Thursday the ECB, in coordination with the U.S. Federal Reserve and other central banks, said that it would extend maturities on its dollar loans from seven days to three months. This has helped to quell the violent downswing in French bank stocks, but it is only a temporary measure to give the banks enough time to sell assets and raise permanent capital. It should be noted that the Fed discount window was opened fully to broker dealers after Bear Sterns fell in the spring of 2008. It was widely believed that a liquidity crisis had been taken off the table for all U.S. banks, but it failed to address the root causes of the liquidity crisis that took Bear down to begin with: solvency and confidence. Of course, the Fed discount window was not enough to save Lehman Brothers and this temporary measure by the ECB won't save European banks either if they fail to build a strong capital buffer.

Since 2008, banks have beefed up this buffer, known as Tier 1 capital, but the French banks have been slow to do so, making them more vulnerable to a short-term funding blip. Credit Agricole is the worst performer of the large banks in Europe in this regard, increasing its Tier 1 capital ratio from 8.1% in the first half of 2007 to just 8.9% in the first half of 2011. Société Générale has increased its Tier 1 ratio from 6.4% to 9.3% over the same period, but it remains at the bottom of the pack. In contrast, Suisse banking giant UBS has increased its Tier 1 ratio from 10.8% to a whopping 16.1% over the same period.

There is no magic number when it comes to the amount of Tier 1 capital a bank should hold. It just needs to be high enough in which investors feel confident that the bank can withstand future losses.

Urgent recapitalization

The sovereign debt crisis has evolved into a crisis of confidence, with the French banks being served up as whipping boy, but they are certainly not going to be the last if left unchecked. In Europe, nearly all the major banks have large eurozone sovereign debt holdings. They also hold fewer deposits in relation to their outstanding loans compared with U.S. and Asian banks.

Barclays found that nine of the largest 14 European banks have illiquid net loans held for investment that exceeded the amount of deposits on hand, making them dependent on volatile funding from the capital markets. Société Générale had a loan-to-deposit ratio of around 130%, making it dangerously dependent on outside funding. But it was far from the worst offender in the group. Italian banks Intesa Sanpaolo, with 160%, and Unicredit, with a 149%, along with the UK's Lloyds, also with 149%, had worst ratios, equating to an absolute deficit of deposits to loans amounting to 139 billion euros, 185 billion euros and 214 billion euros, respectively.

In August, Christine Lagarde, the head of the International Monetary Fund and the former French finance minister, said in a speech at a banker conference this August in Wyoming that European banks were in need of "urgent recapitalization." "This is key to cutting the chains of contagion," she said.

It is unclear how much the funding shortfall is at this point. A leaked IMF report last week suggested that European banks would need around $275 billion. Money managers tell Fortune that their models suggest somewhere around $500 billion, which is derived by essentially adding up all the peripheral sovereign debt held by European banks. Whatever the number, it will need to be really big to bring confidence back. The Troubled Asset Relief Program (TARP), set up in 2008 to recapitalize the US banking sector, was $700 billion. In Europe, the European Financial Stability Facility (EFSF) will be 440 billion euros or around $600 billion, once its enlargement is ratified by the parliaments of all 17 members of the eurozone.

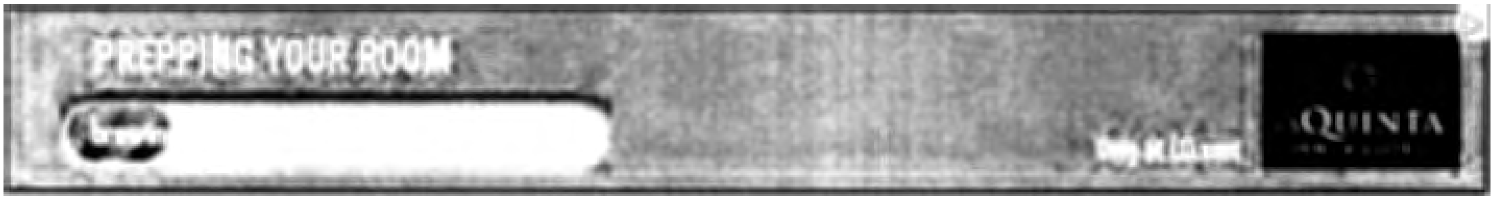
Now, the EFSF isn't exactly TARP, as its mandate is to recapitalize profligate governments, not banks. But once the nation receives the cash, they can then turn around and inject it into their troubled banks. So Greece could use the cash to pay its loans and fill its budget deficit while France could inject cash into Société Générale.

The fear is that the market is already pricing in passage of the EFSF. If so, then it is sending a clear signal to European finance ministers that $600 billion is not enough to restore confidence in the system. Treasury Secretary Timothy Geithner, one of the architects of the TARP program, is in Poland today attending an informal meeting of European finance ministers. He could be there to help the Europeans see the benefits of using the EFSF as a vehicle to restore confidence in the eurozone. If the fund is repackaged in that way, it may help to ease investor fears.

To be sure, a TARP-like EFSF will not solve the European sovereign debt crisis, just as TARP has done little to fix the U.S. housing crisis. The program will only serve to restore confidence in order to avoid a run on the banking sector and to give all parties some breathing room to get their houses in order. Eventually, real structural changes will need to take place to fix the troubles of the eurozone.

Europe has the opportunity to devise real structural changes to the eurozone that would prevent another sovereign debt crisis, namely the centralization of the zone's fiscal and monetary policy. It remains to be seen if there is strong enough will in the 17 capitals of the eurozone to take such a bold step. Failure to do so could put the continent right back where they started in just a couple years time.

MENU

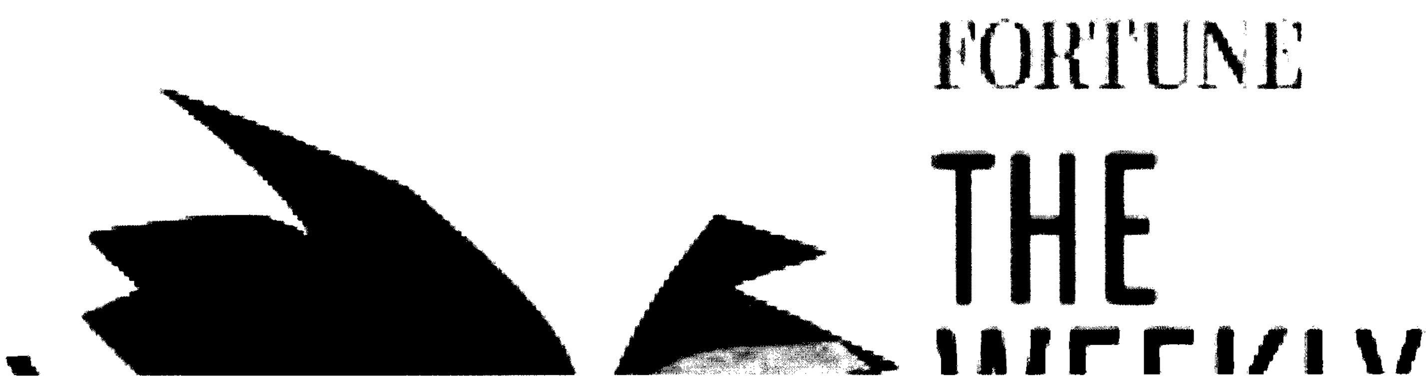


FEATURES WEEKLY READ

Lehman trader tells (nearly) all

by Dan Primack @danprimack SEPTEMBER 16, 2011, 9:00 AM EDT

Our Weekly Read column features Fortune *staffers' and contributors' takes on recently published books about the business world and beyond. We've invited the entire* Fortune *family — from our writers and editors to our photo editors and designers — to weigh in on books of their choosing based on their individual tastes or curiosities. Each Friday we feature a different review. This week, on the anniversary of the Lehman Brothers bankruptcy, Fortune.com blogger and Term Sheet editor Dan Primack takes a look at* Street Freak: Money and Madness at Lehman Brothers, *Jared Dillian's memoir of his career as a trader at the once-storied firm.*



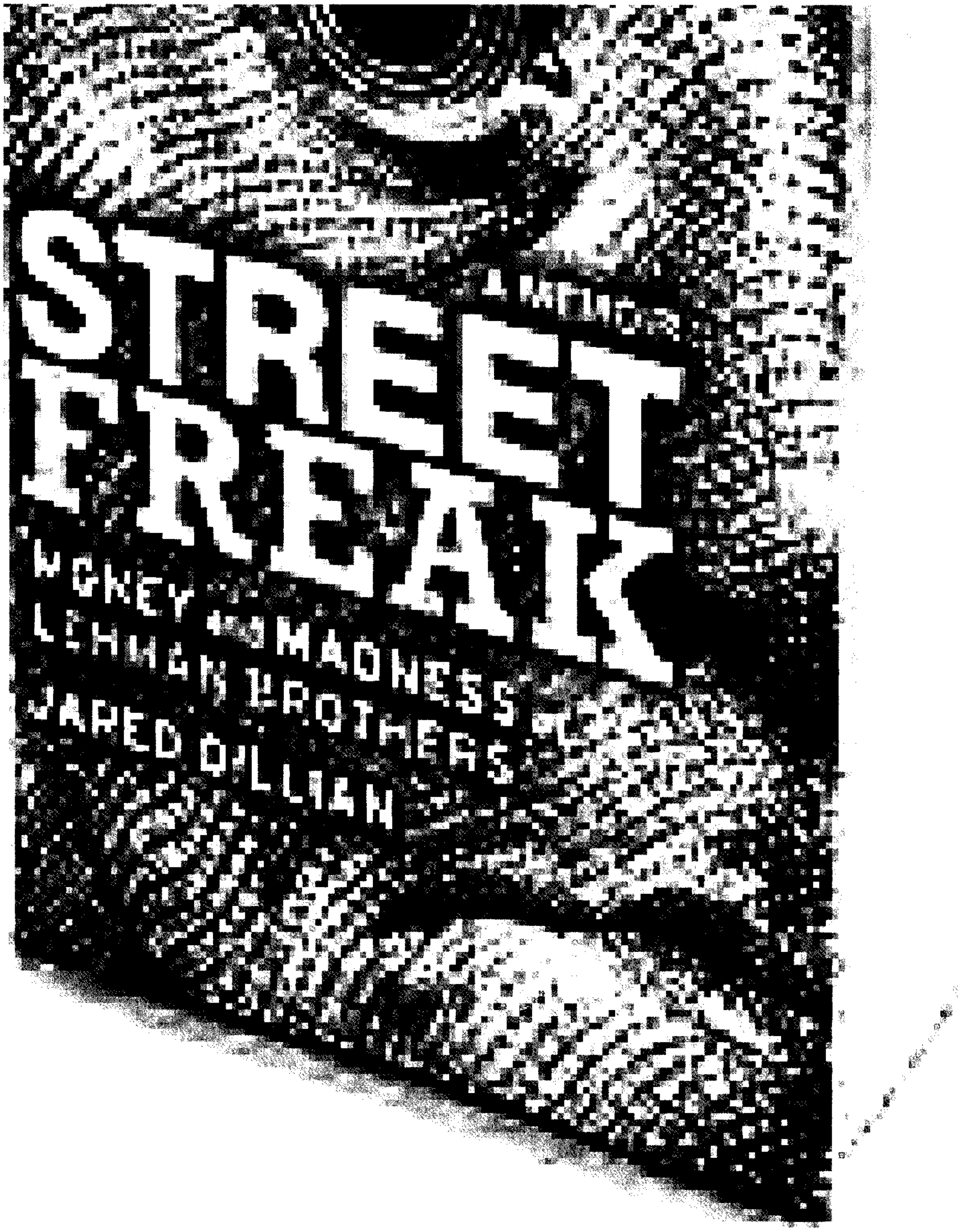
BARCLAYS004221

Jared Dillian is a bipolar math whiz whose path to Wall Street led through the Coast Guard rather than the Ivy League. He also is an amusingly caustic writer whose new memoir pulls no punches about a financial career that nearly cost him both his sanity and his life.

Street Freak opens on September 11, 2001, when Dillian was scheduled to begin his first rotation as a trader after graduating from Lehman's training program. It ends seven years later, when Dillian quits amid the chaos of Lehman's sudden bankruptcy. But neither bookend gets more than a few pages of attention. Dillian wants us to understand what happened in between.

It's a bleak story, to be sure. Dillian's bipolar disorder — not diagnosed until late in the book — leads him to phone-smashing tantrums on the trading floor, alcohol-fueled blackouts after client meetings, and an unsuccessful suicide attempt.

And Lehman's trading culture seems to feed Dillian's sickness. The author portrays trading as a manic sprint of decision-making that is part mathematics, part intuition and part speed. Tens of thousands of dollars rest on every click of the button, hundreds and sometimes thousands of times per day.



The reader may not understand all of the mechanics — Dillian sometimes tries to explain them, sometimes not — but the dizzying pace is made palpable by dozens of pages of play-by-play on past trades. It's an effective technique, albeit one that compelled me to gloss over more than a few sections.

In some cases, Dillian revels in how he outsmarted competitors. For example, he realizes that the market seems to stand still for a couple of seconds whenever major economic data is released. What if he could trade just milliseconds earlier, by sitting with his finger at the ready? It was a strategy that would make millions of dollars for Lehman and help Dillian get promoted, eventually, to the firm's ETF trading desk.

At other times, however, Dillian makes clear that he only really cared about the money, which represented his standing within Lehman and, ultimately, his level of success. In this he was not alone. Lehman may have considered itself a scrappy team, but in the end, everyone was out for himself at the expense of everyone else. A smaller bonus for you means a bigger bonus for me, which is what I'm here for.

It is a corrosive mindset, and the accompanying pressures eventually became too much for Dillian to handle. In a way, Lehman's bankruptcy functioned as the author's personal bailout. Had the bank not collapsed, he might have had a tougher time walking away.

Street Freak's main failings are twofold. First, Dillian's wife barely makes a cameo. Here's a guy whose life changes in momentous ways over a seven-year stretch, but his spouse is completely absent apart from minor pop-ins. Did he leave her out intentionally? Or was Dillian's marriage more about the official stability than the day-to-day relationship? It's an odd omission in such a personal book.

Second, it's not always clear whom Dillian is writing for. Other traders? Lay people trying to better understand Wall Street before the crash? Or himself, as a sort of catharsis, not to mention promotion for the financial newsletter he now runs? The answer seems to change depending on the chapter, which may reflect how Dillian views both himself and the career he left behind.

MENU

World Bank hires ex-Lehman risk manager

by Colin Barr JUNE 23, 2011, 5:26 PM EDT

In the echoes-of-2008 department, the World Bank just hired a former Lehman Brothers risk manager to run its finances.

The bank, which lends money to developing countries in a bid to curb poverty, said Madelyn Antoncic will "be responsible for maintaining the World Bank's high standing in financial markets."

So worldly!

It is tempting here to make a joke about Antoncic's qualifications for that task. After all, you could hardly have a lower standing in financial markets than Lehman, whose September 2008 collapse nearly brought down the world economy.

Antoncic was for a spell the chief risk manager at Lehman, reporting to the peerless perfect-storm skipper Dick Fuld. For whatever reason the firm's success in risk management was, let's say, less than total.

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But according to one account, published two years ago in the U.K. Guardian, Antoncic was indeed one of the few people wearing white hats at Lehman. Her second thoughts about the bank's leverage crusade led to her being sidelined into a policy job a year before the bank went belly-up. The bank still sank, but hey, it wasn't like Antoncic was the one screaming full steam ahead.

World Bank chief Robert Zoellick made a nod to this accomplishment, such as it is, in his comments Thursday.

"Known for her forthrightness, I am delighted Madelyn is taking up this important role," said Zoellick. "She brings to the Bank an extensive background in the financial industry and a demonstrated record of leadership, innovation, and integrity."

Perhaps the bright side is that the World Bank isn't making any loans to Greece or any other place that looks certain to blow up soon. At least not yet.

MENU

SEC hits a new low on Lehman

by Colin Barr JUNE 6, 2011, 4:00 PM EDT

You may have assumed the government couldn't come up any emptier in bringing the rich guys behind the financial crisis to justice. But think again.

The Securities and Exchange Commission has so whiffed on its investigation of what brought down Lehman Brothers that it may resort to issuing a paper listing the allegations surrounding the firm rather than charging anyone with civil securities fraud.

Allegedly looks like a can opener

The news that Dick Fuld, Erin Callan and the gang are going to walk is not exactly news, of course. We knew three months ago that the SEC probably wasn't going to charge top officers in the biggest-ever U.S. bankruptcy, in part because the accounting ruse they oversaw isn't necessarily illegal.

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And of course, even if the SEC were to sue Fuld and Callan and their former colleagues, a civil action would at best amount to a light slap on the thick wallets of people who made huge sums while piloting the investment bank into the rocks. By now it seems clear enough that no criminal cases are going to be brought against anyone you've ever heard of in the financial meltdown.

And maybe that's as it should be, though it's hard to believe there was no crime in the bubble. But that aside, why issue an investigative report on Lehman when there is already an exhaustive account of the firm's demise on record thanks to the bankruptcy examiner? Even by the SEC's standards that seems like a waste of time.

MENU

STREET SWEEP

Finra fines UBS on 'safe' Lehman notes

by Colin Barr APRIL 11, 2011, 5:30 PM EDT

Regulators slapped UBS with a $2.5 million fine for pushing some Lehman Brothers debt as safe just months before the brokerage collapsed.

The Swiss-based financial services giant also agreed to restore more than $8 million to customers who bought the structured notes, whose returns were tied to stock market indexes but were billed as "principal protected," between March and June 2008.

PHOTO: JOHN R. COUGHLIN

Lehman: principal unprotected

Finra said UBS literature played up the notion of principal protection without sufficiently emphasizing that there were limits to that protection – specifically, the thing where the issuer had to stay in business till the notes matured. Otherwise, the notes were nothing more than unsecured liabilities of Lehman Brothers.

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Investors soon realized that there is not a lot to be said for having your principal protected by someone who no longer exists. Lehman's Sept. 15, 2008, bankruptcy filing wiped out the firm and left the notes trading as low as 6 cents on the dollar.

Under the settlement, UBS note purchasers who deemed their investing goals "conservative" will get their money back, while those who deemed themselves "moderate" in their financial wants will get back half. UBS sold $16 million worth of the notes to the two groups during the spring of 2008, Finra said.

"This matter underscores a firm's need to be clear and comprehensive in disclosing risks of the structured products it sells to retail investors," Finra said. "In cases, UBS' financial advisors did not even understand the complex products they were selling, and as a result, they neglected to disclose necessary information to customers about the issuer's credit risk so investors would understand the magnitude of the potential losses."

Update: Here is what UBS says:

> UBS is pleased to have resolved this FINRA matter, under which UBS is required to reimburse a limited number of investors who purchased certain Lehman principal protection notes during a discrete 3 1/2 month period of time. The significant majority of UBS's Lehman structured product sales were conducted properly and any client losses were the direct result of the unprecedented and unexpected failure of Lehman Brothers in 2008, which affected all Lehman investors.

With Monday's settlement, UBS will have spent $25 million settling or arbitrating cases tied to the structured notes. Every once in a while, playing fast and loose isn't safe even for Wall Street.

Also on Fortune.com:

Finra slaps Goldman on Fab case
Big fine for flash trader
Felons keep Morgan Stanley bonuses
Follow me on Twitter @ColinCBarr.

POSTCARDS

Erin Callan, Lehman's ex-CFO, goes public

by Patricia Sellers @pattiesellers FEBRUARY 22, 2011, 7:13 PM EDT

COURTESY: LEHMAN BROTHERS

Lehman's Erin Callan
by Patricia Sellers

Erin Callan is Wall Street's Greta Garbo.

After Lehman Brothers ( ) fired her as chief financial officer in June 2008 — four months before the firm filed Chapter 11 — Callan fled to her home in the Hamptons. She's been holed up in Long Island's affluent beach enclave for the past two years. Former colleagues and friends say she's incommunicado, and she's refused to speak to the press.

Until today. After a piece called "Inside Erin Callan's Hamptons Hideaway" popped up on CNBC.com, I called Callan on her cell phone. She answered.

"I'm living a different life," she said, after declaring that she did not want to talk.

Trending Video

We chatted for four minutes, mainly about last year's *Fortune* story, "The fall of a Wall Street highflier," in which I chronicled her controversial rise, her career collapse, and her escape to this "different life" that involves a boyfriend named Anthony Montella, who went to her high school and grew up to be a firefighter.

"On the whole, it was fair," Callan, 45, said about the profile (in which she refused to cooperate). "I'm not ready to talk," she said today. "And I don't know if I ever will be ready to step out into public view."

Anonymity has its appeal when you're a target of multiple investigations into the history's biggest bankruptcy. Callan is named in a lawsuit filed by California Public Employees' Retirement System two weeks ago. The giant pension fund known as CALPERS charges Callan, former Lehman CEO Dick Fuld and other executives and directors with making false statements in the months leading up to the Wall Street giant's failure.

Callan wouldn't comment on the fraud allegations that still swirl around her. As we closed the conversation, I wished her well. "Anthony wishes you well too," she replied.

MENU

STREET SWEEP

No sympathy for the auditors in Lehman case

by Colin Barr DECEMBER 21, 2010, 11:26 AM EDT

"Auditors who can't say no" sounds like a support group in the making. But one embattled audit firm isn't getting a terribly sympathetic hearing.

So says a quickie survey conducted Monday by the Argyle Executive Forum. The electronic poll of 498 members finds that nearly half of respondents — 48% — believe New York should move forward on civil fraud charges against Ernst & Young over its role in the collapse of Lehman Brothers.

I'll show you my audit trail

That compares with 27% who say the state shouldn't press charges against E&Y, a deep-pocketed outfit that is one of the Big 4 accounting firms, and 24% who just don't know what to make of the whole mess.

Trending Video

The survey comes on the heels of a report Monday that Ernst & Young could soon find itself hauled into court over its well documented failure to ask Dick Fuld (right) just what he and his minions were trying to accomplish with some of their aggressive accounting.

Key among those maneuvers is the notorious Repo 105, in which Lehman and some other Wall Street firms booked loans as sales at the end of quarters in order to make their leverage levels look less irresponsible.

As feckless as E&Y seems to have been, passing the buck at every turn while claiming improbably that there is no reason to believe Wall Street ever tried to mislead anyone, there is also no doubting the utter absurdity of Lehman. This ends up working out in E&Y's favor, at least to my reading of the response to the second question in the Argyle poll.

Some 39% of respondents say they believe the firm played a "material role" in the collapse of Lehman, which filed in September 2008 for the biggest-ever U.S. bankruptcy. Almost 36% said they believe Ernst & Young didn't play a material role, however, while 25% say they have no earthly clue either way.

This last finding suggests that perhaps the nation isn't completely spellbound by this story, in spite of the considerable dramatic possibilities. You have the greedy Lehmanites and the spineless auditors cashing so many big checks that they very nearly blow up the economy. Then, just when some well muscled foreigner should be talking about "payback time," everyone sort of dozes off till two years later a publicity-seeking politician (is there any other kind?) decides it's time to dig the whole thing up again. Call it SFAS 140: This time it's personal.

As ridiculous as it all seems, it is about time the auditors got held to a standard higher than "there are too many damn lawsuits as it is." KPMG has paid $70 million to settle its liabilities in two big subprime blowups, those of New Century and Countrywide, and you'd have to say given the size of those debacles that was probably not a terrible bargain for the firm. It will be worth watching how much E&Y has to pony up to call off the Cuomo express.

The whole issue raised enough eyebrows that Argyle, a New York-based group that says it brings some 25,000 business leaders together for "strategic collaboration and business development," chose to take the membership's temperature on it. A spokesman says the firm conducts such polls "a few times a year, based on what the membership is focused on."

Previous poll subjects, he said, include Tiger Woods and Goldman Sachs (GS ▲ 1.89%). The executives who join Argyle may well fashion themselves "senior operating leaders, board members, investment managers and policy makers." But hey, they like a little rubbernecking just as much as the next guy.

Comments Licensing

MENU

STREET SWEEP

Lehman suit shreds auditors' teflon coating

by Colin Barr DECEMBER 20, 2010, 4:47 PM EDT

One of the toothless accounting watchdogs that did so much to bring us the financial crisis is about to get an overdue scolding.

New York's attorney general is pursuing a civil suit against Ernst & Young, the Big 4 accounting firm that signed off on Lehman Brothers' financial reports in the years leading up to the investment bank's panic-inducing September 2008 collapse.

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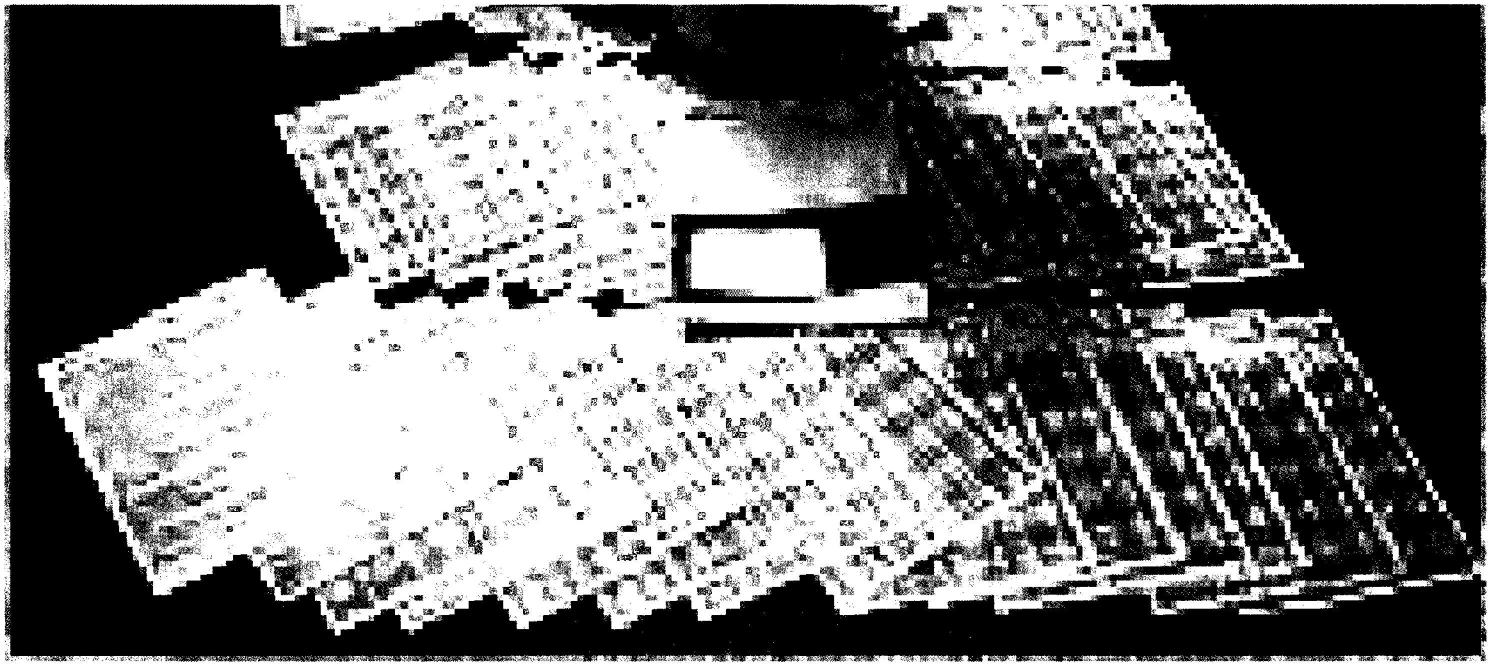

COURTESY [illegible] DEVELOPMENT

Bad auditor!

The case comes nine months after the bankruptcy examiner in the Lehman case said he believed Ernst & Young could face malpractice claims for its failure to challenge "materially misleading" reports filed by Lehman's management.

The New York suit is worth watching because it's the first major official case against an auditor in a crisis that was characterized by unreliable financial reports at major financial institutions. Countrywide, Bear Stearns, Lehman, AIG (AIG ▲ 0.62%) — all of them were teh verypicture of robust good health till suddenly they weren't. Coincidence?

Trending Video

You might think there'd be a line out the door to hold auditors responsible for signing off on the books of a bunch of companies that turned out to be utterly unsound, but for the moment you'd be wrong.

"There has been a reluctance to go after advisers period, whether legal advisers or auditors," said Eleanor Bloxham, who runs the Value Alliance corporate governance advice firm in Westerville, Ohio. "There doesn't seem to be a whole lot of will behind it."

At issue in the Lehman case was executives' practice of hiding the full extent of the firm's leverage from Wall Street by classifying some loans as sales. These quarter-end transactions, known as Repo 105, allowed Lehman to make its debt-fueled high-wire act look slightly less precarious at a time when investors were starting to catch on to the unstable bubbliness of the financial system. Lehman wasn't the only firm playing this game, either.

The E&Y case, being pursued by soon-to-be New York governor Andrew Cuomo, is worth watching because Ernst is the first audit firm being called to account for its actions in a crisis in which financial statements frequently proved useless for investors seeking to understand their risks.

Ernst & Young didn't respond Monday to a call seeking comment. But it has defended itself in the past by invoking the popular "storm of the century" defense, which seems to suggest that questionable practices are OK if enough people are engaging in them.

More startlingly, E&Y has claimed, against all odds, that Wall Street wasn't out to pull the wool over anyone's eyes.

Take this exchange between E&Y chief Jim Turley and Fortune's Geoff Colvin, from a September interview.

> “ Colvin: Would it be fair to say that the crisis was caused in part by some financial firms doing misleading things that were within the rules?
>
> Turley: I don't know that it would be fair to say they were doing misleading things.

It's remarkable Turley would still say that two months after the financial firm of the best and the brightest, Goldman Sachs (GS ▲ 1.66%), agreed to pay $550 million to settle Securities and Exchange Commission charges that it misled investors in a bubble-era debt deal. The auditors weren't involved in that one, but the Wall Street mindset was pretty obvious to everyone not running an audit firm.

That's why we might hope the Cuomo case may finally shed some more light on how auditors helped let the crisis metastasize by standing mutely aside as financial operators piled on debt while, for instance, pretending not to.

KPMG has already agreed to pay $70 million to settle claims against it in two of the more notorious subprime blowups, those of New Century and Countrywide. But Francine McKenna, who writes the re: the auditors blog, notes that the biggest financial implosions, starting with Bear Stearns and continuing into the post-Lehman bailout extravaganza, remain largely unplumbed.

That's not to say there are smoking guns everywhere. In a case brought by former shareholders of the failed Washington Mutual, the bankruptcy examiner found "little evidence to support malpractice claims" against the bank's auditor, Deloitte & Touche.

But it is at the very least high time that the authorities are bothering to look.

"You'd think that once you've brought the economy to its knees and 10% of people are unemployed, someone would take interest," said Bloxham. "Maybe it's time to brush up on this subject."

BARCLAYS004246

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STREET SWEEP

Judge slaps BofA for Lehman cash grab

by Colin Barr NOVEMBER 17, 2010, 6:49 PM EDT

Troubled homeowners aren't the only ones having their issues with Bank of America.

A federal bankruptcy judge ruled Tuesday that BofA ( ) must return $500 million in collateral it seized without cause from Lehman Brothers two years ago, just after the investment bank collapsed in the biggest-ever U.S. bankruptcy.

PHOTO: THINKSTOCK

A fistful of someone else's dollars

Bank of America's actions were "brazen...unauthorized and impermissible," U.S. bankruptcy judge James Peck wrote in a ruling Tuesday, the Wall Street Journal reports.

BofA forced Lehman to post the collateral in August 2008 as questions started to mount about the investment bank's health. There's nothing unusual there, as rivals such as Citi ( ) and JPMorgan Chase ( ) did the same.

Trending Video

The problem lies with what BofA did in November 2008, when it took the cash from the collateral account to offset debts it was owed by Lehman. The bank did so without the court's permission, the Journal reports.

Peck ruled this week that BofA's moves violated rules protecting companies from having their assets seized, and made clear he wasn't overjoyed with the bank.

> “ In his order, Judge Peck said it was “astonishing that [Bank of America] would make the premeditated tactical decision to deliberately seize the collateral” without first seeking court permission.
>
> The judge said Bank of America acted with “apparent disregard for the consequences” and ordered the bank to repay Lehman's bankruptcy estate the $500 million plus interest.

Tuesday's ruling came on the same day a top executive at BofA's home loans divisions said the bank regrets its missteps in the foreclosure fiasco. But the bank has no regrets in this case, a spokeswoman indicates.

> “ We are disappointed with the court's decision, and we continue to believe that our actions were fully supported by well-established New York law and the unambiguous language of the Bankruptcy Code. We are considering our appellate options.

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STREET SWEEP

Why the Fed saved AIG and not Lehman

by Colin Barr SEPTEMBER 2, 2010, 3:03 PM EDT

PHOTO: JOHN R. COUGHLIN

AIG: Still standing

Why did the government save AIG after letting Lehman Brothers fail?

Bill Thomas, the former congressman who is the vice chairman of the Financial Crisis Inquiry Committee, put the question to Fed chief Ben Bernanke Thursday. Bernanke responded by justifying policymakers' choices two years ago, while admitting that new financial rules should change the calculation the next time around.

Bernanke said the Fed rescued AIG ( ) because officials believed the firm's problems were isolated in its financial products business, which wrote hundreds of billions of dollars in derivatives bets without holding enough capital to pay out when the bets lost. Policymakers believed AIG's insurance business remained a going concern, which meant AIG had sufficient collateral to borrow from the Fed at low risk to taxpayers.

Trending Video

By contrast, Bernanke said, Lehman's status as a going concern was "melting away" as trading partners pulled back from the firm amid questions about its capital position and access to cash. The Fed couldn't have lent to Lehman without risking a large loss, he said.

One issue Bernanke didn't explicitly address was the domino effect on AIG's trading partners had the insurer been allowed to fail. Critics of the AIG bailout and the Fed's reluctance to disclose the effects of its actions contend the AIG rescue was actually a backdoor rescue of trading partners, notably some big foreign banks and Goldman Sachs ( ).

Bernanke did say he believed an AIG failure would be "catastrophic," and that the heavy use of derivatives made the AIG problem potentially more explosive.

An AIG failure, thanks to the firm's size and its vast web of trading partners, "would have triggered an intensification of the general run on international banking institutions," Bernanke said.

In an interesting twist, Bernanke was also asked how the Fed might handle the crises at Bear Stearns, Lehman Brothers and AIG had the financial reform law passed this summer been in effect in 2008.

The Dodd Frank Act gives regulators something Bernanke and other policymakers have been asking for since the crisis began, the ability to wind down big nonbank financial firms without resorting to a bankruptcy filing. Bernanke said ensuring that troubled big firms don't get bailed out is the key to ending the financial system's destructive too big to fail mentality.

"There has to be a credible way to let firms, in fact to require that they fail," Bernanke said.

Accordingly, he said, the crises at Bear, Lehman and AIG under the new regime would likely result in the firms' resolution – the process of winding down their operations and liquidating them over time.

That means AIG, next time around, would go through the wringer too.

"I don't see what the alternative would have been," he said, "unless we could have stopped the run through some cheery words of some kind."

through some cheery words of some kind.

STREET SWEEP

Fuld fingers feds in Lehman failure

by Colin Barr SEPTEMBER 1, 2010, 2:14 PM EDT

Lehman Brothers ex-chief Dick Fuld blamed the government for his firm's failure.

Fuld, in written testimony Wednesday before the congressionally appointed Financial Crisis Inquiry Commission, insisted Lehman was healthy enough to survive its September 2008 brush with bankruptcy if only federal officials led by Henry Paulson, Ben Bernanke and Tim Geithner had extended a hand.

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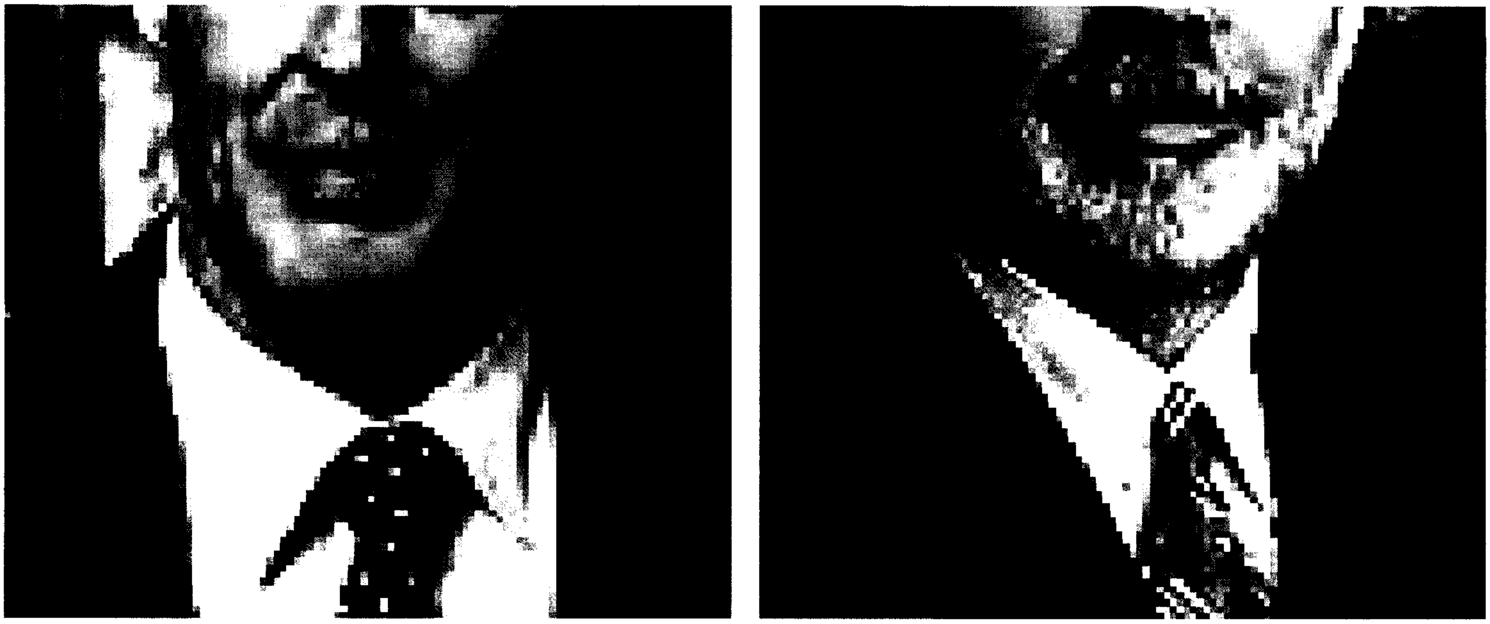

COURTESY: U.S. TREASURY; FEDERAL RESERVE

Fuld blames these guys

Many on Wall Street were mentally sticking a fork in Lehman the moment its smaller rival Bear Stearns collapsed in March 2008, on the reasoning that the firm simply had been too aggressive in chasing bubbly real estate assets in the boom.

But Fuld contended Lehman had adequate capital, sufficient liquidity and enough well functioning businesses that it could have made it through the crisis had the government backstopped the firm.

Trending Video

He claimed it was policymakers' decision not to assist Lehman, rather than the firm's overreach during the credit bubble or his own failure to find an equity partner, that resulted in the biggest-ever U.S. bankruptcy the morning of Sept. 15, 2008.

> "Lehman's demise was caused by uncontrollable market forces and the incorrect perception and accompanying rumors that Lehman did not have sufficient capital to support its investments. All of this resulted in a loss of confidence, which then undermined the firm's strength and soundness. Those same forces threatened the stability of other banks — not just Lehman. Other firms were hurt by their plummeting stock prices and widening CDS spreads.
>
> But Lehman was the only firm that was mandated by government regulators to file for bankruptcy. The government then was forced to intervene to protect those other firms and the entire financial system.

In a rare concession to reality and a bit of an understatement, Fuld said that "there is no question we made some poorly timed business decisions and investments."

But he contended Lehman had raised enough capital and had recognized enough losses that it could have survived had it simply received the same level of support extended to other faltering financial firms.

Fuld takes pains to show Lehman didn't suffer from capital shortfall that has been bandied about on Wall Street since before the firm filed for bankruptcy. He says the reports of a capital hole are mistaken.

Fuld also talks extensively about liquidity, mentioning the word nine times. He does not, however, directly address the contention that Lehman vastly overstated the size of its liquidity pool, and that the firm ran out of cash after its trading partners withdrew.

The massive report by the court-appointed bankruptcy examiner supports this conclusion, but as it happens that view doesn't jibe with Fuld's preference for pointing the finger at others.

> In the end, however, Lehman was forced into bankruptcy not because it neglected to act responsibly or seek solutions to the crisis, but because of a decision, based on flawed information, not to provide Lehman with the support given to each of its competitors and other nonfinancial firms in the ensuing days.

Fuld will never admit it, but the information wasn't the only thing that was flawed in the Lehman crisis.

MENU

STREET SWEEP

Lehman rescue: A bridge too far

by Colin Barr SEPTEMBER 1, 2010, 8:14 PM EDT

Dick Fuld has a bridge he wants to sell you.

Had the government constructed a "liquidity bridge" one fateful weekend two years ago, the former Lehman Brothers chief told the Financial Crisis Inquiry Commission Wednesday, it could have staved off a bankruptcy at the brokerage firm.

COURTESY SAN FRANCISCO CVB

Where's that confounded bridge?

But a Federal Reserve official at the hearing blanched at the prospect of providing funds to Lehman without what he said would be adequate collateral. He said the Fed concluded it couldn't provide such a loan except at enormous risk to taxpayers.

Lehman filed for Chapter 11 bankruptcy protection the morning of Monday, Sept. 15, after federal officials failed to broker a sale of the investment bank.

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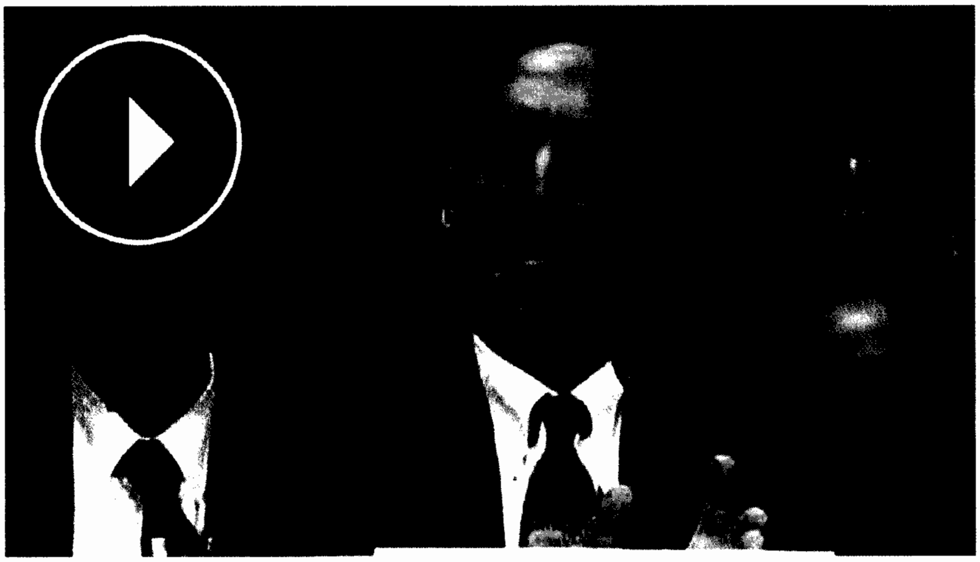
"Had we gotten through that Sunday, we would have had a chance at at least an orderly wind-down," Fuld said in testimony before the FCIC Wednesday. "It may even have given us an opportunity to do a merger."



Of course, it's doubtful that Fuld would have been in a "wind-down" state of mind had the Fed provided the funds to keep Lehman going. Though officials at Wednesday's hearing stressed they believe Lehman did everything within its limited power to give itself a chance to survive, accounts at the time suggested Fuld was overplaying a weak hand by demanding too much of possible equity partners.

He said Wednesday that the firm was in discussions with as many as eight or nine possible capital providers at the time the firm collapsed. But his failure over the course of 2008 to secure a partnership deal of any sort suggests his openness to a merger is mostly retrospective.

In any case, Thomas Baxter, the general counsel of the Federal Reserve Bank of New York, said the point was moot because the Fed concluded it couldn't advance money to Lehman without running the risk of outsize losses.

The Bear Stearns episode in March 2008 taught the Fed that it couldn't prop up an investment bank without a guarantee of the firm's trading books, Baxter said.

Because Lehman was so much larger than Bear and because the markets had deteriorated even further in the intervening six months, the Fed concluded that securing a guarantee of Lehman's books could cost literally hundreds of billions of dollars.

And by this time, of course, private investors had made abundantly clear they wouldn't go anywhere near Lehman without federal backing.

"There was no investor appetite to continue to finance Lehman's operations" beyond the weekend, JPMorgan Chase ( ) chief risk officer Barry Zubrow said.

Because the Fed aims to lend only on collateral that will prevent taxpayers from losing money, Baxter continued, the bridge idea was one that policymakers didn't seriously entertain.

"We thought it was a bridge to nowhere," Baxter said.

MENU

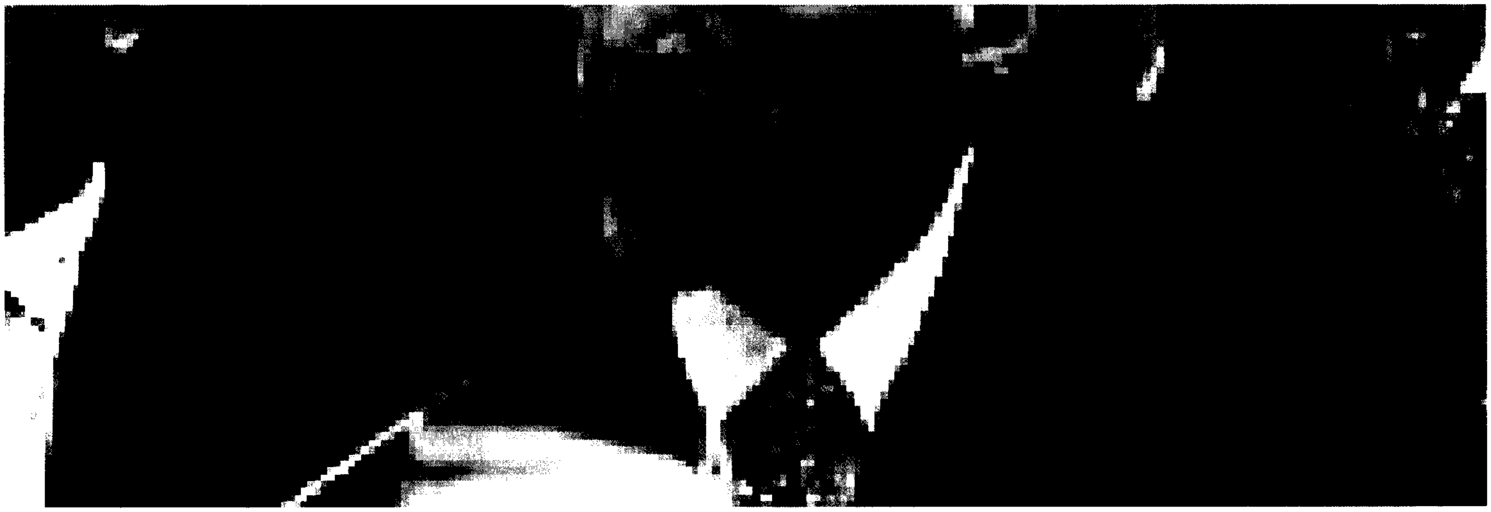
STREET SWEEP

Lehman ex-chief Fuld to testify

by Colin Barr AUGUST 30, 2010, 8:49 PM EDT

Two years after he ran Lehman Brothers into the ground, Dick Fuld is about to get another chance to explain himself.

Fuld, who led Lehman for 15 years until it collapsed in September 2008, will appear Wednesday before the Financial Crisis Inquiry Commission, the congressionally appointed panel that's writing the definitive account of the financial meltdown.



CNN/FILE

The Wednesday wallop

Fuld and six others have been called to appear before the FCIC Wednesday, to discuss the September 2008 collapses of Lehman and Wachovia, the North Carolina bank that was sold in extremis to Wells Fargo ( ). Wednesday's other headliner is Robert Steel, the former Goldman Sachs ( ) banker and Treasury official who was running Wachovia when it nearly plunged into the abyss.

Trending Video

On Thursday, Fed chief Ben Bernanke and Federal Deposit Insurance Corp. Chairman Sheila Bair will testify.

The FCIC, which must send Congress a report by mid-December, interviewed executives at the other big Wall Street failure, Bear Stearns, at a hearing in May. But because Lehman's collapse led to a near economic collapse, Fuld's testimony stands to be a bigger deal.

Fuld has been mostly out of the public eye since Lehman's collapse, preparing to fight what is shaping up as a long spell defending himself in court. His utterances since the firm's Sept. 15, 2008, bankruptcy have been met mostly with stunned disbelief.

He last appeared in public in April, when he told the House Financial Services Committee he had "absolutely no recollection whatsoever of hearing anything about or seeing documents related to Repo 105 transactions while I was the CEO of Lehman."

Repo 105 was the program under which Lehman made its balance sheet look less leveraged, by treating some borrowing transactions as asset sales. The firm's Repo 105 dealings reached as high as $50 billion a quarter in 2008, a bankruptcy examiner found —prompting some observers to ponder a possible Sarbanes-Oxley prosecution for Fuld.

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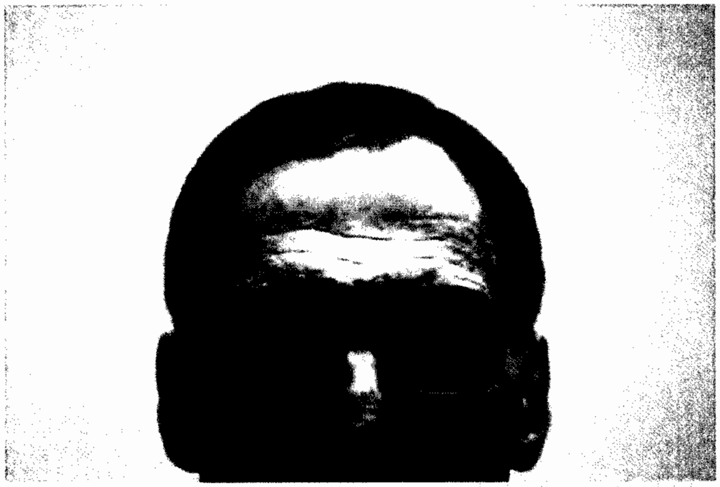
Dick Fuld in exile



By William D. Cohan, contributor August 31, 2010: 6:47 PM ET

FORTUNE -- Ever since Lehman Brothers imploded and filed for the largest bankruptcy in history nearly two years ago, the firm's former chairman and CEO, Dick Fuld, has been a little on edge.

For instance, last September, when Clare Baldwin, an enterprising freelance reporter for Reuters, rang the front gate at his property near Sun Valley, Idaho, to get an interview -- still the only one he has granted since Lehman's demise -- the first words out of Fuld's mouth when he saw her were, "You don't have a gun. That's good."

Comment

Then there was the instance a few weeks after the bankruptcy filing, in October 2008, when Lehman managing director Kevin White arranged a visit with Fuld in his 31st-floor office in Midtown Manhattan. That was where Fuld had hunkered down during Lehman's final calamitous week and where he had presided over "Club 31," the group of loyalists surrounding him on the executive floor.

White, the head of several structured-finance and mortgage businesses at the firm, had never met Fuld. He was not part of Fuld's inner circle, or Club 31. But with the dust starting to settle and Fuld soon moving to smaller digs across the street, White wanted to meet him. By then White, 47, had decided not to join Barclays, which had bought the bulk of Lehman's U.S. banking business a few days after Lehman filed for bankruptcy. He elected instead to start over with his own firm, Spring Hill Capital Partners, and try to rebuild the fortune he'd lost after some 17 years at Lehman. For some reason, though, he had the urge to go see Fuld, a man who was then a pariah, and arranged to get on his calendar.

When White wa ked into Fuld's office, the former Lehman CEO was sitting at his desk. Fuld looked up, according to White, and they exchanged greetings. White asked Fuld how he was doing. "Not too well," Fuld said. "I can't believe this happened. I failed you. I failed your family. I failed the shareholders. I don't think I'll ever recover from this."

White told him he shouldn't ever recover from it. "It's a scar for both of us," he said. "It'll heal for me. But it will never heal for you. You're going to take this one to your grave," he said matter-of-factly. Fuld looked up at White. "You're not going to shoot me, are you?"

White told him he was there for one reason -- to thank him. He'd come to New York as a kid, not knowing anyone on Wall Street, White said, and Lehman had given him his shot. Over the years he'd built his career there, White told Fuld, and he'd come to believe in the firm, its culture, and its business. "Yeah, I lost more money than I'll ever make in my life," White told Fuld. But, as White put it, the integrity, values, market knowledge, and relationships that he had amassed at the firm were more important, and those he would take with him. "I thank you because I believed in a lot of the things that were your core values in the discipline of this company," White said.

Fuld then told White he was leaving Lehman. White asked whether he would be joining Barclays. "Fuck that," Fuld said. "I'm not going to Barclays. Fuck that." White said he wouldn't be going to Barclays either, and told Fuld about Spring Hill. Fuld offered to help White any way he could. Then it was time for White to leave. Fuld stood up and came around to the other side of his desk to shake White's hand. He put his hand out, then pulled it back. "Nah, fuck that," he said. "Give me a hug. I need a hug." Before White knew it, Fuld, the man whose gruff, brutish manner had given him the nickname "the Gorilla," was embracing him. Then, White said, Fuld started crying. "Kevin, you're the first person to say thank-you to me."

And White may be the last to thank Fuld -- except for the lawyers and restructuring experts, who have been paid more than $900 million in fees since the bankruptcy filing. For those lucky firms, the profits amassed in the past 23 months are staggering: Alvarez & Marsal, the advisory firm handling the restructuring and the acting management team, has received $326 million; Weil Gotshal, the lead bankruptcy attorneys, has netted $212 million.

Since Lehman imploded, Fuld has -- understandably -- kept a very low profile. He resigned as CEO of Lehman Brothers Holdings, the publicly traded company that is still in bankruptcy, in November 2008, but remained both an adviser to Bryan Marsal, the new CEO, and chairman of the board of directors until May 2009. However, his role was hardly what it had been, and he was rarely seen around Lehman offices for most of that time.

So as the two-year anniversary of Lehman's demise approaches, what, exactly, has Fuld been doing? Thanks to his aggressive (and, some of his supporters say, overprotective) attorney, Patricia Hynes at Allen & Overy, he has hardly been seen or heard from since the bankruptcy filing, except for several tortured and highly lampooned appearances in front of congressional committees. True to form, Hynes told *Fortune* in an e-mail that Fuld would be unavailable for this article; Fuld did not respond to messages left for him at his New York office or at his home in Sun Valley. But according to many accounts, he is working hard at moving on from the events of September 2008 by devoting himself -- with his customary zeal -- to building his tiny advisory investment-banking boutique. He has also been spotted traveling to and from his usual haunts in Sun Valley and Jupiter Island, Fla., on commercial flights for the first time in years. (Curiously, he shows up on the FAA website as having gotten his student pilot's certificate in November 2008, so he might be working on a strategy to avoid commercial air travel.) He has also been getting ready to fight what could be a lifetime of litigation against him. Enforcement agencies ranging from the SEC to the Department of Justice, which has convened three grand juries, have been investigating Fuld and other former Lehman executives for possible wrongdoing.

From Lehman to Matrix

In April 2009 -- after being essentially unemployed for four months -- Fuld established Matrix Advisors in an office at 780 Third Ave. in Manhattan to provide advice to corporations on raising capital and on mergers and acquisitions. Matrix's operations have been unclear, but a little-noticed May regulatory filing sheds some light. Fuld is the "managing member/owner" of Matrix, and according to the filing he spends roughly 250 hours a month at the firm, or more than 60 hours a week. The filing describes Matrix as "executive strategic consulting" that provides "strategic advice to client management teams and senior employees ... across all aspects of business." It is said to be a small operation -- "a young guy from Lehman and two secretaries," says a source close to Fuld. Old Lehman hands who still speak to Fuld regularly -- and their number is dwindling as life moves on -- say they don't know what kind of business Fuld is doing at Matrix. "He calls sometimes at 7 a.m.," one told *Fortune*. "He calls at 7 p.m. He's working. I don't know how successful he is. I have no way of knowing that. But he's working. He's busy."

Fuld is said to remain close to Sam Palmisano, the chairman and CEO of IBM (**IBM, Fortune 500**); Fuld's son Richie and Palmisano's son were roommates at Middlebury College, where Fuld was a member of the board of trustees until last year. He is also said to be close to Jeffrey Immelt, the chairman and CEO of GE (**GE, Fortune 500**). One friend of Fuld's heard he had done work for IBM recently; an IBM spokesperson confirmed to *Fortune* that Fuld and Palmisano are friends and that Fuld has done advisory work with the company's acquisitions team. Another source who spoke to Fuld recently told *Fortune* he is also working with a large European software company. Friends are not surprised he's getting business, given his Rolodex and his aggressive style. Says one: "He knows how to ask for the order."

Matrix popped up in the headlines this past May when **various news outlets reported** that Fuld had left Matrix to join Legend Securities, a tiny, relatively unknown broker-dealer near Wall Street. In truth, Fuld hadn't left Matrix, but he had registered with Legend, possibly as a way to keep his securities licenses valid. A source familiar with the arrangement told *Fortune* that the relationship came about because Fuld knew one of the Legend executives. "He said, 'Yeah, I don't care,'" the source said. "'What the hell? If it helps you out, fine. I don't care about the backlash.' Because it was a lot of backlash."

Paying for the collapse

If all this seems like a lot of effort for a 64-year-old man who spent a career making a killing on Wall Street, it is. Many in Fuld's circle believe that he would not be working so hard if he did not need the money to pay for his luxurious lifestyle and ongoing legal bills related to Lehman's collapse. As evidence, they point to his decision to sell his extensively renovated 6,000-square-foot Manhattan apartment at 640 Park Ave. in August 2009 -- to Glenn Fuhrman, the co-founder of Michael Dell's MSD Capital -- for $25.87 million, some $4 million more than he paid for it in 2007. (Fuld commutes to the Matrix offices from his Greenwich home.) Fuld's friends also point to the Fulds' decision two months after the Lehman bankruptcy filing to sell 16 rare drawings from wife Kathleen's modern art collection at auction for a guaranteed $20 million. Fuld is also said to have reneged on a $50 million pledge to Middlebury College. Shortly after Lehman fell, according to a source close to the school's president, Ronald Liebowitz, Fuld told Liebowitz that he was worth only $100 million and would not be able to honor the commitment. Liebowitz did not reply to a request for comment, but a Middlebury official told *Fortune* that Fuld "did not renege on a formal pledge as far as I know," but said it was possible that Fuld might have changed his mind about an "informal" pledge, and that in any event he was "a great trustee and very generous."

Despite the $45 million in proceeds from the asset sales, the Fulds still own plenty of real estate. There is the sublime Idaho compound where Reuters' Baldwin showed up, a collection of buildings around a main house that sits on the Big Wood River, assessed at $5.8 million. Fuld also owns another cabin an hour north of Ketchum, on Pettit Lake. All told, Fuld owns 15 parcels of land in and around Sun Valley totaling 76 acres, assessed at nearly $23.28 million, according to the Blaine County, Idaho, assessor's office. And Fuld still owns the mansion in Greenwich -- nine bedrooms plus a guest house on nearly 12 acres — for which he paid $7.3 million in 1992 and which could easily fetch multiples of that today. The Fulds also own a five-bedroom home on 3.3 acres on exclusive Jupiter Island, Fla., for which they paid $13.75 million in 2004 and reportedly tore down and rebuilt. Taxes on the home have been around $200,000 a year. (In November 2008, Fuld transferred his ownership of the home to Kathy for $100. He subsequently said he transferred the property to her after she sold a portion of her art collection to "rebalance" the assets between them. "Very plain," he told Congress. "Very simple.")

What is he really worth?

Fuld's actual net worth, though, remains a bit of a mystery -- and a controversial one. In 2007, he was paid $34 million, $29 million of which was in now worthless Lehman stock. He also owned, directly or indirectly, another 10.85 million Lehman shares that were once worth close to $1 billion but were also rendered nearly worthless. (Some 2.1 million of those shares were pledged as collateral in a Lehman Brothers margin account.) On the day of the bankruptcy filing, Fuld sold nearly 3 million shares at around 20¢ each, receiving some $600,000 for them. He then sold another 287,000 shares at 7¢.

When it comes to what Fuld has reaped from stock sales over the past decade, it's a far cloudier picture. In public Fuld has tried to minimize what he cadged from Lehman. During his appearance at a congressional hearing in October 2008, just weeks after Lehman's collapse, Fuld sparred with Rep. Henry Waxman, who released a chart showing that Fuld had made $484 million from 2000 to 2007. Under oath, Fuld denied he had made that amount and said he had received closer to $310 million during those years. Later in the hearing he conceded it might have been closer to $350 million.

But the truth about Fuld's take seems to be much larger, and suggests that not only did Fuld receive compensation in excess of what Waxman suggested but that he also took out in cash more than $500 million.

In June 2008, before Lehman's demise but as its troubles were clearly mounting, *Fortune* calculated that Fuld had sold $482 million worth of his Lehman stock between 2000 and 2007. Other efforts to disprove Fuld's claims have since surfaced. Last year a team of researchers at Harvard Law School released a study that found that, between 2000 and 2007, Fuld cashed in Lehman shares worth $461 million and received cash bonuses of $61.6 million.

Oliver Budde, a former Lehman associate general counsel who was responsible for drafting parts of Lehman's SEC filings until he quit in February 2006, alleges that Fuld was paid $529.4 million during that time and had cashed out $469 million through stock sales -- figures he sent in a two-page whistleblower e-mail to the SEC in April 2008 and shared with *Bloomberg BusinessWeek* this April. Patricia Hynes, Fuld's attorney, said in response to *Bloomberg BusinessWeek* that "after being vetted by legal counsel, [Budde's claims] were determined to be without merit." Budde stands by his numbers. "I have no doubt I have it right," he says. "Anyone can do the math."

Budde agrees with other former Lehman executives who think that despite the hundreds of millions of dollars in cash Fuld pulled out, he may indeed be caught in a financial squeeze. He points to the margin calls Fuld probably received on his Lehman stock as its value fell through 2008, and the fact that he and Joe Gregory, Lehman's former president, converted their illiquid holdings in Lehman's private equity funds into millions in cash during the summer of 2008. Budde also suspects Fuld may eventually exhaust the company's insurance money being used to pay his legal costs and will then have to foot the legal bills himself, even before any possible judgments against him are rendered. Indeed, the legal bills are mounting: On July 27, Weil Gotshal filed a motion to tap additional insurance policies for the Lehman directors' and officers' legal bills, which the firm said would reach $55 million by October.

Fuld has certainly had to relearn how to live more frugally. Since Lehman's fleet of three private jets (two Gulfstream IVs and a Dassault Falcon 50) plus a Sikorsky helicopter are no longer at his disposal -- all have been sold -- he has been seen on commercial flights to and from Sun Valley and Jupiter Island. "His feet had never touched the ground on a commercial flight in 20 years," said a corporate executive who saw him on one of those flights.

Fuld's side of the story

Lehman people still in touch with Fuld say he has been through both the denial and the mea culpa stages and is now in what one person referred to as the "combative stage." People close to him say he thinks he got a bad rap from those who suggested he wasn't able to find a buyer for Lehman in the summer of 2008, after Bear Stearns was sold to J.P. Morgan Chase (JPM, Fortune 500). His defenders say Fuld would very much like to tell his side of what happened, but Hynes won't allow it. Another former Lehman executive thinks Fuld is misunderstood. "Dick is a very good person," he says. "He is a very good human being. I have watched him grow. The portrayals of him are so different than the way he is."

In addition to the time spent at Matrix, Fuld has been forced repeatedly to defend and explain his management of Lehman in its final years. That was made especially difficult after the release in March of the explosive report by court-appointed bankruptcy examiner Anton R. Valukas. Nearly 18 months in the making, at a cost of $30 million to the Lehman estate and numbering 2,200 pages, Valukas's report was remarkable both for its comprehensiveness and for the damning allegations it made against Fuld and other former Lehman executives. The most serious: that Lehman executives moved $50 billion in assets off the company's balance sheet through the now infamous Repo 105 device. Fuld, as is well known today, testified he had no knowledge of the maneuver, but Valukas said that he had witnesses who said they discussed the transactions with Fuld -- and that there are documents that prove it.

The Valukas report will probably serve as a litigation road map for the pack of lawyers readying cases against Fuld and Lehman. Indeed, in his testimony Valukas said that as he was writing his report, he kept the entities investigating Lehman -- including the SEC and the three U.S. attorneys investigating the case (in New Jersey as well as in both the Southern and Eastern districts of New York) -- fully apprised of his findings.

Fuld has also been kept busy by the sea of litigation spawned by the bankruptcy. According to the regulatory filing he made in May as part of the Legend deal, Fuld is involved in close to 20 pending lawsuits, including a class action filed in the Southern District of New York by Lehman's former debt and equity holders, which alleges that Lehman and its executives raised $31 billion in capital by circulating documents that contained "untrue statements and omitted material facts" about Lehman's financial condition. There is also the ongoing litigation between Lehman Brothers Holdings, the bankrupt estate, and Barclays PLC alleging that Barclays snookered Lehman when it purchased the company's U.S. investment-banking and securities business in the days after the bankruptcy filing. The estate is seeking billions in compensation, which would be used to pay creditors. Although his name has been invoked, Fuld has not yet been called to testify in the case.

Indeed, there is little question that Fuld's life for the foreseeable future will include hours of testimony explaining why he did what he did during the final years of Lehman Brothers. Meantime he is working hard at Matrix, using his connections as best he can, and trying to rebuild his life and his name. Asked whether Fuld seems happy, a close friend paused and then said, "Mixed." In other words, the Gorilla might need another hug.

--Senior research editor Doris Burke contributed to this article.

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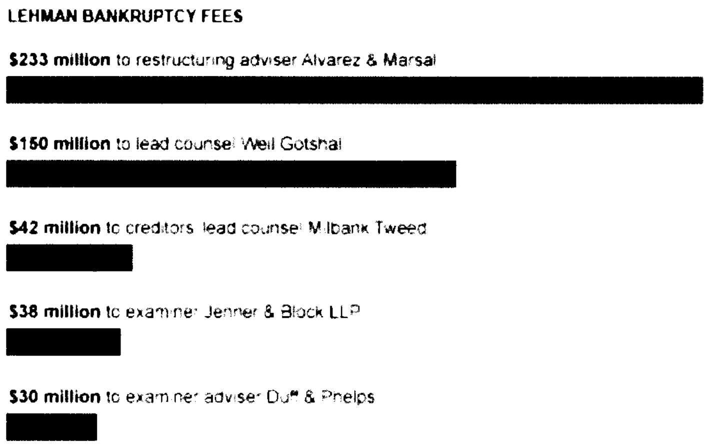
$642 million to clean up Lehman -- and counting



By Colin Barr, senior writer March 12, 2010: 3:36 PM ET

NEW YORK (Fortune) -- Unraveling the biggest-ever U.S. bankruptcy case isn't cheap.

A report released Thursday by the examiner in the Lehman Brothers Chapter 11 case exposed the games the defunct investment bank's executives played to stay in Wall Street's good graces.

The report showed auditors at Ernst & Young were less than vigilant in their vetting of Lehman's financial reports, and that bankers including JPMorgan Chase (JPM, **Fortune 500**) hastened the firm's demise by aggressively seizing collateral.

The report, by Anton Valukis of Chicago law firm Jenner & Block, was 15 months in the making and cost at least $38 million, going by the latest fee schedule Lehman's estate filed with the Securities and Exchange Commission.

That's just a drop in what is shaping up as a very large bucket for the fees of professional services firms in the case. Through January, Lehman's bankruptcy estate had paid out $642 million to 28 law firms, advisers and consultants, according to a filing with the SEC last month.

Stephen Lubben, a law professor at Seton Hall University's law school in Newark, N.J., said the estate could end up spending $900 million or more on professional fees by the time its case wraps up.

At the same time, the Lehman report cost less than half as much as the examiner reports for Enron -- another large, complicated, high-profile case -- and was issued much sooner after Lehman's bankruptcy filing. That could help plaintiffs seeking to recover Lehman losses.

"The Lehman case is much like the Enron case," said Lynn LoPucki, a law professor and bankruptcy expert at UCLA, referring to the big energy trading company that filed for Chapter 11 protection in December 2001. "People were waiting for the examiner report in the Enron case, and it ended up serving as the basis for lots of civil suits."

The promptness of the Valukis report will give the many aggrieved parties in the Lehman case ample time to pursue claims against the company's officers, business partners and others, LoPucki said. The statute of limitations for claims filed by a bankruptcy trustee is two years, which means many Lehman cases will have to be filed in the next six months.

Lehman filed for Chapter 11 protection on Sept. 15, 2008, leaving creditors with billions of dollars in losses.

The biggest beneficiaries of the cleanup effort include the firm overseeing Lehman's restructuring, Alvarez & Marsal, and Lehman's lead counsel, Weil Gotshal & Manges. Alvarez & Marsal had received $233 million through January and Weil Gotshal $150 million, according to Lehman's filing.

Other big fee takers include Mi bank Tweed Hadley & McCloy, the lead counsel for Lehman's creditors committee, with $42 million, and Duff & Phelps, which served as a financial adviser to examiner Valukis. It has received $30 million.

Lehman has also paid French investment bank Natixis $8 million for derivatives consulting, pay czar Kenneth Feinberg's law firm $568,000 for fee examination and art consultant Kelly Wright $47,000.

All those sums come out of Lehman creditors' hide, for now. But by establishing facts that can be used in both civil and criminal litigation, the 2,200-page report will likely more than make up for its costs.

Enron creditors recovered some $5 billion in the so-called MegaClaims litigation against big banks and brokerages. Those payments include a 2008 settlement with Citigroup (C, **Fortune 500**) for $1.66 billion and 2005 settlement under which JPMorgan Chase agreed to pay at least $982 million.

Banks, auditors and others can expect to face suits in the Lehman case, Lubben said. "The litigation could stretch on for years," he said.

Civil litigation isn't the only likely outcome of the report. LoPucki said it's reasonable to expect criminal charges against Lehman executives -- including former CEO Dick Fuld -- for possible violations of the Sarbanes-Oxley Act of 2002, which was passed by Congress in response to the accounting scandals at Enron and other companies.

The report suggests Lehman execs used accounting tricks to hide evidence of their massive leverage from the market. Sarbanes-Oxley holds executives responsible for the integrity of their firms' accounting, as Fuld **acknowledged** on a June 2008 conference call with analysts. "I am the one who ultimately signs off," he said then.

The existence of Sarbanes-Oxley and the quick production of the Lehman report could make it difficult for Fuld to escape charges, LoPucki said. He noted that the last of the four Enron reports by examiner Andrew Batson wasn't published until November 2003 -- just a month before the statute of limitations ran out on certain claims in that case.

The timing of the Enron reports, which cost $90 million, may have prevented some claims from being pursued, he said.

"Fuld signed under the new rules," LoPucki said. "It is going to be hard for the authorities not to prosecute."

- **Examiner says Lehman hid debt**
- **The fall of Erin Callan**
- **Where are the crisis CEOs now?**

First Published: March 12, 2010: 1:03 PM ET

MENU

POSTCARDS

Lehman ex-CFO Callan under new scrutiny

by **Patricia Sellers** @pattiesellers MARCH 12, 2010, 10:20 PM EDT

PHOTO: WESLEY MANN

by Patricia Sellers

"The fall of a Wall Street highflier," in the latest issue of *Fortune*, portrays Erin Callan as a star banker at Lehman Brothers who is catapulted to CFO, finds herself in a maelstrom, and flames out–all the while maintaining a fierce determination to perform for her bosses.

Ever since Lehman ( ) died in September 2008, one key question has been: Was Callan so eager to please CEO Dick Fuld–and make Lehman look healthier than it was–that she breached fiduciary responsibility to shareholders? The answer is yes, according to the U.S. bankruptcy examiner's report on Lehman's collapse that was released to the public yesterday.

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The 2,200-page report is quite critical of Callan–and of Fuld and the two men who held the CFO post before and after she did, Chris O'Meara and Ian Lowitt. But Callan, who was CFO from December 2007 until she was pushed from the job the following June, comes under particular scrutiny for failing to disclose Lehman's use of an accounting device called Repo 105. The gimmick, which Lehman used for years but employed increasingly in 2007 and 2008, allowed the firm to remove some $50 billion of bad assets from its books temporarily, instead of selling the assets at a loss.

Examiner Anton Valukas, who chairs law firm Jenner & Block, finds Lehman's use of Repo 105 materially misleading. He criticizes Callan for telling analysts that Lehman was trying to give them "a great amount of transparency on the balance sheet," while saying "nothing about the firm's use of Repo

105 transactions."

Meanwhile, the report says, Lehman global financial controller Martin Kelly was raising red flags about the use of Repo 105. Callan failed, says the report, to pass on Kelly's concerns to Fuld and Lehman President Joe Gregory.

During this time when Lehman was prettying its balance sheet–and Callan was assuring investors that the firm was on solid ground–was she concerned about the actual state of things? Clearly. The report includes an email that Callan wrote to Fuld and Gregory two weeks before the close of Lehman's second quarter, in May 2008. "The skeptics are focused on our balance sheet and that is the key to the future," she wrote. "We HAVE to deliver on the balance sheet reduction this quarter."

One month later, Callan was replaced as CFO, accepted a job in investment banking at Credit Suisse ( ), quit after five months...and never was heard from again. Whatever happened to Erin Callan has been a Wall Street mystery ever since she cut off communication with her old crowd. Read the *Fortune* story to learn where Callan is today. Meanwhile, this new report, which is sure to impact the criminal and civil probes into who's to blame for Lehman's failure, proves that there's no escaping the past, really.

The 10 largest U.S. bankruptcies

From Lehman to Pacific Gas and Electric, the mighty have fallen, taking down billions and billions with them.

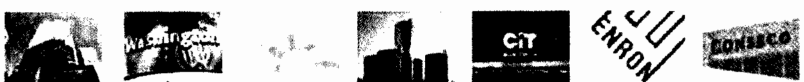
Lehman Brothers Holdings

Back Next

Rank: 1
Date of bankruptcy filing: 09/15/08
Assets: $691 billion

One of the biggest calamities of the current recession is the fall of the once highly regarded (and onetime fourth-largest) Wall Street investment firm, which was forced to file for bankruptcy protection last September, the largest corporate filing in the history of U.S. bankruptcy court. As a result, the company's North American investment banking and trading businesses and New York City headquarters were sold to British bank Barclays. Some of Lehman's U.S. businesses, including wealth management firm Neuberger-Berman, continue to operate as stand-alone entities under new ownership. And because of the company's global reach, its bankruptcy proceedings are complex, ongoing, and have resulted in the closing of 80 of the bank's smaller subsidiaries.

NEXT Washington Mutual



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On the block: Lehman art for under $2,000

You don't have to be a master of the universe to snag works by Hockney, Lichtenstein, and Rauschenberg.

By William D. Cohan
Last Updated: October 9, 2009: 3:38 PM ET

NEW YORK (Fortune) -- The first batch of artworks from the collection that once filled the corridors of Lehman Brothers' offices will be hitting the auction block on November 1. And while the works by David Hockney, Roy Lichtenstein and Robert Rauschenberg may be small potatoes for museum curators, the collection provides the opportunity for aspiring patrons of the arts to pick up brand-name artists for under $2,000. Bankers looking for an elegant office decoration -- and one with a conversation-starting provenance -- should check out the catalogue at freemansauction.com.

"I Love Liberty," by Roy Lichtenstein, is estimated to fetch between $15,000 and $25,000.

The U.S. Bankruptcy Court in the Southern District of New York, which is overseeing Lehman's bankruptcy's proceeding (now in its second year) granted to Freeman's, based in Philadelphia and which bills itself as "America's oldest auction house," the right to auction the first 283 lots of "modern and contemporary art" from Lehman's collection. Anne Henry, a vice-president at Freeman's in charge of the Lehman sale, valued the art being sold in the $500,000 to $750,000 range.

Obviously, Lehman's creditors, who have lost most of their money, are hoping Freeman's will be able to generate more proceeds than have been estimated. Freeman's will also be auctioning off another 30 lots of European fine paintings, from the Lehman collection, on December 6, and another 500 lots, or so, also from the Lehman collection, on February 12 of next year. These two subsequent auctions are not expected to generate much in the way of proceeds either, according to Henry, perhaps between $280,000 and $430,000 from the two sales.

The modest valuations on these first groups of artworks from the Lehman collection stand in sharp contrast to the priceless art collection once owned by Robert "Bobbie" Lehman, one of the patriarchs of the investment bank. When Lehman died in 1969, his foundation donated some 3,000 of his artworks to the Metropolitan Museum of Art, on Fifth Avenue. The museum has called that Lehman collection "one of the most extraordinary private art collections ever assembled in the United States." The Robert Lehman wing of the museum opened in 1975.

The collection being sold by Freeman's is also not part of the personal collection of Dick Fuld, the former CEO of Lehman, and his wife, Kathy. The Fulds sold a group of 16 artworks through Christie's last November for around $13.5 million below the $20 million the auction house guaranteed the couple. Kathy Fuld is on the board of the Museum of Modern Art.

Still, the 283 lots that Freeman's will be selling early next month do include any number of iconic images by many familiar artists. For instance, there is a group of 10 Berenice Abbott photographs of New York City street scenes (as well as one of the Flatiron Building) on which Freeman's has placed a seemingly modest price range of between $6,000 and $10,000. There is a set of nine Walker Evans photographs of the Brooklyn Bridge, priced at $1,000 to $1,500. There is a Christo print of wrapped buildings in lower Manhattan ($1,000 to $1,500) and a signed Alexander Calder print ($800 to $1,200). There is a 1973 David Hockney print of spring flowers in a vase that Freeman pegged at between $7,000 and $10,000.

A Roy Lichtenstein print, "I Love Liberty" from 1982, is estimated to fetch between $15,000 and $25,000. The Lichtenstein is one of the few lots being sold subject to a reserve price, or floor, so that if a minimum bid is not received the artwork will not be sold. Most of the collection, however, will just be sold without a price floor, which may be why Freeman's has put relatively low price ranges on a number of the pieces.

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There are also a number of prints by artists such as Jim Dine, Louise Bourgeois, Claes Oldenburg, Wayne Thiebaud, Yaccov Agam, Alex Katz, Robert Motherwell, Louise Nevelson, Frank Stella, Robert Indiana, and Andy Warhol. In many ways, the collection is very typical of what Wall Street banks and law firms use to line the many walls of their offices. There are also a slew of works by lesser-known artists as well as French, Indian, and Chinese artists.

Although the dollar amount is relatively small, selling the collection is a bit of a coup for Freeman's. Usually, one of the three titans in the auction art market, Christie's, Sotheby's (BID), or Phillips, would be expected to sell such a collection. But Kelly Wright, an art advisor to Lehman, conducted a beauty contest earlier in the year and Freeman's was selected. "We are very excited about it," Henry said. "This is a very important provenance in the art world and there are number of top quality artworks being sold in good condition." Of course, Freeman's will get its pound of flesh. The auctioneer will add 25% on the first $20,000 of the hammer price of each lot, and 20% on the portion from $20,001 through $500,000.

In its glossy and colorful 250-page catalog, Freeman's does acknowledge, briefly, the circumstances that led to the sale: "The company's history ended abruptly in September 2008, when it was forced into bankruptcy during the recent financial crisis." Not quite as dramatic sounding as the fall of the Medici, a previous patron of the arts whose banking empire was undone by fiscal mismanagement, but nevertheless a sign of our times.

First Published: October 9, 2009: 2:48 PM ET

An art shop bridging borders

Fortune's Kodachrome legacy

SPECIAL REPORT The financial crisis: One year later

Ex-Bear chief sees Lehman silver lining

Alan Schwartz said the firm's collapse spurred fiscal policymakers around the world to finally cooperate, but added that Lehman's failure was 'unfortunate.'

By Colin Barr, senior writer
Last updated September 14, 2009: 2:08 PM ET

NEW YORK (Fortune) -- The collapse of Lehman Brothers was "unfortunate" but spurred the global policy coordination that ultimately saved the financial system, former Bear Stearns chief executive officer Alan Schwartz said in his first interview since Bear's fall last year.

Former Bear Stearns CEO Alan Schwartz said in an exclusive interview that one bright spot of Lehman's collapse was that it forced financial leaders around the world to cooperate.

Schwartz, who is now executive chairman at investment firm Guggenheim Partners, defended regulators' decision to allow Lehman's failure a year ago. He said that while Lehman was a "great institution" whose collapse saddened him, saving the firm "could have caused ripple effects" that would have been criticized as well.

"The quarterback that has to call the play ... has the hardest job," Schwartz told CNNMoney.com's Poppy Harlow in an exclusive video interview. The two were joined by Dick Parsons, the chairman of Citigroup (C, Fortune 500) and former CEO of Time Warner, which owns CNNMoney.com and Fortune.

Schwartz said making Federal Reserve emergency loans available to Bear Stearns might have forestalled its collapse in March 2008. But he admitted that the firm might not have survived the "once-in-a-generation tsunami" that swept the capital markets last fall, overwhelming Lehman and prompting the government to prop up Fannie Mae, Freddie Mac and AIG.

"I had hoped that the policies post-Bear Stearns would keep that from happening to any other institution," Schwartz said, referring to government policies that enabled investment banks for the first time to borrow directly from the Federal Reserve. "I felt awful that [Lehman] was going through a situation that I knew they couldn't control."

Lehman filed for bankruptcy the morning of Sept. 15, 2008, after then Treasury Secretary Henry Paulson and other policymakers failed in their efforts to broker a sale of the investment firm to a better capitalized partner such as Barclays or Bank of America (BAC, Fortune 500).

Within days, all hell broke loose in the financial markets. Shares of a top money market fund that had been speculating in commercial paper -- the short-term loans issued by highly rated corporations -- "broke the buck," falling below $1 after Lehman's default left the fund with millions of dollars of losses.

Soon thereafter, federal officials extended an $85 billion emergency loan to prevent insurer AIG (AIG, Fortune 500) from following Lehman into bankruptcy, and the Federal Reserve hastily converted the two remaining independent investment banking firms -- Goldman Sachs (GS, Fortune 500) and Morgan Stanley (MS, Fortune 500) -- into bank holding companies to make sure they wouldn't run out of cash.

By the end of the month, the nation's sixth-largest bank, Washington Mutual, had failed, and a bigger rival, Wachovia, was being shopped to prospective buyers by the Federal Deposit Insurance Corp. It ended up being sold to Wells Fargo (WFC, Fortune 500) in a deal without taxpayer assistance.

"No one anticipated the results of the Lehman collapse," said Parsons.

Lehman's failure came six months after Bear ran out of money and was sold with Federal Reserve support to JPMorgan Chase (JPM, Fortune 500). Schwartz, who appeared on CNBC just days before that emergency sale to claim the firm had adequate cash on hand, told CNNMoney.com he believes the firm was a victim of what he called "collusion" among those

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betting against Bear but admitted that "no one can prove it."

"We believed our liquidity was sound," Schwartz said. "Whether there was collusion involved, nobody knows."

Whatever his regrets about Bear, Schwartz -- who had replaced longtime Bear chief Jimmy Cayne as CEO just two months before the firm's implosion -- did see a silver lining in the Lehman fiasco.

Until the firm's failure, he said, European regulators were loath to join their American and U.K. counterparts in loosening monetary policy and providing emergency aid to the financial sector. But after the freeze of credit markets that followed Lehman's bankruptcy, global coordination started -- and not a moment too soon.

"I think that was a necessary ingredient for saving the financial system," he said.

First Published: September 14, 2009: 12:50 PM ET

The financial crisis: One year later

Geithner: 'We were looking at the abyss'

There is life after Lehman

D

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Business Wire

June 18, 1985, Tuesday

DISTRIBUTION: Business Editors

LENGTH: 323 words

HEADLINE: LEHMAN-BROTHERS; Karl A. Deavers named chairman of four Lehman Corps.

DATELINE: NEW YORK

BODY:

Karl A. Deavers was elected chairman of The Lehman Corp., of Lehman Capital Fund Inc. and of Lehman Investors Fund Inc. at a meeting of the boards of directors here Tuesday. He continues as a director and president of the companies. In a separate meeting Deavers was elected chairman of Investors GMNA Mortgage-Backed Securities Trust Inc.

The Lehman Corp., founded in 1929, is one of the nation's oldest and largest publicly-traded investment companies. Lehman Capital Fund is a mutual fund started in 1976. Lehman Investors Fund Inc., is a mutual fund started in 1958. The companies have net assets of about $728 million, $119 million and $373 million, respectively. Investors GNMA, started in 1983, is a limited purpose corporation organized to invest in GMNA certificates.

Deavers, 50, is a director and executive vice president of Lehman Management Co. Inc., an investment management subsidiary of Shearson Lehman Brothers Inc. He also is a trustee and chairman of Lehman Institutional Funds Trust, a director and president of Lehman Cash Management Fund Inc., Lehman Government Fund Inc. and Lehman Tax-Free Reserves Inc. He serves as a trustee of Northwestern College in Iowa. He was admitted to West Virginia and New York bars and is a member of the American Bar Association and the Association of the Bar of the City of New York.

Deavers came to Lehman Management in 1980, prior to which he was chief financial officer of Tri-Continental Corp. and the mutual funds of The Union Service (now Seligman) group.

Born in Hambleton, W. Va., Deavers holds a B.S. degree and an LL.B. from the University of West Virginia and an LL.M. from New York University.

Deavers, married with one son, lives in Manhattan.

CONTACT: Lehman Brothers, New York
Ross Muir, 212/558-1616 by

Albert Frank-Guenther Law Inc., New York
Jeffrey R. Wilcox, 212/248-5200

PR Newswire

November 18, 1998, Wednesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 452 words

HEADLINE: Lehman Brothers Resumed Coverage of CalEnergy Company, Inc. - Power Company Rated - .

DATELINE: NEW YORK, Nov. 18

BODY:

The following is being issued by Lehman Brothers, a member of the National Association of Securities Dealers, CRD number 7506:

Lehman Brothers, the global investment bank, announced that it is reiterating coverage of CalEnergy Company, Inc. (NYSE: CE) with a 1-Buy rating and a $40 price target based on 1999 earnings. The Firm released a research report by its electric utilities analysts Roger McOmber and Edward Paik, CFA, on November 10 regarding the CalEnergy merger with MidAmerican Energy.

The report details that the MidAmerican acquisition enhances CalEnergy in three ways:

-- MidAmerican should generate significant operating cash flow, providing financial flexibility to fund future growth, pay down debt or repurchase common shares of the combined utility, MidAmerican Energy Holdings;

-- CalEnergy will derive more of its earnings from the U.S., providing certainty and stability to future earnings; and

-- MidAmerican provides an avenue of solid growth in the domestic electric sector, including leverage of information technology expertise developed at CalEnergy's Northern Electric business.

"We believe the MidAmerican merger is an intelligent, strategic move for CalEnergy and reflects its strategy to be a global integrated energy company," the analysts' report stated. "Based on our analysis, the MidAmerican transaction clears up uncertainties that have affected CalEnergy shares in the last year and positions the company for solid growth and enhanced shareholder value."

CalEnergy agreed to acquire MidAmerican Holdings Co., Iowa's largest power company, in August for $4 billion in cash, assumed debt and preferred stock, to gain a competitive edge as U.S. states open their electric markets to competition. CalEnergy will gain access to MidAmerican's high-voltage electric lines that will enable it to sell power to neighboring states. The acquisition is scheduled to be completed in the first quarter 1999. CalEnergy will become MidAmerican Energy Holdings Company to take advantage of the name recognition.

Lehman Brothers is a global investment bank with leadership positions in corporate and municipal finance, advisory services and securities sales, trading, and research. Lehman Brothers serves the financial needs of corporate, governmental, and institutional clients and high-net-worth individuals through offices in major financial centers around the world.

SOURCE Lehman Brothers

212-526-3551./
CONTACT: Media - Jason Farago of Lehman Brothers, 212-526-0401

LOAD-DATE: November 19, 1998

PR Newswire

July 1, 1999, Thursday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 808 words

HEADLINE: Lehman Brothers Unveils '10 Uncommon Values' Stock Picks;
'50th Anniversary' Selections Doubled the S&P in 1998-99; Firm to Offer Investors a Unit Investment Trust for Selections

DATELINE: NEW YORK, July 1

BODY:

The following is being issued by Lehman Brothers, a member of the National Association of Securities Dealers, CRD number 7506:

For the 51st consecutive year, the Lehman Brothers Global Equity Research Group has selected its "10 Uncommon Values(SM)" in common stocks.

Historically, the 10 Uncommon Values stock selections have outperformed the Standard & Poor's 500 Index over the following 12 months. The 10 stocks selected in 1998-99 increased 51.2% from the close of June 30, 1998 through June 30, 1999. Over the same period, the S&P 500 was up 21.1%.

Lehman Brothers also announced that individual investors will have an opportunity to participate in this year's 10 Uncommon Values portfolio through a Unit Investment Trust (UIT).

This year's 10 Uncommon Values are:

America Online (AOL)	Intel Corporation (INTC)
AT&T Corp. (T)	KLA-Tencor Corporation (KLAC)
Firstar Corporation (FSR)	Lilly (Eli) & Company (LLY)
Ford Motor Company (F)	Microsoft Corporation (MSFT)
General Instrument Corporation (GIC)	Tyco International (TYC)

"Our selections for the 'uncommon values' portfolio reflect good old-fashioned bottom-up stock picking in which we identify those common stocks that are poised to outperform the broader market throughout the 12-month life of the portfolio," said Jeffrey Applegate, chief U.S. investment strategist and chairman of the Investment Policy Committee that selects the stocks from analysts' recommendations. "The selection of the 10 stocks is a tradition of not only examining a security's fundamental merits, but also an analysis of its unrealized potential to pace its industry and emerge as a leader over the next year."

In choosing this group of stocks, Lehman Brothers' equity research analysts offer their top stock recommendation for the upcoming 12 months, based upon their assessment of individual company fundamental value and future prospects. These recommendations are then reviewed by the research department's Investment Policy Committee and, from that list, the top 10 are selected as the current "10 Uncommon Values."

The stocks on the 1998-99 list, along with their returns, included: Applied Materials (+150%); Clear Channel Communications (+26%); Comverse Technology (+118%); Danaher (+58%); Illinova (-9%); Office Depot (+5%); Progressive (+3%); Firstar (+32%); Tyco International (+50%); and WorldCom which is now MCI WorldCom (+78%).

The historical results for "10 Uncommon Values" are among the most impressive in the investment industry. Since the first list was prepared in 1949 through June 1999, the portfolios were up 251,897%, compared to 9,227% for the S&P 500 during the same period. Of the 500 stocks recommended since 1949, 342 advanced, 155 declined and were unchanged during the year they were recommended. Including 1998-99, 37 "10 Uncommon Values" portfolios have outperformed the market.

Lehman Brothers' Equity Research Group comprises some 125 senior analysts in New York, Boston, Washington, D.C., Houston, San Francisco, Sao Paulo, London, Hong Kong, and Tokyo, following more than 1400 companies globally.

Individual investors can receive additional information about participating in the "10 Uncommon Values" portfolio by contacting a Lehman Brothers investment representative at 1-800-2-LEHMAN, or by accessing Lehman Brothers on the Internet at http://www.lehman.com.

Lehman Brothers is a global investment bank with leadership positions in corporate finance, advisory services, municipal finance and fixed income and equity sales, trading and research. Lehman Brothers serves the financial needs of corporate, government and institutional clients, and high-net-worth individuals through offices in major financial centers worldwide.

(SM) "10 Uncommon Values" is a registered service mark of Lehman Brothers Inc.

Performance calculations are adjusted for stock splits, stock dividends and other extraordinary items, but do not take into account consideration accumulation or reinvestment of dividends, capital gains taxes or brokerage commissions.

This information does not constitute an offer to sell or a solicitation of an offer to buy any product. Offers by prospectus only. For further information, including a prospectus, contact a Lehman Brothers investment representative at 1-800-2-LEHMAN, or by accessing Lehman Brothers on the Internet at http://www.lehman.com. Past performance is no guarantee of future results.

SOURCE Lehman Brothers Inc.
CONTACT: Jason Farago of Lehman Brothers, 212-526-0401

LOAD-DATE: July 2, 1999

June 15, 2000, Thursday

DISTRIBUTION: Business Editors

LENGTH: 618 words

HEADLINE: FactSet Signs Multi-Year Contract with Lehman Brothers to Provide Active Publishing Workstation System for Investment Banking

DATELINE: GREENWICH, Conn., June 15, 2000

BODY:

FactSet Research Systems Inc. (NYSE: FDS), a major supplier of online integrated financial and economic information to the investment management and banking industries, today announced that it has signed a multi-year contract with Lehman Brothers Holdings Incorporated (NYSE: LEH). Lehman has selected FactSet's Active Publishing Workstation (APW) and DIRECTIONS products for global deployment to Lehman investment bankers.

Lehman Brothers, a leading global investment bank, chose FactSet as part of its strategy to provide its banking professionals with a wide range of information and presentation capabilities in a fully automated, mobile environment. FactSet's DIRECTIONS product and Active Publishing Workstation were made available to Lehman bankers during the product deployment this Spring. FactSet will provide a variety of historical market data to users of its service. In addition, FactSet's APW desktop was selected for its ability to empower bankers in performing many of the tasks that are fundamental to helping Lehman distinguish its services in the marketplace.

"Drawing on over 20 years of experience as a data delivery platform, we are thrilled to see FactSet's Active Publishing Workstation pitchbook automation tools and presentation-quality graphics further add value to our clients," noted Director of Sales, Michael D. Frankenfield. "Lehman Brothers has been a client of FactSet's for over 10 years, and the bank's expanded use of our capabilities will allow us to move beyond the data delivery business and into other value-added applications," he added. The Active Publishing Workstation represents FactSet's latest move to further integrate itself into the workflow of its clients.

"Lehman Brothers sets itself apart from other investment banks by the quality of its service, and the ability of its bankers to focus on the unique needs of their clients. FactSet's APW tools will allow our bankers to spend more time analyzing opportunities and less time searching for and compiling data," stated Tom Fearon, Vice President of Business Information Services at Lehman Brothers.

In addition to the United States and Canada, Lehman has successfully deployed FactSet in its Asia Pacific and

European offices.

Lehman Brothers (NYSE:LEH) is a global investment bank with leadership positions in corporate finance, advisory services, private equity, municipal finance and fixed income and equity sales, trading and research. Lehman Brothers serves the financial needs of corporate, government and institutional clients, and high-net worth individuals through offices in major financial centers worldwide.

FactSet Research Systems Inc. (www.factset.com), headquartered in Greenwich, Connecticut, is a leading provider of online integrated database services to the global financial community. The Company was formed in 1978 and now conducts operations from ninc locations worldwide.

For fund managers, investment bankers, and other financial professionals, FactSet is a comprehensive, one-stop source of financial information and analytics. FactSet combines more than 100 databases into a single online information system. FactSet's aggregated data library offers a broad array of financial, market, and economic information, including fundamental data on tens of thousands of companies and securities worldwide. Using FactSet software, clients gain simultaneous access to disparate data sources. They can also search for specific data and download it directly into their spreadsheets or other applications.

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URL: http://www.businesswire.com

LOAD-DATE: June 16, 2000

PR Newswire

July 18, 2000, Tuesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS AND REAL ESTATE EDITORS

LENGTH: 924 words

HEADLINE: Sotheby's International Realty and Lehman Brothers Join Forces to Launch Residential Mortgage Business

DATELINE: NEW YORK, July 18

BODY:

Sotheby's International Realty, a wholly owned subsidiary of Sotheby's Holdings, Inc., and Lehman Brothers Bank FSB, a subsidiary of Lehman Brothers, the global investment bank, today announced the launch of a new joint venture, Sotheby's Lehman Mortgage Services.

The new company will provide an expedient mortgage application process to high-end residential real estate purchasers, many of whom have unique financial needs. Sotheby's Lehman Mortgage Services will offer a comprehensive range of standard and customized loans for all types of residential real estate, including primary, secondary and investment properties.

Focusing primarily on mortgage financing for residential real estate loans exceeding $500,000, Sotheby's Lehman Mortgage Services will serve clients nationwide. Headquartered in New York, the company will open additional offices in selected markets on the East and West coasts later this year.

"We established Sotheby's Lehman Mortgage Services to offer optimum service and convenience to mortgage clients with special financing needs," said Peter Ferrara, president, Sotheby's Lehman Mortgage Services. "To ensure we meet that objective, we recruited top mortgage specialists who have worked extensively in the private banking sector and understand how to efficiently structure creative loan packages.

"Our specialists will be available seven days a week to assist clients or clients' attorneys, financial advisors or other representatives with the mortgage application process," Mr. Ferrara added. "In most cases, we expect to issue a loan commitment within a week of receiving a completed application."

"We felt there was a natural synergy in partnering with Lehman Brothers Bank to launch Sotheby's Lehman Mortgage Services," said Stuart N. Siegel, president and CEO, Sotheby's International Realty. "Our company has offered brokerage, marketing and consulting services for luxury residential properties since 1976, and many of our clients have unique mortgage needs. Buyers will now have a convenient financing option through an entity created by two companies known for delivering a superior level of customer service."

As a mortgage lender rather than a mortgage broker, Sotheby's Lehman Mortgage Services can make all credit decisions directly, avoiding delays and complications that can occur during the financing process. Competitively priced products the company will offer include:

-- an array of fixed- and adjustable-rate mortgages
-- construction to permanent lending
-- interest-only options
-- 100-percent financing options
-- various interest rate-lock terms

"As leaders in mortgage banking and luxury residential real estate, Lehman Brothers Bank and Sotheby's International Realty are well positioned to leverage our combined expertise to offer high-net-worth individuals innovative residential mortgage products," said Edward J. Meylor, chief executive officer, Lehman Brothers Bank.

Mr. Meylor added, "The joint venture is the first announced by Lehman Brothers Bank as part of our bank's strategic program of partnering with well- regarded organizations. We are forging these business relationships to offer to the customers of our partners selected financial products and services, such as mortgages, developed by Lehman Brothers."

Sotheby's Lehman Mortgage Services (SLMS) was formed through a joint venture between Sotheby's International Realty and Lehman Brothers Bank. The company provides superior mortgage lending services to high-end residential real estate purchasers with unique financial needs. From application through closing, SLMS is committed to providing an effortless, convenient borrowing experience.

Sotheby's International Realty (NYSE: BID), a wholly owned subsidiary of Sotheby's Holdings, Inc., was founded in 1976 as a natural extension of Sotheby's auctions services. Today, the company provides brokerage, marketing and consulting services for luxury residential, resort, farm and ranch properties internationally. The company's global brokerage operations include 16 company-owned brokerage and five regional offices, more than 180 independent affiliates worldwide and a buyers' representative in Hong Kong.

Lehman Brothers (NYSE: LEH) is a global investment bank with leadership positions in corporate finance, advisory services, private equity, municipal finance and fixed income and equity sales, trading and research. Lehman Brothers serves the financial needs of corporate, government and institutional clients, and high-net-worth individuals through offices in major financial centers worldwide.

Lehman Brothers Bank FSB is a subsidiary of Lehman Brothers, the global investment bank. The Bank provides a full range of community banking services to individuals in Delaware, as well as consumer financial services and products, such as mortgage and deposit products, to high-net-worth clients. Headquartered in Delaware, the Bank is expanding its capabilities through the Internet to provide banking services nationally, and plans to offer its products through strategic partnerships with retail and financial organizations throughout the country.

SOURCE Sotheby's Holdings, Inc. and Lehman Brothers

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URL: http://www.prnewswire.com

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Business Wire

September 29, 2000, Friday

DISTRIBUTION: Business Editors

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HEADLINE: Lehman Brothers and Hercules Form the Global Leader in Growing Food Additives Market

DATELINE: WILMINGTON, DE, September 29, 2000

BODY:

New $470 Million Private Company Named CP Kelco Combincs Food Gums Division of Hercules And Pharmacia's Kelco Unit

Lehman Brothers Merchant Banking Partncrs II L.P., the merchant banking arm of Lehman Brothers Holdings (NYSE:LEH), today announced that it and Hercules Incorporated (NYSE:HPC) have formed a new market-leading food gums company named CP Kelco by merging the food gums division of Hercules with the Kelco biogums unit of Pharmacia Corporation (NYSE:PHA). The new private company is 71%-owned by Lehman Brothcrs' partnerships and 29%-owned by Hercules.

CP Kelco is the global leader in the growing hydrocolloids (thickeners and stabilizers) market, with no. 1 positions in xanthan and pectin and a strong position in carrageenan. CP Kelco has revenues of approximately $470 million, 2,500 customers in 100 countries, headquarters in Delawarc, and facilities in North America, Europe, Asia and Latin America. Approximately 46% of sales are in the Americas, 33% in Europe, the Middle East and Africa and 21% in the Asia Pacific region.

The formation of CP Kelco was funded with $420 million in equity ($300 million from Lehman Brothers Merchant Banking Partners II L.P. and $120 million retained equity from Herculcs) and $825 million in committed debt financing ($725 million of funded long-term debt and$100 million of committed working capital lines).

CP Kelco's hydrocolloids are derived from natural raw materials such as seaweed, citrus peels, and corn and wheat syrup, and are used in a variety of applications across a wide array of industries due to their ability to modify the physical properties of water-based solutions. Specific applications range from stabilization of jams and jellies and acidified milk drinks, gelling of water and dairy desserts, stabilization of cooked and poultry products, and suspending ingredients in salad dressing to providing gelling properties for toothpaste, ensuring uniformity in self-leveling cement and increasing efficiencies in oil drilling.

"The combination of the Hercules food gums division and Kelco's biogums unit is a superb strategic fit that brings together two market-leading companies with complementary product lines, technologies, geographies, customers and end-user markets to create the global leader in the steadily growing hydrocolloids market," said Harry Tucci, Chairman and CEO of CP Kelco. "Hercules Food Gums and Kelco have a shared commitment to delivering customers high value-added products with a strong emphasis on quality and service. By joining both companies' outstanding sales and marketing forces, as well as highly complementary, yet distinct product lines, CP Kelco will be extremely well positioned to better serve customers' needs."

Tucci added, "With the industry's most comprehensive product portfolio - and the combined technological resources and manufacturing expertise of Hercules food gums and Kelco - we will have an enhanced competitive platform and a broad range of opportunities for continued growth in key markets, including food ingredients, personal care, industrial and oil field."

CP Kelco's senior management team will be led by Tucci, a former Hercules senior executive. Jerome Hunter, previously Vice President and General Manager of Hercules' FiberVisions subsidiary, is Chief Financial Officer.

In addition to revenue enhancement opportunities, CP Kelco expects to achieve significant cost savings through scale efficiencies, eliminating redundant operations and a continued focus on reducing manufacturing, sales and marketing costs.

For more information, visit the CP Kelco website at www.cpkelco.com.

Hercules manufactures chemical specialties used in making a variety of products for home, office and industrial markets.

The Lehman Brothers Merchant Banking Partners II L.P. is a $2.0 billion institutional private equity fund focused on investments in established operating companies in the U.S. and internationally.

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PR Newswire

October 4, 2000, Wcdnesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

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HEADLINE: Lehman Brothers Adds to Global Equity Capital Markets Group -Nathan Wiesenfeld to Join Firm as Co-Head of Global Equity Syndicate -

DATELINE: NEW YORK, Oct. 4

BODY:

Lehman Brothers, the leading global investment bank, today announced a senior addition to its Global Equity Capital Markets group, reflecting the ongoing expansion of that business worldwide.

Lehman Brothers said that Nathan Wiesenfeld will join the Firm as a managing director and co-head of Global Equity Syndicate. Mr. Wiesenfeld's addition will complement the promotion of Timothy Gould, a managing director and head of U.S. Syndicate, who was named co-head of Global Equity Syndicate. Both will be based in New York, and report to James Miller and Larry Wieseneck, co-heads of U.S. Equity Capital Markets, and Tim Lindberg, head of European Equity Capital Markets.

According to Marc Paley, Lehman Brothers' head of Global Equity Capital Markets, Messrs. Wiesenfeld and Gould will have joint responsibility for overseeing the Firm's day-to-day equity syndicate initiatives, including the marketing and execution of all equity and equity-linked new issues.

"Due to the significantly increasing level of business by Lehman Brothers' equity group over the last several years, these recent additions were needed to continue to expand the Firm's equity franchise," Mr. Paley noted. "Lehman Brothers has remained committed to extending resources to enhancc its global presence. Nathan is another example of that."

Mr. Wiescnfeld will bring nearly 15 years of equity and equity-related experience to Lehman Brothcrs. He will be joining the Firm from Donaldson, Lufkin & Jenrette, where he has been a managing director and head of ncw issue marketing with responsibilities for the sales and trading efforts of new issue and secondary underwritings. Mr. Wiesenfeld earned his MBA in finance from the University of Pennsylvania's Wharton School, and earned his undergraduate degree from the University of California at Berklcy.

Mr. Paley noted that in the past year, the Firm has expanded its head count in its Equity Capital Markets group globally by over 40 percent since last year. The Firm earlier this year named a new head of European Equity Capital Markets, Tim Lindberg, and a new head of Asian equity syndicate activities, David Paine. Mr. Paley also pointed out that Lehman Brothers has significantly expanded its equity origination capabilities, moving from 13th to 5th among lead IPO underwriters in 1999, with significant momentum carrying through 2000.

Lehman Brothers (NYSE: LEH), an innovator in global finance, focuses on serving the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in 44 offices around the world. For further information about Lehman Brothers' servicces, products, and recruitment opportunities, visit the company's Web site at http://www.lchman.com.

SOURCE Lehman Brothers

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URL: http://www.prnewswire.com

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PR Newswire

July 10, 2003 Thursday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 373 words

HEADLINE: Sir Christopher Gent Joins Lehman Brothers' Board of Directors;
-Chief Executive of Vodafone Group Plc. -

DATELINE: NEW YORK July 10

BODY:

Lehman Brothers, the global investment bank, today announced the appointment of Sir Christopher Gent as a non-executive director to its Board of Directors. He will join the Board on September 1, 2003.

Sir Christopher is currently chief exccutive of Vodafone Group Plc., one of the world's largest mobile telecommunications companies, and will retire from the company and its Board of Directors on July 30, 2003.

In a career spanning 36 years, Sir Christopher has held senior positions with NatWest, Schroder Computer Services, and ICL. He joined Vodafone in August 1985 as managing director of Vodafone Limited and was appointed chief executive in January 1997, helping the company to become one of the largest in Europe and the largest in its industry worldwide. As a result of his leadership at Vodafone and his contributions to the telecommunications industry, he was knighted in June 2001.

Commenting on his appointment, Richard S. Fuld, Jr., chairman and chief excutive officer of Lehman Brothers, said, "I am delighted that Sir Christopher has joined Lehman Brothers' Board. His leadership at Vodafonc was instrumental in driving the telecommunications industry forward and his energy and vision guided the company's rapid expansion. Sir Christopher's global business experience and perspective will be of tremendous value to the Board and to the Firm."

Sir Christopher joins the existing seven non-executive directors at the Firm.

Sir Christopher said, "I am so pleased to be joining the Board of Lehman Brothers and look forward to playing a part in expanding what is already a very successful franchise."

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SOURCE Lehman Brothers

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HEADLINE: Lehman Brothers to Acquire the Crossroads Group, Expanding Its Private Equity Fund Investment Management Business

BODY:

- Crossroads, a Leader in Private Equity Fund-Of-Funds Investing, Will Remain Dallas-Based, Continue to be Headed by Its Existing Management Team -

NEW YORK and DALLAS, Sept. 17 /PRNewswire-FirstCall/ -- Lehman Brothers Holdings Inc. (NYSE: LEH) ("Lehman Brothers" or the "Firm"), the global investment bank, and The Crossroads Group ("Crossroads"), of Dallas, announced today that they have entered into a definitive agreement whereby Lehman Brothers will acquire substantially all of the operating assets of The Crossroads Group, one of the most experienced diversified private equity fund investment managers. The transaction, financial terms of which were not disclosed, will ultimately boost Lehman Brothers' global private equity franchise to approximately $7 billion in private equity assets under management.

Over the past 22 years, The Crossroads Group, a leader in private equity fund-of-funds investing, has committed a total of more than $2 billion of capital on behalf of limited partner investors to more than 200 private equity partnerships and more than 5,200 privately held portfolio companies worldwide. Through this acquisition, Lehman Brothers will reinforce its position as a leader in private equity and underscore its ongoing commitment to providing clients with access to the most compelling and attractive private equity investment opportunities. Moreover, the acquisition will allow Lehman Brothers to offer an expanded range of private equity products, which will complement the Firm's traditional offerings while further establishing Lehman Brothers as an innovator in private equity client services.

Transaction Benefits

* The acquisition of The Crossroads Group's private equity fund-of-funds business will further position Lehman Brothers as a leader in private

equity investment management and will ultimately increase Lehman Brothers' private equity assets under management to approximately $7 billion

* The transaction adds additional capability to Lehman Brothers' Wealth and Asset Management business, which is a targeted growth area for the Firm. In tandem with other recent transactions, this acquisition will allow Lehman Brothers to offer a broader array of private equity products through expanded global distribution channels

* Through a combination of new products and more traditional private equity investment vehicles, Lehman Brothers expects to deliver greater opportunities for enhanced returns in conjunction with sophisticated risk management, thereby improving the services it offers to its institutional and high-net-worth clients

* The new products Lehman Brothers and The Crossroads Group plan to offer include innovative private equity investment alternatives, such as securitized fund-of-funds, secondary investment funds and principal protected investment funds

* Lehman Brothers also expects to benefit from The Crossroads Group's excellent, long-standing relationships with a premier group of fund managers and investors, its scalable investor and fund services program and its industry-leading, proprietary private equity database

Michael J. Odrich, global head of Lehman Brothers' Private Equity Division, said: "Lehman Brothers' acquisition of The Crossroads Group emphasizes the Firm's commitment to expanding its private equity and asset management franchise. The Crossroads Group's investment advisory expertise, coupled with Lehman Brothers' extensive range of financial products and services, will allow the Firm to continue to deliver the high level of performance and services our clients expect."

Brad K. Heppner, chairman and chief executive officer of The Crossroads Group, said: "This transaction has the potential to make Lehman Brothers a market leader in the fund-of-funds business and enhances The Crossroads Group's ability to build value for both institutional and private banking clients. The shared vision and entrepreneurial spirit that have marked our discussions with Lehman Brothers point to a bright future. My colleagues and I look forward to joining the Lehman Brothers team."

"A leader in private equity fund-of-funds, The Crossroads Group has built an impressive investment program, network and infrastructure," said Anthony D. Tutrone, head of Lehman Brothers' Private Funds Investment Group. "The strengths that The Crossroads Group has garnered in the fund-of-funds market will complement Lehman Brothers' broad capabilities and established private equity franchise. We look forward to leveraging the synergies this partnership brings to our private equity platform and working with the Crossroads team," Mr. Tutrone added.

Subsequent to the closing of the transaction, The Crossroads Group will become a part of Lehman Brothers' Private Equity Division, headed by Michael Odrich. Mr. Heppner will maintain his position as chairman and CEO of The Crossroads Group and will join Mr. Tutrone as co-head of the Private Funds Investment Group, one of the five asset classes of Lehman Brothers' private equity business. Mr. Heppner will remain chairman of Crossroads' Investment Committee. John P. Buser, chief operating officer and chief financial officer of The Crossroads Group, will hold the same titles within Crossroads and Joseph A. Malick, general counsel of The Crossroads Group, will also retain his title.

The Crossroads Group will retain its headquarters in Dallas. Substantially all of its 55 employees, including its current investment team, are expected to remain with the business and work in tandem with Lehman Brothers' private equity investment professionals located in New York, London, and California.

Lehman Brothers has a long history in private equity with total assets under management of approximately $5 billion prior to the transaction. The Private Equity Division leverages the breadth and depth of Lehman Brothers' global presence and expertise across a wide range of products, industries, and geographies. Lehman Brothers creates funds and invests in asset classes where the Firm has strong capabilities, proprietary deal flow, and an excellent reputation, offering attractive investment opportunities to its institutional and individual investing clients. Currently, 125 professionals cover five core asset classes: Private Funds Investments, Merchant Banking, Venture Capital, Real Estate and Fixed Income-Related Funds.

The transaction, completion of which is expected to occur during Lehman Brothers' 2003 fourth quarter, is subject to expiration or early termination of the applicable Hart-Scott-Rodino waiting period and customary closing conditions. Lehman Brothers was advised by its Mergers and Acquisitions Group.

Founded in 1981, The Crossroads Group is one of the most experienced diversified private equity investment managers focused on partnership fund-of-funds investing, secondary partnership interest acquisitions, and direct/co-investments in privately held companies. It is one of only five federally registered investment advisers with more than 15 years' experience in the private equity sector. The Crossroads Group's Web site can be accessed at www.crossroadsgroup.com.

Lehman Brothers (NYSE: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, visit our Web site at www.lehman.com.

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the acquisition of The Crossroads Group by Lehman Brothers, including financial and operating results, synergy benefits and any accretion to reported earnings that may be realized from the acquisition; (ii) Lehman Brothers' and The Crossroads Group's plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts; and (iii) other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements are based upon management's current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies and third-party approvals, many of which are beyond our control. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: (1) the satisfaction of the conditions specified in the acquisition agreement, including without limitation the receipt of required governmental approvals of the proposed transaction; (2) the ability to successfully combine the businesses of Lehman Brothers and The Crossroads Group; (3) the realization of revenue and cost synergy benefits from the proposed transaction; (4) operating costs, customer loss and business disruption following the acquisition, including adverse effects on relationships with employees; (5) changes in the stock market and interest rate environment that affect revenues; and (6) competition. Lehman Brothers and The Crossroads Group do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date such forward-looking statement is made.

SOURCE Lehman Brothers Holdings Inc.; The Crossroads Group

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September 23, 2003 Tuesday

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HEADLINE: Lehman Brothers Reports Second Consecutive Quarter of Record Revenues;
-Reports 147% Increase in Earnings for Third Quarter -

DATELINE: NEW YORK Sept. 23

BODY:

Lehman Brothers Holdings Inc. (ticker symbol: LEH) today reported net income of $480 million, or $1.81 per common share (diluted), for the third quarter ended August 31, 2003, a 147% increase from $194 million, or $0.70 per common share (diluted), reported for the third quarter of fiscal 2002, and a 10% increase from $437 million, or $1.67 per common share (diluted), for the second quarter of fiscal 2003 ended May 31, 2003.

For the first nine months of fiscal 2003, net income increased 55% to $1,218 million, from $788 million for the comparable period of fiscal 2002.

Business Highlights

-- Generated record revenues for the second consecutive quarter, reflecting continued strong results in the Investment Banking and Capital Markets segments
-- Continued strength in customer flow activity propelled fourth consecutive quarter of record performance in Fixed Income
-- Signed a definitive agreement to acquire Neuberger Berman in a transaction valued, at the time of the announcement, at approximately $2.6 billion, which will transform the Firm's private wealth management services platform into one of the leaders in the industry
-- Announced a definitive agreement to acquire The Crossroads Group of Dallas, one of the most experienced diversified private equity fund investment managers, which will increase the Firm's private equity assets under management to approximately $7.0 billion

Richard S. Fuld, Jr., chairman and chief executive officer, said, "Our results for the quarter underscore our clients' confidence in our Firm and the effectiveness of our client-focused strategy.We achieved record revenues for the second consecutive quarter with significant contributions from all of our businesses and regions. We are beginning to see improvement in the market cycle and remain focused on continuing to invest in our franchise through acquisitions and key hires. These results are evidence of the progress we have made in our competitive position and our ability to produce consistently strong returns for our shareholders."

Net revenues (total revenues less interest expense) for the third quarter rose 74% to $2.35 billion, from $1.35 billion in the third quarter of fiscal 2002, and 2% from $2.29 billion in the fiscal 2003 second quarter. Capital Markets revenues more than doubled versus the third quarter of fiscal 2002, driven by continued robust customer flow activity in both the fixed income and equity markets. The Fixed Income business remained strong, surpassing the previous quarter's record, and the Equities business improved substantially, as confidence returned to the marketplace and investors sought to outperform the broader indices. Investment Banking achieved its highest levels of revenues of the year attributable to stronger performances in the Firm's equity and high yield origination activities.

For the first nine months of fiscal 2003, net revenues increased 38% to $6.35 billion, from $4.62 billion for the first nine months of fiscal 2002.

Non-interest expenses for the quarter were $1.6 billion, compared to $1.1 billion in the fiscal 2002 third quarter and $1.7 billion in the trailing quarter of fiscal 2003. Compensation and benefits as a percentage of net revenues was 50% during the third quarter of fiscal 2003, a slight decrease from prior periods. Nonpersonnel expenses in the fiscal 2003 third quarter were $424 million, compared with $391 million in the previous fiscal year's third quarter and $495 million ($418 million excluding a $77 million, $45 million after tax, global real estate reconfiguration charge) in the second quarter of fiscal 2003.

For the quarter ended August 31, 2003, the Firm's pre-tax margin was 31.9%, and annualized return on common equity was 20.7%. For the first nine months of the fiscal year, the Firm's pre-tax margin was 28.6%, and return on common equity was 18.1%.

As of August 31, 2003, Lehman Brothers stockholders' equity totaled $10.3 billion, and total capital (stockholders' equity, trust issued securities, and long-term debt) was approximately $53.1 billion. Book value per common share was $37.95.

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, visit our Web site at www.lehman.com.

Conference Call

A conference call to discuss the Firm's financial results and outlook will be held at 9:00 a.m. EDT on Tuesday, September 23, 2003. Members of the public who would like to access the conference call should dial, from the U.S., 888-989-4365, or, from outside the U.S., 210-234-0425. The passcode for all callers is LEHMAN. The conference call will also be accessible through the "Shareholders" section of the Firm's Web site, www.lehman.com, under the subcategory "Webcasts." For those unable to listen to the live broadcast, a replay will be available on the Firm's Web site or by dialing 800-756-0542 (within the U.S.) or 402-998-0773 (from outside the U.S.). The replay will be available beginning 24 hours after the event and will remain available on the Firm's Web site until 5:00 p.m., EDT, on October 21, 2003, and by phone until 5:00 p.m., EDT, on October 7, 2003.

Please direct any questions regarding the conference call to Shaun Butler at 212-526-8381, or sbutler@lehman.com, or Benjamin Pratt at 212-526-5975, or benjamin.pratt@lehman.com .

Cautionary Note Regarding Forward-Looking Statements

This press release may contain forward-looking statements. These statements are not historical facts, but instead represent only the Firm's expectations, estimates, and projections regarding future events. These statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict, which may include risks and uncertainties relating to market fluctuations and volatility, industry competition and changes in the competitive environment, investor sentiment, liquidity risks, credit ratings changes, credit exposures and legal and regulatory changes and proceedings. The Firm's actual results and financial condition may differ, perhaps materially, from the anticipated results and financial condition in any such forward-looking statements. For more information concerning the risks and other factors that could affect the Firm's future results and financial condition, see "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Firm's most recent Annual Report to Shareholders and Quarterly Report on Form 10-Q.

LEHMAN BROTHERS HOLDINGS INC.
SELECTED STATISTICAL INFORMATION
(Preliminary and Unaudited)
(Dollars in millions, except per share data)

	Quarters Ended				
	8/31/03	5/31/03	2/28/03	11/30/02	8/31/02
Income Statement					
Net Revenues	$2,347	$2,291	$1,711	$1,539	$1,347
Non-Interest Expenses:					
Compensation and Benefits	1,174	1,168	873	785	687
Nonpersonnel Expenses	424	418	401	400	391
September 11, 2001 Related (Recoveries)/ Expenses, Net	--	--	--	(108)	--
Other Real Estate Reconfiguration Charges	--	77	--	128	--
Regulatory Settlement	--	--	--	80	--
Net Income (a)	480	437	301	187	194
Net Income Applicable to Common Stock	469	426	290	176	183
Earnings per Common Share (b)					
Basic	$1.92	$1.76	$1.20	$0.72	$0.74
Diluted	$1.81	$1.67	$1.15	$0.69	$0.70
Financial Ratios (%)					
Return on Common Equity (annualized) (c)	20.7%	19.6%	13.9%	8.6%	8.9%
Pretax Margin (d)	31.9%	27.4%	25.6%	16.5%	20.0%

Compensation and					
Benefits/Net Revenues	50.0%	51.0%	51.0%	51.0%	51.0%
Effective Tax Rate (e)	33.4%	27.5%	28.0%	20.7%	22.6%
Financial Condition					
Total Assets	$295,000	$302,410	$268,293	$260,336	$265,213
Total Assets					
Excluding Matched					
Book (f)	190,000	189,952	174,096	165,995	159,879
Matched Book	105,000	112,458	94,197	94,341	105,334
Long-Term Debt	41,776	43,530	41,247	38,678	38,911
Trust Issued Securities					
Subject to Mandatory					
Redemption(g)	1,010	1,010	710	710	710
Common Stockholders'					
Equity	9,231	8,935	8,457	8,242	8,209
Total Stockholders'					
Equity	10,276	9,635	9,157	8,942	8,909
Total Stockholders'					
Equity plus Trust					
Issued Securities					
Subject to Mandatory					
Redemption(h)	11,286	10,645	9,867	9,652	9,619
Total Capital (i)	53,062	54,175	51,114	48,330	48,530
Total Leverage (j)	28.7x	31.4x	29.3x	29.1x	29.8x
Adjusted					
Leverage (h), (k)	26.1x	28.4x	27.2x	27.0x	27.6x
Net					
Leverage (f), (h), (l)	16.8x	17.8x	17.6x	17.2x	16.6x
Book Value per Common					
Share (m)	37.95	36.77	35.03	34.15	33.49
Other Data (s)					
Employees	14,497	13,247	12,083	12,343	12,980
Common Stock Outstanding					
(in millions)	239.2	242.4	241.5	231.1	239.0
Weighted Average Shares					
(in millions)					
Basic	243.8	242.3	241.8	243.9	246.7
Diluted	259.5	255.8	253.0	255.1	261.0

(a) For the quarter ended May 31, 2003 net income includes a $77 million pre-tax charge ($45 million after tax) related to certain of the

Company's real estate. Fourth quarter 2002 net income includes a $108 million pre-tax gain ($60 million after tax) from September 11th related (recoveries)/expenses, net, a $128 million pre-tax charge ($82 million after tax) related to the reconfiguration of certain of the Company's global real estate and an $80 million pre-tax charge ($56 million after tax) related to the Company's regulatory settlement.

(b) For the quarter ended May 31, 2003 basic EPS was reduced $0.19, and fully diluted EPS was reduced $0.17, respectively, as a result of the real estate charge. For the quarter ended November 30, 2002 basic EPS was reduced by $0.32, and fully diluted EPS was reduced by $0.31, respectively, as a result of the September 11th related recovery, the other real estate charge and the regulatory settlement charge.

(c) For the quarter ended May 31, 2003, the Company's return on common equity was reduced by 2.1% as a result of the real estate charge. For the quarter ended November 30, 2002, the Company's return on common equity was reduced by 3.7% as a result of the September 11th related recovery, the other real estate charge and the regulatory settlement charge.

(d) Pre-tax margin for the quarter ended May 31, 2003 was reduced by approximately 3.4% as a result of the real estate charge. Pre-tax margin for the quarter ended November 30, 2002 was reduced by approximately 6.5% as a result of the September 11th related recovery, the other real estate charge and the regulatory settlement charge.

(e) The effective tax rate for the quarter ended May 31, 2003 decreased by approximately 1.5% as a result of the real estate charge. The effective tax rate for the quarter ended November 30, 2002 decreased by approximately 0.5% as a result of the September 11th related recovery, the other real estate charge and the regulatory settlement charge.

(f) Matched book represents securities purchased under agreements to resell ("reverse repos") to the extent such balance is less than securities sold under agreements to repurchase. Certain rating agencies consider such reverse repos to be a proxy for matched book assets, as such assets are considered to have a low risk profile, and exclude such amounts in the calculation of leverage. Accordingly, the Company believes the ratio of total assets excluding matched book to total stockholders' equity and trust issued securities subject to mandatory redemption is useful to investors as a more meaningful measure of the Company's leverage.

(g) Trust issued securities subject to mandatory redemption includes $710 million of trust preferred securities subject to mandatory redemption and $300 million of debt collateralizing trust preferred securities subject to mandatory redemption.

(h) The Company believes total stockholders' equity plus trust issued securities subject to mandatory redemption to be a more meaningful measure of the Company's equity for purposes of calculating net leverage and adjusted leverage.

(i) Total capital includes long-term debt, total stockholders' equity, and trust issued securities subject to mandatory redemption. The Company believes total capital is useful to investors as a measure of the Company's financial strength.

(j) Total leverage is defined as total assets divided by total stockholders' equity.

(k) Adjusted leverage is defined as total assets divided by total stockholders' equity plus trust issued securities subject to mandatory redemption.

(l) Net leverage is defined as total assets excluding matched book divided by total stockholders' equity plus trust issued securities subject to mandatory redemption.

(m) The book value per common share calculation includes restricted stock units granted under Lehman Stock Award Programs, which are included in total stockholders' equity.

LEHMAN BROTHERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF INCOME
(Preliminary and Unaudited)
(In millions, except per share data)

	Three Months Ended			%Change from	
	Aug 31 2003	May 31 2003	Aug 31 2002	May 31 2003	Aug 31 2002
Revenues:					
Principal transactions	$1,203	$1,275	$ 234		
Investment banking	458	432	427		
Commissions	314	299	357		
Interest and dividends	2,467	2,445	3,048		
Other	21	19	9		
Total revenues	4,463	4,470	4,075		
Interest expense	2,116	2,179	2,728		
Net revenues	2,347	2,291	1,347	2%	74%
Non-interest expenses:					
Compensation and benefits	1,174	1,168	687		
Technology and communications	150	147	140		
Brokerage and clearance fees	96	90	87		
Occupancy	76	73	73		

Business development	36	37	37		
Professional fees	35	41	36		
Other	31	30	18		
Global real estate reconfiguration	--	77	--		
Total non-interest expenses	1,598	1,663	1,078	(4)%	48%
Income before taxes and dividends on trust issued securities	749	628	269		
Provision for income taxes	250	173	61		
Dividends on trust issued securities	19	18	14		
Net income	$480	$437	$194	10%	147%
Net income applicable to common stock	$469	$426	$183	10%	156%
Earnings per common share					
Basic	$1.92	$1.76	$0.74		
Diluted	$1.81	$1.67	$0.70		

LEHMAN BROTHERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF INCOME
(Preliminary and Unaudited)
(In millions, except per share data)

	Nine Months Ended		% Change from
	Aug 31 2003	Aug 31 2002	Aug 31 2002
Revenues:			
Principal transactions	$3,246	$1,431	
Investment banking	1,261	1,362	
Commissions	875	978	
Interest and dividends	7,599	8,843	
Other	52	34	
Total revenues	13,033	12,648	
Interest expense	6,684	8,032	
Net revenues	6,349	4,616	38%
Non-interest expenses:			
Compensation and benefits	3,215	2,354	
Technology and communications	441	404	
Brokerage and clearance fees	272	237	
Occupancy	230	213	

Business development	105	112	
Professional fees	105	90	
Other	90	61	
Global real estate reconfiguration	77	--	
Total non-interest expenses	4,535	3,471	31%
Income before taxes and dividends			
on trust issued securities	1,814	1,145	
Provision for income taxes	545	315	
Dividends on trust issued securities	51	42	
Net income	$1,218	$788	55%
Net income applicable to common			
stock	$1,185	$730	62%
Earnings per common share			
Basic	$4.88	$2.97	
Diluted	$4.63	$2.77	

LEHMAN BROTHERS HOLDINGS INC.
SEGMENT NET REVENUE INFORMATION
(Preliminary and Unaudited)
(In millions)

	Three Months Ended			Nine Months Ended	
	Aug 31 2003	May 31 2003	Aug 31 2002	Aug 31 2003	Aug 31 2002
Investment Banking:					
Equity Underwriting	$119	$75	$93	$253	$365
Debt Underwriting	232	258	208	705	679
Merger and Acquisition					
Advisory	102	93	117	287	287
Total	453	426	418	1,245	1,331
Capital Markets:					
Equities	476	450	200	1,202	788
Fixed Income	1,191	1,186	529	3,268	1,886
Total	1,667	1,636	729	4,470	2,674
Client Services:					
Private Client	222	223	191	617	579
Private Equity	5	6	9	17	32
Total	227	229	200	634	611
Total Lehman	$2,347	$2,291	$1,347	$6,349	$4,616

SOURCE Lehman Brothers Holdings Inc.

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URL: http://www.prnewswire.com

LOAD-DATE: September 24, 2003

PR Newswire

October 14, 2003 Tuesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 1790 words

HEADLINE: Group of 11 Global Dealers Launches New U.S. Investment Grade Credit Default Swap Index

DATELINE: NEW YORK Oct. 14

BODY:

Meeting investor demand for greater liquidity, transparency and broader acceptance in a highly diversified credit product, a consortium of eleven leading global dealers today announced the launch of "iBoxx CDX.NA.IG", a 125-name tradable index of credit default swaps ("CDS") on U.S. investment grade companies. The eleven-member consortium is comprised of ABN AMRO, Barclays Capital, Bear Stearns, Citigroup, Credit Suisse First Boston, Deutsche Bank, Goldman Sachs, HSBC, Lehman Brothers, Merrill Lynch and UBS. The 125 names in iBoxx CDX.NA.IG are equally weighted and were determined using transparent rules designed to select a representative group of diversified U.S. investment grade borrowers. iBoxx CDX.NA.IG will be segregated into five sectors: Industrials, Consumers, Energy, Financials and TMT.

The specific names in iBoxx CDX.NA.IG will be distributed tomorrow by the members of the consortium. The index's spread level will be set at 4:00 p.m. on Friday, October 17th, with trading to begin Monday under the Bloomberg Symbol "CDX CDS".

iBoxx CDX.NA.IG will trade "No Restructuring" in unfunded swap format in both five- and ten-year maturities and, initially, the five sectors will trade in the five-year maturity. iBoxx CDX.NA.IG will be rebalanced semi-annually according to the rules, with any changes to the index's composition implemented by iBoxx, the world's first independent credit index provider with multiple contributor pricing, and overall administrator of iBoxx CDX.NA.IG.

In the near future, the consortium expects to announce iBoxx CDX.NA.IG options and tranches and the creation of new indexes comprised of High Yield and Emerging Market credits.

The consortium issued a joint statement: "Eleven leading global credit derivative dealers committed to an open-platform CDS index designed to easily allow for new qualified consortium members. This represents a breakthrough for liquidity, transparency and pricing in this vital sector of the U.S. credit markets. We believe that iBoxx acting as administrator will further enhance the open and independent nature of this index. We expect that the combination of dealer support and investor acceptance will rapidly make iBoxx CDX.NA.IG the new standard for U.S. investment grade CDS index trading."

About ABN AMRO

Netherlands-based ABN AMRO is a leading international bank with total assets of more than USD 600bn. It has over 3,000 branches in 66 countries and territories, and has a staff of about 105,000 full time equivalents worldwide. ABN AMRO is listed on the Euronext, London and New York stock exchanges.

ABN AMRO's Wholesale Clients Strategic Business Unit provides integrated corporate and investment banking solutions to around 10,000 corporate, institutional and public sector clients in over 45 countries. Its client-led approach is sector based and structured around four product groups: Financial Markets, which includes fixed income, syndicated loans, treasury, structured and project finance and risk management; Working Capital, which offers liquidity management, global payments and receivables and trade finance; Corporate Finance & Equities, providing corporate advisory as well as equity capital markets expertise and secondary market services; and Private Equity. With a global network, specialists in all major industry sectors and a broad range of products, ABN AMRO provides local and global expertise for complex cross-border deals.

About Barclays Capital

Barclays Capital is the investment banking division of Barclays PLC. The firm employs over 5,000 staff and has significant operations in all the world's major financial centers, including regional headquarters in London, New York, Hong Kong and Tokyo. Barclays Capital is debt focused, providing its clients with a broad range of financing and risk management products. Barclays Capital acts internationally as intermediary and adviser to corporations, financial institutions, governments and supranational organizations, and has the global reach and distribution power to meet the needs of issuers and investors worldwide.

About Bear Stearns

Founded in 1923, Bear, Stearns & Co. Inc. is a leading worldwide investment banking and securities trading and brokerage firm, and the major subsidiary of The Bear Stearns Companies Inc. (NYSE: BSC). With approximately $34.4 billion in total capital, Bear Stearns serves governments, corporations, institutions and individuals worldwide. The company's business includes corporate finance and mergers and acquisitions, institutional equities and fixed income sales, trading and research, private client services, derivatives, foreign exchange and futures sales and trading, asset management and custody services. Through Bear, Stearns Securities Corp., it offers financing, securities lending, clearing and technology solutions to hedge funds, broker-dealers and investment advisors. Headquartered in New York City, the company has approximately 10,500 employees worldwide. For additional information about Bear Stearns, please visit the firm's Web site at http://www.bearstearns.com.

About Citigroup

Citigroup (NYSE: C), the preeminent global financial services company with some 200 million customer accounts in more than 100 countries, provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Travelers Life and Annuity. Additional information may be found at: www.citigroup.com.

About Credit Suisse First Boston

Credit Suisse First Boston (CSFB) is a leading global investment bank serving institutional, corporate, government and individual clients. CSFB's businesses include securities underwriting, sales and trading, investment banking, private equity, financial advisory services, investment research, venture capital, correspondent brokerage services and asset management. CSFB operates in 69 locations in 34 countries across five continents. The Firm is a business unit of the Zurich-based Credit Suisse Group, a leading global financial services company.

About Deutsche Bank

With roughly euro 851 billion in assets and approximately 69,300 employees, Deutsche Bank (NYSE: DB) offers its 13 million clients unparalleled financial services in 76 countries throughout the world. Deutsche Bank competes to be the leading global provider of financial solutions for demanding clients creating exceptional value for its shareholders and people.

Deutsche Bank ranks among the global leaders in corporate banking and securities, transaction banking, asset management, and private wealth management, and has a significant private & business banking franchise in Germany and other selected countries in Continental Europe.

Deutsche Bank Securities Inc. is the investment banking and securities arm of Deutsche Bank AG in the United States.

www.deutsche-bank.com

About Goldman Sachs

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

About HSBC Bank USA

HSBC Bank USA is a member of the HSBC Group, an international banking and financial services organization with major commercial and investment banking franchises in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With some 180,000 employees, 9,500 offices in 80 countries, and a market capitalization of $128 billion, the HSBC Group is the world's second largest financial institution. The HSBC Group offers a full range of commercial and investment banking services to private clients, corporations, financial institutions and governments around the globe. HSBC Holdings plc, the ultimate parent company of the HSBC Group, is headquartered in London.

About iBoxx

iBoxx was established in 2001 by ABN AMRO, Barclays Capital, BNP Paribas, Deutsche Bank, Deutsche Borse, Dresdner Kleinwort Wasserstein, Morgan Stanley and UBS Investment Bank. Its mission is to calculate and publish a new generation of fixed income prices and indices, based on the principles of multiple contributor pricing, neutrality, third party quality control, transparency and open access to market participants. iBoxx indices have established themselves as the benchmark of choice among leading asset managers in Europe. A family of US Dollar cash bond indices will be launched in early 2004 in conjunction with RiskMetrics.

About Lehman Brothers

Lehman Brothers (NYSE: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, visit our Web site at www.lehman.com.

About Merrill Lynch

Merrill Lynch is one of the world's leading financial management and advisory companies, with offices in 36 countries and total client assets of approximately $1.4 trillion. As an investment bank, it is a leading global underwriter of debt and equity securities and strategic advisor to corporations, governments, institutions and individuals worldwide. Through Merrill Lynch Investment Managers, the company is one of the world's largest managers of financial assets, with assets under management of $473 billion. For more information on Merrill Lynch, please visit http://www.ml.com.

About UBS

UBS is one of the world's leading financial firms, combining financial strength with a reputation for innovation and a global culture that embraces change.

UBS is the world's largest wealth manager, a premier investment banking and securities firm, and one of the largest global asset managers. In Switzerland, UBS is the market leader in retail and commercial banking.

UBS, headquartered in Zurich and Basel, employs almost 67,000 people, and has operations in over 50 countries and in all major financial centers.

SOURCE Lehman Brothers

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URL: http://www.prnewswire.com

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PR Newswire

October 31, 2003 Friday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 725 words

HEADLINE: Lehman Brothers and Neuberger Berman Complete Strategic Combination;
. Positions Lehman Brothers as an Industry Leader in the Wealth and Asset Management Business .

DATELINE: NEW YORK Oct. 31

BODY:

. Lehman Brothers Holdings Inc. (NYSE: LEH) announced today the completion of its acquisition of Neuberger Berman Inc., bringing combined assets under management to over $100 billion. The transaction was approved by Neuberger Berman's stockholders this morning and has met all other required closing conditions and regulatory approvals. Pursuant to the transaction, each Neuberger Berman stockholder will receive, for each share of Neuberger Berman common stock, $9.49 in cash and 0.4741 of a share of Lehman Brothers common stock.

Lehman Brothers' Chairman and Chief Executive Officer Richard S. Fuld, Jr. said, "Lehman Brothers is now one of the industry's leading providers of wealth and asset management services. We are excited that the combination of Lehman Brothers and Neuberger Berman will provide our clients around the world with access to a broader array of investment products and services. We are now better positioned than ever to build on our track record of success."

Neuberger Berman Inc., with estimated assets under management of approximately $67.7 billion as of October 29, 2003, will become part of Lehman Brothers' Client Services Segment's Wealth and Asset Management Division headed by Theodore P. Janulis. Jeffrey B. Lane, former president and CEO of Neuberger Berman Inc., has become a vice chairman of Lehman Brothers, a member of the Office of the Chairman, chairman of the Wealth and Asset Management Division and chairman of Neuberger Berman. Robert Matza, former chief operating officer of Neuberger Berman Inc., has become president of Neuberger Berman and will remain its chief operating officer. In addition, Mr. Matza will join Lehman Brothers' Management Committee.

Lehman Brothers, an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, please visit its Web site at www.lehman.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the acquisition of Neuberger Berman by Lehman Brothers, including financial and operating results, synergy benefits and any accretion to reported earnings that may be realized from the acquisition; Lehman Brothers' plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts; and (ii) other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements are based upon management's current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies and third-party approvals, many of which are beyond our control. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: (1) the ability to successfully combine the businesses of Lehman Brothers and Neuberger Berman; (2) the realization of revenue and cost synergy benefits from the proposed transaction; (3) operating costs, customer loss and business disruption following the merger, including adverse effects on relationships with employees; (4) changes in the stock market and interest rate environment that affect revenues; and (5) competition. Lehman Brothers does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date such forward-looking statement is made. For more information on factors that could affect Lehman Brothers' future results and financial condition, see "Management's Discussion and Analysis" in Lehman Brothers' most recent Quarterly Report on Form 10-Q.

SOURCE Lehman Brothers Holdings Inc.

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LOAD-DATE: November 1, 2003

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PR Newswire

December 3, 2003 Wednesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 365 words

HEADLINE: Lehman Brothers to Host Conference Call Announcing Fourth Quarter 2003 and Full Year Results

DATELINE: NEW YORK Dec. 3

BODY:

Lehman Brothers Holdings Inc. (NYSE: LEH) plans to announce its fourth quarter fiscal 2003 and full year results on Wednesday, December 17, 2003 in a press release that will be issued at approximately 8:00 a.m., EST. The press release will also be available on the Firm's Web site, http://www.lehman.com.

A conference call, to discuss the Firm's financial results and outlook, will be held at 10:00 a.m., EST that day. The call will be open to the public.

Members of the public who would like to access the conference call should dial, from the United States, 888-889-6571 or from outside the U.S., 210-234-0120. The pass code for all callers is LEHMAN. The conference call will also be accessible through the "Shareholders" section of the Firm's Web site under the subcategory "Webcasts." For those unable to listen to the live broadcast, a replay will be available on the Firm's Web site or by dialing 800-406-7490 (domestic) or 402-220-4881 (international). The replay will be available approximately one hour after the event and will remain available on the Lehman Brothers Web site until 5:00 p.m., EST on January 17, 2004, and by phone until 5:00 p.m., EST on January 9, 2004.

Please direct any questions regarding the conference call to Shaun Butler at 212-526-8381, sbutler@lehman.com or Ben Pratt at 212-526-5975, benjamin.pratt@lehman.com.

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, visit our Web site at www.lehman.com.

SOURCE Lehman Brothers Holdings Inc.

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URL: http://www.prnewswire.com

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PR Newswire

December 15, 2003 Monday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS AND TECHNOLOGY EDITORS

LENGTH: 917 words

HEADLINE: Top Ranked Equity Research Semiconductor and Computer Hardware Analyst to Join Wealth and Asset Management Division

BODY:

- Dan Niles to Become CEO of Neuberger Berman Technology Management -

NEW YORK, Dec. 15 /PRNewswire-FirstCall/ -- Lehman Brothers, the global investment bank, announced today that Daniel T. Niles, managing director and head of Computer Hardware and Semiconductor equity research, will be joining its Wealth and Asset Management Division. Mr. Niles will become CEO of Neuberger Berman Technology Management, a new business unit formed by Neuberger Berman and Mr. Niles, and will be focusing on long and short equity investments in the technology sector for both institutional investors and high-net-worth individuals. Mr. Niles will report to Robert Matza, president of Neuberger Berman.

The Firm also announced that Tim Luke, who covers Data Networking and Wireless Equipment, and Harry Blount, who covers Storage Networking, would be assuming coverage of Mr. Niles' sectors.

Theodore Janulis, head of the Wealth and Asset Management Division, said of the appointment, "This is an outstanding opportunity for us. Dan's exemplary career and highly acclaimed reputation as a technology analyst throughout the securities industry will add tremendous value to the Firm's investment management platform. Furthermore, Dan's transition to the Neuberger team illustrates one of the many synergies within our newly combined Firm."

Mr. Niles joined Lehman Brothers in 2000 and has been the head of Computer Hardware and Semiconductor research. During his tenure in Lehman Brothers' Equity Research Department, Mr. Niles has been one of the most recognized research analysts in any sector. Mr. Niles was ranked by Institutional Investor Magazine's "All-America Equity Research Team" survey for the past five years in the semiconductor category and the past four years in the PC hardware/IT hardware categories, most recently being named the 1 analyst in the semiconductor category, and runner-up in the IT hardware category for 2003. In 2000, Mr. Niles was one of only three analysts in any industry sector to receive three awards (stock picking, useful and timely calls, and earnings estimates) in the "Who's the Best" category.

He has received five awards in the Wall Street Journal's "Best on the Street" survey, including awards for stock picking in the categories of computer peripherals, computer hardware & PCs, and most recently semiconductors in 2003.

Steven Hash, director of Global Equity Research at Lehman Brothers added, "Dan has been a very important part of our research team and has helped the department to establish our top-ranked II position. We wish him all the best in his new position at the Firm and are especially pleased that Tim Luke and Harry Blount will be assuming coverage of Dan's sectors. Like Dan, both Tim and Harry have consistently provided the highest quality of unbiased research advice to our clients across the market cycle."

Mr. Niles was previously at Robertson Stephens where he held similar responsibilities. From 1990 to 1994 he worked in Robertson's mergers and acquisitions group. Before starting his Wall Street career, Mr. Niles was an engineer with Digital Equipment Corporation. He received a BS in systems engineering from Boston University and a MS in electrical engineering from Stanford University.

Tim Luke will be taking over as the senior coverage analyst in the Semiconductor sector. Mr. Luke has been with Lehman Brothers for 11 years, and has been ranked in the Institutional Investor "All-America Equity Research Team" survey for the last five years in Wireless Equipment, placing 1 for the last four years. He has also been ranked for several years in the Data Networking category. Harry Blount will be taking over coverage of the IT Hardware sector. Mr. Blount has been a senior Technology analyst at the Firm since 2000 covering Storage Network.

Lehman Brothers is ranked 1 in this year's Institutional Investor's "All-America Equity Research Team" survey for equity analysts, up from second place a year ago, with 50 ranked analysts. Over the last seven years the Firm has improved its overall ranking to first place, from 12th place, with the largest position increase of any Firm in the survey over that time period.

Neuberger Berman Inc., through its subsidiaries, is an investment advisory company serving individuals, families, and taxable and non-taxable institutions with a broad range of investment products, services and strategies. Neuberger Berman, a Lehman Brothers Company, engages in wealth management services including private asset management, tax and financial planning, and personal and institutional trust services; mutual funds, institutional management and alternative investments; and professional securities services. For further information about Neuberger Berman please visit www.nb.com.

Lehman Brothers (NYSE: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private equity, and private client services. The Firm is headquartered in New York, London, and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products, and recruitment opportunities, visit our Web site at www.lehman.com.

SOURCE Lehman Brothers

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URL: http://www.prnewswire.com

LOAD-DATE: December 16, 2003

Business Wire

March 1, 2005 Tuesday 1:15 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 585 words

HEADLINE: Portfolio Management Team from Sloate, Weisman, Murray Joins Neuberger Berman; Founder Laura Sloate Named Managing Director

DATELINE: NEW YORK March 1, 2005

BODY:

Laura J. Sloate, co-founder of the investment firm Sloate, Weisman, Murray & Company; Donna Leone, formerly COO and Principal; and Adam L. Hershey, Ms. Sloate's co-portfolio manager, have joined Neuberger Berman, LLC, a subsidiary of Lehman Brothers. Neuberger Berman is acquiring substantially all of the assets of Sloate Weisman. Ms. Sloate, who has 35 years of investment experience, was named a Neuberger Berman Managing Director.

At Sloate Weisman, Ms. Sloate and Mr. Hershey, who are large- and mid-cap value investors, managed approximately $300 million primarily for high net worth individuals as well as institutions.

"Laura Sloate has spent her entire career in the investment business, and her money management skills have been tested and proven throughout the market cycles of the past three decades," said Robert Matza, President of Neuberger Berman. "Further, Laura and her team are noted for their commitment to serving clients with the utmost integrity. We warmly welcome them to Neuberger Berman."

"We are delighted to become part of a firm that has such a great tradition in money management," said Ms. Sloate. "We're also very pleased our clients will benefit from the enhanced research and operational capabilities provided to us through Neuberger Berman."

Ms. Sloate co-founded Sloate Weisman in 1974, serving as Chairman, Treasurer, Chief Investment Officer and Director of Research. She began her career in 1968 as a security analyst with Scheinman, Hochstin & Trotta and held positions with Neuberger Berman and Drexel, Burham before founding her firm.

She received her bachelor's degree from Barnard and her master's degree from Columbia. She is active with the Metropolitan Opera Association and Central Synagogue, and is a member of the Board of Directors of the Richard Tucker Music Foundation. A Chartered Financial Analyst, she is a member of the New York Society of Security Analysts.

Mr. Hershey has nine years of investment experience. Before joining Sloate Weisman in 2003, he worked at Spear Leeds & Kellogg, a subsidiary of Goldman Sachs. He received a bachelor's degree from Tulane University's A.B. Freeman School of Business.

Neuberger Berman LLC is an investment advisory company serving individuals, families, and taxable and non-taxable institutions with a broad range of investment products, services and strategies. A Lehman Brothers company, Neuberger Berman engages in wealth management services including private asset management, tax and financial planning, and personal and institutional trust services; mutual funds, institutional management and alternative investments; and professional securities services. For further information about Neuberger Berman please visit www.nb.com.

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit our Web site at www.lehman.com.

CONTACT: Lehman Brothers Kerrie Cohen, 212-526-4092 or TowersGroup Scott Sunshine, 212-354-5020

URL: http://www.businesswire.com

LOAD-DATE: March 2, 2005

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Business Wire

July 12, 2006 Wednesday 4:41 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 625 words

HEADLINE: Lehman Brothers First Trust Income Opportunity Fund Announces Monthly Distributions

DATELINE: NEW YORK July 12, 2006

BODY:

The Board of Trustees of Lehman Brothers First Trust Income Opportunity Fund (NYSE: LBC) has declared monthly distributions of $0.11 per share for the months of July, August and September.

Distributions will be payable on July 31, 2006, August 31, 2006, and September 29, 2006, to sharcholders of record on July 24, 2006, August 24, 2006 and September 22, 2006, respectively.

Under the Fund's Automatic Dividend Reinvestment Plan (the "Plan"), each common sharcholder will have all distributions automatically reinvested in additional common shares of the Fund by Investors Bank & Trust, as agent for shareholders pursuant to the Plan, unless the shareholder elects to receive cash or unless the shares are registered in the name of a broker-dealer or other nominee (that is, in "street namc") and the respective nominee does not participate in the Plan. Shareholders whose common shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Fund's continuing ability to pay a certain level of distributions will bc dependent on several factors, including the income received on securities held by the Fund, the cost of distributions payable on Money Market Cumulative Preferred Shares issued by the Fund, the result of interest rate hedges used by the Fund in seeking to manage short-term interest rate costs and the overall level of Fund expenses.

The distributions declared, as well as future distributions, may consist of net investment income, realized capital gains and return of capital. In compliance with Section 19 of the Investment Company Act of 1940, as amended, a notice would accompany any distribution that does not consist solely of net investment income. This notice would be for informational purposes, and would disclose, among other things, estimated portions of the distributions, if any, consisting of net investment income, capital gains and return of capital.

About Lehman Brothers First Trust Income Opportunity Fund

Lehman Brothers First Trust Income Opportunity Fund is a closed-end management investment company whose

Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit the Firm's Web site at www.lehman.com .

Certain statements in this press release, such as those related to the redemption of AMPS, the methodology for and timing of such redemption, the use and successful closure of the financing arrangement and the use of leverage constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Fund, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Among other risks and uncertainties are the ability of the Fund to redeem AMPS, the ability to successfully utilize and close the financing transactions, the ability to successfully use leverage, the possibility that costs associated with the financing are higher than expected, and the risk factors discussed in the Fund's annual and semiannual reports as filed with the United States Securities and Exchange Commission. As a result, no assurance can be given as to future results, levels of activity, performance or achievements, and neither the Fund nor any other person assumes responsibility for the accuracy and completeness of such statements in the future.

CONTACT: Media:
Lehman Brothers
Randall Whitestone, 212-526-0542
or
Investor Information:
877-461-1899

URL: http://www.businesswire.com

LOAD-DATE: September 11, 2008

investment objective is to seek high total return (income plus capital appreciation). The Fund pursues its investment objective by investing its assets primarily in high yield debt securities. These securities are generally lower rated and may involve greater risk of loss. There can be no assurance that the Fund will achieve its investment objective. The Fund's common shares began trading on the New York Stock Exchange under the symbol LBC on July 28, 2003. Lehman Brothers Asset Management Inc. serves as the Fund's investment advisor and Lehman Brothers Asset Management LLC (formerly known as Lincoln Capital Fixed Income Management Company, LLC) serves as the Fund's sub-advisor. For more complete information about the Fund, please call the Fund at 1-800-988-5196 or visit the Fund's Web site at www.lbftincomeopportunity.com.

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients and high-net-worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit the Firm's Web site at www.lehman.com.

Lehman Brothers Inc. Member SIPC

CONTACT: Lehman Brothers Tasha Pelio, 212-526-0983

URL: http://www.businesswire.com

LOAD-DATE: July 13, 2006

Business Wire

February 28, 2007 Wednesday 10:30 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 498 words

HEADLINE: Neuberger Berman Funds Announce New Board Members

DATELINE: NEW YORK

BODY:

The Board of Trustees of Lehman Brothers First Trust Income Opportunity Fund and the Boards of Directors of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Dividend Advantage Fund Inc., Neuberger Berman Income Opportunity Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc., Neuberger Berman New York Intermediate Municipal Fund Inc., Neuberger Berman Real Estate Income Fund Inc., Neuberger Berman Real Estate Securities Income Fund Inc. and Neuberger Berman Realty Income Fund Inc. have appointed Michael Knetter and George Morriss as board members.

Dr. Knetter is the dean of the School of Business, University of Wisconsin at Madison. Mr. Morriss was an executive vice president and chief financial officer of People's Bank.

Neuberger Berman Management Inc., the Funds' investment manager, is a subsidiary of Neuberger Berman Inc., an investment advisory company serving individuals, families and taxable and non-taxable institutions with a broad range of investment products, services and strategies. A Lehman Brothers company, Neuberger Berman engages in wealth management services including private asset management, tax and financial planning and personal and institutional trust services; and mutual funds, institutional management and alternative investments. For further information about Neuberger Berman please visit www.nb.com.

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in investment banking, equity and fixed income sales, trading and research, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit the Firm's Web site at www.lehman.com.

Statements made in this release that look forward in time involve risks and uncertainties and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include, without limitation, the adverse effect from a decline in the securities markets or a decline in a Fund's performance, a general downturn in the economy, competition from other closed end invcstment companies, changes in government policy or regulation, inability of a Fund's investment adviser to attract or retain key employees, inability of a Fund to implement its investment strategy, inability of the Fund to manage rapid expansion and unforesecn costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations.

CONTACT: Media:
Lehman Brothers
Randall Whitestone, 212-526-0542
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Investor Information:
877-461-1899

URL: http://www.businesswire.com

LOAD-DATE: March 1, 2007

HUGIN AS

August 7, 2007 Tuesday 2:01 AM EST

LENGTH: 616 words

HEADLINE: Lehman Brothers Private Equity Partners Announces Monthly Nct Asset Value Update for July 2007

BODY:

THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO AUSTRALIA, CANADA, ITALY, DENMARK, JAPAN, THE UNITED STATES, OR TO ANY NATIONAL OF SUCH JURISDICTIONS.

LBPE has prepared a pricing statement dated 18 July 2007 relating to the final number of shares that are being offered in the global offering. The pricing gstatement must be read in conjunction with the offering memorandum dated 6 July 2007. The pricing statement has been filed with the Netherlands Authority for the Financial Markets (Autoriteit Financiele Markten). Copies of the pricing statement and the offering memorandum, in the English language, may be obtained free of charge from the office of LBPE at Polygon Hall, Le Marchant Street, St. Peter Port, Guernsey, from the offices of the managers of the offering and from the office of ABN AMRO Bank N.V., the listing and paying agent, at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Nctherlands, tel +31 20 383 6707, e-mail prospectus@nl.abnamro.com

7 August 2007

Lehman Brothers Private Equity Partners Limited ("LBPE" or "the Company"), a closed-end private equity fund of funds investment company, today announced the first valuation of its Net Asset Value ("NAV"), following the successful initial public offering ("IPO") of its shares on Euronext Amsterdam N.V.'s Eurolist by Euronext on 18 July 2007. LBPE raised $500 million through a placing of 50 million sharcs at $10.00 per share. Unconditional dealings commenced on 25 July 2007. In addition, LBPE has granted the Sole Global Coordinator, Lehman Brothers International (Europe), an over-allotment option of up to $50 million, or 5 million shares.

As of 31 July 2007, the NAV per share was $10.13, representing an increase of 1.3% over the initial offering price of $10.00 per share. Furthermore, in line with its commitment to investor transparency and fund performance, LBPE will be providing regular NAV updates as follows:

- The NAVs for the month ending 31 August 2007 and 30 September 2007 within seven days of each month's end - Financial statements for the quarter ending 30 September 2007 by the end of October

A breakdown of LBPE's NAV can be obtained in the monthly report for the period ending 31 July 2007. The monthly report is published on the Company's Web site at www.lbpe.com and should be read in conjunction with this announcement.

For further information, please contact: Jeremy Apfel Lehman Brothers +44 207 102 3424

About Lehman Brothers Private Equity Lehman Brothers' Private Equity business, started in 1984, has assets under management of over $20 billion and consists of 18 different fund strategies across six asset classes: merchant banking, venture capital, real estate, fund-of-funds, credit and infrastructure.

About Lehman Brothers Lehman Brothers, an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world.

For further information about Lehman Brothers' services, products and recruitment opportunities, visit www.lehman.com.

This press release appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.

The monthly report can be downloaded from the following link:

SOURCE: Lehman Brothers Private Equity Partners Limited

LOAD-DATE: August 8, 2007

Business Wire

August 14, 2007 Tuesday 12:30 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 764 words

HEADLINE: Citi, Lehman Brothers, Merrill Lynch, Morgan Stanley and The Bank of New York Mellon Announce the Formation of Open Platform for Unregistered Securities

DATELINE: NEW YORK

BODY:

Citi, Lehman Brothers, Merrill Lynch, Morgan Stanley and The Bank of New York Mellon today announced the establishment of Open Platform for Unregistered Securities ("OPUS-5"), which will provide trade reservation, shareholder tracking and transfer management for privately offered equity securities transacted under Rule 144A of the Securities Act of 1933.

OPUS-5 will support and enable an open platform with multiple market makers and is designed to provide broad liquidity to the U.S. private placement market and facilitate greater access to capital for issuers in the 144A equities market. The platform will also monitor the number of shareholders in these issues. OPUS-5 is expected to launch in September 2007.

The participation in OPUS-5 by four of the world's leading securities firms and The Bank of New York Mellon as independent administrator will promote liquidity and efficiency for qualified institutional buyers who trade 144A equity securities and enhance issuers' capital raising efforts. Additional securities firms are expected to participate in OPUS-5 over time.

About Citi

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citi's major brand names include Citibank, CitiFinancial, Primerica, Citi Smith Barney and Banamex. Additional information may be found atwww.citigroup.comorwww.citi.com.

About Lehman Brothers

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world. For further information about Lehman Brothers' services, products and recruitment opportunities, visit the Firm's Web site atwww.lehman.com.

About Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies, with offices in 38 countries and territories and total client assets of approximately $1.7 trillion. As an investment bank, it is a leading global trader and underwriter of securities and derivatives across a broad range of asset classes and serves as a strategic advisor to corporations, governments, institutions and individuals worldwide. Merrill Lynch owns approximately half of BlackRock, one of the world's largest publicly traded investment management companies, with more than $1 trillion in assets under management. For more information on Merrill Lynch, please visitwww.ml.com.

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 32 countries. For further information about Morgan Stanley, please visitwww.morganstanley.com.

About The Bank of New York Mellon

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and move their financial assets, operating in 37 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services and treasury services through a worldwide client-focused team. It has more than $20 trillion in assets under custody and administration and more than $1 trillion in assets under management. Additional information is available atwww.bnymellon.com.

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URL: http://www.businesswire.com

LOAD-DATE: August 15, 2007

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32 of 601 DOCUMENTS

Business Wire

September 18, 2007 Tuesday 9:15 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 328 words

HEADLINE: Neuberger Berman Real Estate Income Fund Inc. Announces Expected Withdrawal of Its Liquidation Proposal

DATELINE: NEW YORK

BODY:

Neuberger Berman Real Estate Income Fund Inc. (NYSE:NRL) announced that it has been advised by Lola Brown Trust No.1B (the "Trust") that the Trust's revised tender offer expired on Friday, September 14, 2007.

The Trust reported that it had accepted for payment shares representing approximately 59% of the Fund's common stock.**Stockholders that did not tender shares on or prior to September 14, 2007 can no longer tender their shares to the Trust.**

Accordingly, the Fund intends to withdraw its proposal to vote on liquidation of NRL upon confirmation of payment by the Trust for the shares tendered. Upon purchase of the shares tendered, the Trust will hold a majority of the voting stock of the Fund.

The Fund explained in its proxy statement and other stockholder communications that it expected to withdraw the liquidation proposal, which had appeared in its proxy statement, if the tender offer were completed and the Trust demonstrated ownership of a majority of the Fund's outstanding shares.

Forward-Looking Statements

Statements made in this release that look forward in time involve risks and uncertainties and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include, without limitation, the adverse effect from a decline in the securities markets or a decline in the Fund's performance, a general downturn in the economy, competition from other funds, changes in government policy or regulation, inability of the Fund's investment advisor to attract or retain key employees, inability of the Fund's investment advisor to implement its investment strategy, inability of the Fund to manage unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations.

CONTACT: Neuberger Berman Real Estate Income Fund Inc.
Peter Sundman, 877-461-1899
Chief Executive Officer
or
Media:
Lehman Brothers
Brian Finnegan, 212-526-0061

URL: http://www.businesswire.com

LOAD-DATE: September 19, 2007

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Business Wire

October 12, 2007 Friday 8:15 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 640 words

HEADLINE: Lehman Brothers First Trust Income Opportunity Fund Announces Monthly Distributions

DATELINE: NEW YORK

BODY:

The Board of Trustees of Lehman Brothers First Trust Income Opportunity Fund (NYSE: LBC) has declared monthly distributions of S0.11 per share for the months of October, November and December 2007.

Distributions will be payable on October 31, 2007, November 30, 2007, and December 31, 2007, to shareholders of record on October 24, 2007, November 23, 2007 and December 21, 2007, respectively.

Under the Fund's Automatic Dividend Reinvestment Plan (the "Plan"), each common shareholder will have all distributions automatically reinvested in additional common shares of the Fund by Investors Bank & Trust, as agent for shareholders pursuant to the Plan, unless the shareholder elects to receive cash or unless the shares are registered in the name of a broker-dealer or other nominee (that is, in "street name") and the respective nominee does not participate in the Plan. Shareholders whose common shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Fund's continuing ability to pay a certain level of distributions will be dependent on several factors, including the income received on securities held by the Fund, the level of distributions payable on Money Market Cumulative Preferred Shares issued by the Fund, the result of interest rate hedges used by the Fund in seeking to manage short-term interest rate costs and the overall level of Fund expenses.

The distributions declared, as well as future distributions, may consist of net investment income, realized capital gains and return of capital. In compliance with Section 19 of the Investment Company Act of 1940, as amended, a notice would be provided for any distribution that does not consist solely of net investment income. This notice would be for informational purposes, and would disclose, among other things, estimated portions of the distributions, if any, consisting of net investment income, capital gain and return of capital.

About Lehman Brothers First Trust Income Opportunity Fund

Lehman Brothers First Trust Income Opportunity Fund is a closed-end management investment company whose investment objective is to seek high total return (income plus capital appreciation). The Fund pursues its investment objective by investing its assets primarily in high yield debt securities. These securities are generally lower rated and may involve greater risk of loss. There can be no assurance that the Fund will achieve its investment objective. The Fund's common shares began trading on the New York Stock Exchange under the ticker symbol LBC on July 28, 2003. Neuberger Berman Management Inc. serves as the Fund's investment advisor and Lehman Brothers Asset Management LLC (formerly known as Lincoln Capital Fixed Income Management Company, LLC) serves as the Fund's sub-advisor. For more complete information about the Fund, please call the Fund at 1-800-988-5196 or visit the Fund's Web site atwww.lbftincomeopportunity.com.

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CONTACT: For Lehman Brothers First Trust Income Opportunity Fund
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URL: http://www.businesswire.com

LOAD-DATE: October 13, 2007

LexisNexis®

Business Wire

August 12, 2008 Tuesday 8:15 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 341 words

HEADLINE: Month-End Performance Data Now Available for Lehman Brothers First Trust Income Opportunity Fund

DATELINE: NEW YORK

BODY:

Performance data as of July 31, 2008, for Lehman Brothers First Trust Income Opportunity Fund (NYSE:LBC) is now available. The information will be posted to the Fund's website at www.lbftincomeopportunity.com .

About Lehman Brothers First Trust Income Opportunity Fund

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Lehman Brothers Inc. Member SIPC

CONTACT: Lehman Brothers First Trust Income Opportunity Fund
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URL: http://www.businesswire.com

LOAD-DATE: August 13, 2008

Business Wire

September 10, 2008 Wednesday 9:45 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 613 words

HEADLINE: Neuberger Berman Real Estate Securities Income Fund Inc. Announces Revised Schedule for Partial Redemptions of Its Series A Auction Market Preferred Shares

DATELINE: NEW YORK

BODY:

Neuberger Berman Real Estate Securities Income Fund Inc. (AMEX: NRO) (the "Fund" or "NRO") announced today a revision to its intended schedule for partial redemptions of its Series A auction market preferred shares ("AMPS"). The expected redemption amount has not changed but the date of redemption has changed from September 25, 2008 to September 26, 2008. Subject to the satisfaction of certain requirements, including notice, that apply to AMPS redemptions, NRO expects to redeem a pro rata amount of its Series A AMPS in accordance with the revised schedule below:

Series	CUSIP	Total Shares To Be Re-deemed	Amount To Be Redeemed	Redemption Date
Series A	64190A202	1,248	$31,200,000	September 26, 2008

Please note that the expected redemption amounts and schedules for each of the Fund's other seven series of AMPS remain unchanged. For additional information regarding the redemption process please refer to the press release dated September 8, 2008, which is available on the closed-end funds section of the Neuberger Berman website, www.nb.com .

Neuberger Berman Management LLC, the Fund's investment manager, is a subsidiary of Neuberger Berman Holdings LLC, an investment advisory company serving individuals, families, and taxable and non-taxable institutions with a broad range of investment products, services and strategies. A Lehman Brothers company, Neuberger Berman engages in wealth management services including private asset management, tax and financial planning; mutual funds, institutional management and alternative investments. For further information about Neuberger Berman please visit www.nb.com .

Lehman Brothers (ticker symbol: LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients and high-net-worth individuals worldwide. Founded in 1850,

Lehman Brothers Trustee and JPMorgan Reach Agreement on Return of More than $800 Million in Customer Assets for Distribution to Customer Claimants

Statement from the Office of James W. Giddens, Trustee for Liquidation of Lehman Brothers Inc. under the Securities Investor Protection Act ("SIPA")

New York, New York, April 21, 2011- James W. Giddens, the Trustee for the liquidation of Lehman Brothers Inc. ("LBI"), the U.S. broker-dealer of Lehman Brothers, is pleased that an agreement has been reached with JPMorgan Chase Bank, N.A. [NYSE: JPM] to secure the return of more than $800 million of cash and securities to the LBI Estate for distribution to customer claimants in the SIPA proceeding. The Trustee today filed a motion with the United States Bankruptcy Court of the Southern District of New York seeking entry of an order approving the settlement.

"This is a milestone in the administration of the LBI Estate to recover assets to pay customer claims," said SIPA Trustee James W. Giddens. "The agreement will increase funds held by the LBI Estate available for distribution to public customers of LBI by more than $800 million in cash and securities and is a direct result of cooperation and professionalism by both parties in working through complex and difficult issues."

JPMorgan worked closely with the Trustee and voluntarily provided significant assistance to the Trustee during the course of the Trustee's exhaustive two-year investigation into the period when JPMorgan was LBI's clearing bank. The predominant source of the amounts to be paid by JPMorgan under the settlement are cash and securities from LBI accounts that JPMorgan has been holding pending a resolution with the Trustee.

The recovery of assets is consistent with the Trustee's principal duty to return property to public customers while at the same time treating all interests fairly and maximizing the estate for all creditors. JPMorgan's constructive approach in resolving this matter is consistent with JPMorgan's spirit and course of cooperation in addressing issues implicating claims to customer property. If approved by the court, the settlement agreement would achieve certainty and avoid protracted litigation to secure the return of customer property.

The information in this statement does not apply to any other Lehman entity, including separate insolvency proceedings involving Lehman Brothers Holding, Inc. ("LBHI") and Lehman Brothers International (Europe)("LBIE").

About The Liquidation Proceeding and the Trustee

On September 19, 2008, the U.S. Bankruptcy Court for the Southern District of New York entered an order granting the application of the Securities Investor Protection Corporation (SIPC) for issuance of a Protective Decree adjudicating that the customers of LBI was in need of protection afforded by the U.S. Securities Investor Protection Act of 1970 (SIPA). The liquidation is now being administered under the auspices of The Honorable James M. Peck, (Case No. 08-01420 (JMP) (SIPA) and overseen by James W. Giddens of Hughes Hubbard & Reed LLP, as the Trustee appointed by the Court. The Trustee fulfills public duties assigned under SIPA. More information about the Lehman Trustee is available at: http://dm.epiq11.com/LBI/Project/default.aspx.

Media Contact for the Trustee:

Jake Sargent, 202-569-5086

Business Wire

September 23, 2008 Tuesday 1:30 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 882 words

HEADLINE: Three Neuberger Berman Closed End Funds Announce Refinancing of Auction Preferred Shares; Funds intend to redeem 100% of their outstanding auction preferred shares

DATELINE: NEW YORK

BODY:

Today, Neuberger Berman Dividend Advantage Fund Inc. (AMEX: NDD), Neuberger Berman Income Opportunity Fund Inc. (AMEX: NOX) and Lehman Brothers First Trust Income Opportunity Fund (NYSE: LBC) (each a "Fund" and collectively, the "Funds"), each announced new financing that it intends to use to redeem 100% of its outstanding auction preferred shares ("APS").

Each Fund's Board of Directors/Trustees has approved a private placement of debt and a private placement of preferred shares with a major unaffiliated financial institution. The new financings provide each Fund with the ability to redeem its outstanding APS at a price equal to the per share liquidation preference plus any accumulated and unpaid dividends. The planned redemptions remain subject to completion of final documentation and satisfaction of the notice and other requirements applicable to APS redemptions.

Peter Sundman, Chairman and President of the Funds stated, "We are pleased to have been successful in initiating a solution that will allow each of these Funds to redeem all of its outstanding APS." Mr. Sundman added, "Combined with the prior announcement relating to Neuberger Berman Real Estate Securities Income Fund Inc. (AMEX: NRO), Neuberger Berman sponsored closed end funds have now announced the planned redemption of over $500 million of APS or approximately 50% of the outstanding APS issued by Neuberger Berman sponsored closed end funds. We reiterate that we remain focused on developing additional solutions for APS issued by those remaining funds within our closed-end fund platform."

Upon completion of this refinancing, the Funds' leverage ratios are not currently expected to change materially and the Funds will continue to satisfy the asset coverage requirements of the Investment Company Act of 1940. A table setting forth the Funds' outstanding APS and each series' CUSIP number is at the end of the press release. Additional details and information, including a redemption schedule, are expected to be announced over the coming weeks.

Neuberger Berman will be holding a conference call on Wednesday, September 24, 2008 at 4 p.m. (EST) to discuss the refinancing of the Funds' APS. Those interested in participating can access the call by dialing (866) 253-5757. Neuberger Berman does anticipate a high call volume, and as a result will only be able to address questions that are submitted via email to NB_CEF@nb.com in advance of the call.

A replay will be available for 14 days after the call and can be accessed by dialing 703-925-2533 or 888-266-2081 and using access code 1287508. Additionally, information about how to access this replay will be made available on the closed-end fund section of Neuberger Berman's website, www.nb.com .

Neuberger Berman Management LLC, the Funds' investment manager, is a subsidiary of Neuberger Berman Holdings LLC, an investment advisory company serving individuals, families, and taxable and non-taxable institutions with a broad range of investment products, services and strategies. Neuberger Berman engages in wealth management services including private asset management, tax and financial planning, mutual funds, institutional management and alternative investments. For further information about Neuberger Berman please visit www.nb.com .

Statements made in this release that look forward in time involve risks and uncertainties and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Fund undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

The following factors, among others, could cause actual results to differ materially from forward-looking statements: (1) the ability of Neuberger Berman closed-end funds that have issued APS to develop and finalize fund-by-fund specific proposals to restructure the leverage of such funds; (2) the need for such Neuberger Berman closed-end funds to obtain formal fund-by-fund approval from the funds' Boards of Directors/Trustees for certain types of specific proposals as they are developed and finalized; (3) the ability of such Neuberger Berman closed-end funds to negotiate and obtain from third parties the necessary debt facilities and other commitments and agreements necessary for the funds to refinance all or a portion of the leverage on terms and conditions acceptable to the funds and in a timely manner; (4) the effects of changes in market and economic conditions, including higher costs and expenses associated with refinancing; (5) other legal and regulatory developments; and (6) other additional risks and uncertainties.

NEUBERGER BERMAN DIVIDEND ADVANTAGE FUND INC.

APS Series	CUSIP
Series A	64127J201
Series B	64127J300

NEUBERGER BERMAN INCOME OPPORTUNITY FUND INC.

APS Series	CUSIP
Series A	64126L207
Series B	64126L306

LEHMAN BROTHERS FIRST TRUST INCOME OPPORTUNITY FUND

APS Series	CUSIP
Series A	52519M205

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URL: http://www.businesswire.com

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HEADLINE: Neuberger to Be Acquired by Management;
Portfolio Managers, Management Team and Senior Professionals Will Control Newly Independent Asset Management Business;
Includes Neuberger Berman, Fixed Income and Alternative Asset Management Capabilities for High Net Worth and Institutional Clients Globally

DATELINE: NEW YORK

BODY:

A group consisting of portfolio managers, the management team and senior professionals ("Management") today agreed to acquire a majority interest in Neuberger Berman and the fixed income and alternative asset management businesses of Lehman Brothers' Investment Management Division.

As part of the transaction, a new, independent investment management company to be called Neuberger Investment Management will be created comprising businesses that managed approximately $160 billion of assets as of November 30, 2008. Management will control 51% of the new company with Lehman Brothers Holdings Inc. retaining a 49% stake. Final Bankruptcy Court approval is scheduled for later this month and closing is expected in the first quarter of 2009.

The Management bid was selected as the winner in a Bankruptcy Court auction held today, topping a previous bid from the private equity firms of Bain Capital and Hellman & Friedman that was announced in September and was used to start the auction process. The Management bid was selected as the highest offer because it offered greater value and certainty of closing, said Jim Fogarty, a managing director with Alvarez & Marsal and chief operating officer of Lehman Brothers Holdings. The professional services firm of Alvarez & Marsal has been overseeing Lehman Brothers Holdings and working to maximize value for creditors.

The Management acquisition includes the businesses of Neuberger Berman (primarily equities products and services, mutual funds, and a strong emphasis on high net worth and institutional clients), Lehman Brothers Asset Management (fixed income, commodities, and quantitative portfolio management), and Lehman Brothers' private funds investment group, which includes the fund-of-funds businesses (both hedge fund and private equity), secondary private equity, and co-investment. Several startup private equity businesses, including infrastructure and mezzanine debt, are also included. George Walker, global head of investment management for Lehman Brothers, will be chief executive of Neuberger Investment Management, and Joe Amato will continue to lead Neuberger Berman, its largest operating unit.

Founded in 1939 by Roy Neuberger, Neuberger Berman has for seven decades been committed to protecting and building wealth for its clients. With more than 25 experienced portfolio teams in its Private Asset Management platform, the firm's research focus and collaborative approach have consistently delivered superior returns for clients. A composite of Neuberger Berman funds has outperformed the S&P Index on average over the past 10 years. Neuberger Berman offers separately managed accounts, mutual funds and advice to high net worth and institutional investors. Neuberger Berman remains committed to its powerful culture, its people, its alignment of interest with clients, and to continuing its focus upon performance and client service.

"We are thrilled to be moving forward toward becoming an independent, standalone company," Mr. Walker said in a statement. "Our portfolio management and client teams are extremely enthusiastic about this next chapter in our history."

"Neuberger Berman's culture of excellence has never been stronger and will continue to be a key part of how we deliver for our clients and a key competitive advantage in the investment management world," said Mr. Amato.

Said Marvin Schwartz, a managing director of Neuberger Berman, "As we embrace the future and re-establish a direct ownership basis in the business, we build on almost 70 years of high standards in both investment performance and client service. As a portfolio manager here for almost 50 years, I am thrilled with this outcome."

"We regard this transaction as the best outcome for the creditors of Lehman Brothers," said Mr. Fogarty. "Neuberger Investment Management has a top-notch team in place that knows the business and is highly motivated to deliver value."

"While we are disappointed not to win the bidding for this important business, we wish George Walker and the rest of the NIM management team well," said Allen Thorpe, managing director with Hellman & Friedman. "We have utmost respect for the Company, its senior management team and portfolio managers and remain confident in NIM's continued success," added Phil Loughlin, managing director with Bain Capital.

"Bain Capital and Hellman & Friedman are two of the premier private equity firms in the world. They played a key role at a critical time in this process. We have deep admiration for both firms," said Mr. Walker.

This press release appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.

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URL: http://www.businesswire.com

LOAD-DATE: December 4, 2008

Milestone Achieved with 100 Percent Distribution to Customers in Lehman Bankruptcy

New York, June 7, 2013 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act (SIPA), announced that additional distributions to former securities customers began today and will continue until all securities customer claims are 100 percent fulfilled. When this additional distribution is complete, distributions from the LBI estate will stand as the largest return of property in history to former customers of a broker-dealer following a bankruptcy and liquidation proceeding.

The distributions are made possible by settlements negotiated by the Trustee with Lehman Brothers Holdings Inc. (LBHI) and Lehman Brothers International (Europe) (LBIE), which are now effective.

"The system to protect customer property worked, and that is good news for the former Lehman customers caught up in the bankruptcy who will now get all their property back," Giddens said. "We have overcome enormous complexities and unprecedented legal challenges to meet the goal of 100 percent distribution to customers. We are grateful to the Securities Investor Protection Corporation and the Securities and Exchange Commission for their assistance, and to Judge James Peck for his continued oversight. As we finish additional customer distributions, we remain focused on maximizing assets for the general estate and clearing the way for distributions to general creditors."

In the weeks immediately after Lehman's bankruptcy, 110,000 retail customers were made whole with more than $92 billion in distributions. When current distributions to affiliate, institutional, hedge fund and other customers are completed, more than $100 billion will have been distributed to LBI customers.

The success of the Trustee in marshaling assets will also pave the way for future distributions from the general estate to general creditors, including former employees, pension funds, institutions, banks, and Lehman affiliates. The process of analyzing, objecting to, settling, and otherwise resolving the more than 12,000 filed general creditor claims is well advanced.

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Business Wire

October 19, 2012 Friday 5:00 PM GMT

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HEADLINE: Lehman Brothers Holdings Inc. Names Matthew Cantor Executive Vice President of Legal Affairs and Chief General Counsel;
Ken Grossman to Replace Cantor on LBSF Board

DATELINE: NEW YORK

BODY:

Lehman Brothers Holdings Inc. (LBHI) announced today that it has named Matthew Cantor, a prominent bankruptcy attorney and investment manager, as its Executive Vice President of Legal Affairs and Chicf General Counsel. Cantor will step down as a director on the board of Lehman Brothers Special Finance (LBSF) and be replaced by Ken Grossman, an accomplished veteran investor in troubled and distressed credit products and special situations.

In this newly created role, Cantor will head the legal department, coordinate the company's legal functions and oversee all litigation matters, bringing his proactive and strategic approach to the many complex legal matters in which the company is involved.

"The LBHI Board has been very clear in its objective to obtain the best results possible for creditors, negotiating settlements when possible and vigorously pursuing litigation when justified and necessary," said Cantor. "The broad scope and complex nature of the pending legal issues present a compelling opportunity, and I look forward to working with the outstanding lawyers at the company."

John Suckow, LBHI's President and CEO, said: "Matt Cantor is an outstanding lawyer and strategic thinker. His insight and experience will be important as we continue our aggressive efforts to maximize asset values and mitigate claims."

Cantor has been a partner at the law firms of Weil, Gotshal & Manges and Kirkland & Ellis, and during his legal career has represented debtors, creditors and investors in bankruptcy cases and workouts. Most recently, he was a founding principal of Normandy Hill Capital, an investment manager focusing on distressed, event-driven credit and special situations.

Ken Grossman, who has joined the LBSF board in Cantor's place, previously served as President and a Director of

Signature Group Holdings, Inc. and as a Managing Director at Ramius, LLC, an $11 billion multi-strategy fund. He was also a member of the Management Committee at Del Mar Asset Management and a portfolio manager at Alpine Associates and Balfour Investors.

Suckow added: "We are fortunate to have been able to attract a director at LBSF with Ken's experience and investment and legal acumen."

Ken is currently a director of T-Ink, Inc., a leading developer of interactive and conductive inks. He has served on numerous creditor and shareholder committees and holds a Juris Doctorate degree from the National Law Center at George Washington University.

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URL: http://www.businesswire.com

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HEADLINE: Lehman Brothers Holdings Inc. Files Updated Cash Flow Estimates

DATELINE: NEW YORK

BODY:

Lehman Brothers Holdings Inc. filed today in U.S. Bankruptcy Court for the Southern District of New York cash flow estimates for itself and its controlled affiliates for the period beginning January 1, 2013 through their estimated end of activities. Total cash from operations for the period subsequent to the commencement of their bankruptcy cases is now estimated to be approximately $80.6 billion, reflecting a $15.8 billion increase from the cash flow estimates filed with the court in July 2012. The increase is primarily due to the inclusion of recovery estimates for receipts from certain non-controlled affiliates which had been excluded from prior estimates (as settlements were not finalized at the earlier reporting date); increases in the estimated value of certain assets; and positive execution results.

The cash flow estimates and related filings, including recent balance sheets, the chapter 11 plan and disclosure statement, can be found at www.lehman-docket.com in the "Key Documents" section. The Company has established an email address, which can also be found in the filing referenced above, to receive questions regarding financial disclosures. The Company will continue to review questions and, where appropriate, post responses.

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URL: http://www.businesswire.com

LOAD-DATE: July 24, 2013

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12 of 56 DOCUMENTS

Business Wire

August 7, 2013 Wednesday 1:05 PM GMT

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LENGTH: 170 words

HEADLINE: Lehman Brothers Completes Sale of Its Industrial Property Assets to Blackstone and Prologis

DATELINE: NEW YORK

BODY:

A partnership controlled by Lehman Brothers Holdings Inc. announced today that it has completed the sale of a 17.7 million square-foot industrial portfolio of properties located primarily in Reno, Las Vegas and Central Pennsylvania.

The portfolio was sold in separate transactions to two buyers. Affiliates of Blackstone Real Estate Partners VII acquired the assets located in Reno, which will be managed by IndCor Properties, Blackstone's national industrial portfolio company. Prologis, an existing partner in the seller venture, acquired the assets located in Pennsylvania, Las Vegas and New Jersey.

Since the acquisition in 2007, Lehman and Prologis have reinvested in the portfolio to stabilize both the properties and the capital structure. The decision to monetize the portfolio today enables Lehman to capitalize on strong demand for high-quality industrial product and deliver significant value to its stakeholders.

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LOAD-DATE: August 10, 2013

Lehman Brothers Inc. Trustee Quarterly Report: Liquidation Balance Sheet Published, Includes Detailed Plan for Wind Down of Estate and General Creditor Distributions

New York, April 30, 2014 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, announced that progress in administering the LBI Estate, including the satisfaction of all customer claims, has allowed for the publication of a liquidation balance sheet along with plans to wind down the estate and make distributions to general creditors.

"With the return of 100 percent of customers' assets, we are now able to lay out a clear plan for winding down the general estate and distributing assets to general creditors as quickly as possible, consistent with the law," Giddens said.

The exact timing and amount of an interim general creditor distribution, as well as any other future distributions, depend on a number of factors, including court approval.

The Trustee's plan includes: the efficient resolution of secured, priority, and unsecured claims; substantial completion of the marshaling of residual, material assets; and filing a motion with the Bankruptcy Court regarding an interim distribution. Consistent with the Bankruptcy Code and in close cooperation and approval of the Securities Investor Protection Corporation and regulators, the Trustee anticipates beginning to file motions related to these steps in May 2014, starting with reserves for secured, priority, and administrative claims.

To date, more than $105 billion has been distributed to 111,000 former LBI customers, the largest customer distribution in bankruptcy history and the largest distribution of any kind across the worldwide Lehman insolvency proceedings.

With more than $4 billion in the LBI estate currently allocated to LBI general creditors, including former employees, pension funds, institutions, banks, and Lehman affiliates, total distributions in the liquidation of LBI are expected to exceed $110 billion.

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LEHMAN BROTHERS HOLDINGS INC., LEHMAN BROTHERS INC. AND LEHMAN BROTHERS INTERNATIONAL (EUROPE) RESOLVE INTERCOMPANY CLAIMS

Milestone Agreements Resolve Billions in Intercompany Claims
Clears Path for Additional Distributions to LBI and LBIE Customers and LBHI Creditors

New York and London, February 26, 2013 — The Trustee for Lehman Brothers Inc. ("LBI"), Lehman Brothers Holdings Inc. and certain of its debtor and non-debtor subsidiaries ("LBHI"), and the Joint Administrators of Lehman Brothers International (Europe) ("LBIE") have entered into two separate agreements settling all intercompany claims between LBI on the one part, and LBHI and LBIE on the other part. The LBI Trustee today filed motions seeking approval of the agreements with the U.S. Bankruptcy Court.

These separate agreements settle billions of dollars of complex intercompany claims and liabilities between the parties. The settlement agreements also provide a final resolution of all legal and factual issues regarding intercompany relationships between LBI and LBHI and between LBI and LBIE, avoiding the need for costly litigation. The settlement agreements, along with a number of related motions, are subject to approval by the U.S. Bankruptcy Judge in the LBI Securities Investor Protection Act (SIPA) proceeding, the Honorable James M. Peck, and in the case of the agreement between LBI and LBIE, an order of the English High Court.

Upon approval, the settlements will allow LBI's Trustee to proceed with plans to allocate and distribute sufficient cash and securities to LBI's customer claimants, including LBHI and LBIE, to enable the LBI Trustee to satisfy valid customer claims in full. This is a critical step in obtaining significant value to return to LBIE's counterparties included in its Omnibus Claim and to LBHI's creditors.

As part of the resolution, the parties have also agreed to a protocol for the settlement of claims remaining against the LBI estate as the Trustee focuses on liquidating remaining assets and the allowance of general estate claims. Pursuant to the protocol following court approvals, the Trustee will file periodic, public reports regarding the general estate with the Bankruptcy Court.

James Giddens, Trustee for the liquidation of LBI, said: "After more than four years of arduous negotiations involving the analysis of hundreds of thousands of transactions with unique legal challenges, on behalf of myself and the hundreds of professionals involved, we are delighted that these agreements have been reached. We are also grateful to SIPC and the SEC for their assistance in these matters. If judicially approved and implemented, securities customers should receive full satisfaction of their claims and distributions from the general estate will be facilitated."

Daniel Ehrmann, LBHI's head of international operations and co-head of derivatives, said: "This milestone agreement with LBI resolves billions of dollars of complex intercompany claims, provides LBHI and its affiliates more than $2.3 billion in customer claims and $14 billion in general unsecured claims, avoids costly and extensive litigation, and contributes significantly to recoveries for LBHI's creditors. Today's settlement represents an enormous effort over many years by multiple dedicated professionals and powerfully underscores the benefits of reaching a consensual settlement rather than pursuing litigation. The settlement, consistent with the views of the global creditor base, will enable LBHI to accelerate distributions to creditors with allowed claims."

Tony Lomas, LBIE Joint Administrator, said, "This is a defining transaction for the LBIE estate and one in which the whole LBIE team has played an important part. The depth and complexity of the business relationship between LBIE and LBI, the Client and House components, the different insolvency regimes and the sheer size of the claims in both directions makes this by some significant margin the most complex inter affiliate settlement completed in the Lehman insolvency. It paves the way for a $9 billion consensual asset return plan for LBIE's underlying Omnibus claimants and will also enable us to set a clearer path to address a number of the remaining issues for our unsecured creditor estate, as well as members of our client money and client asset communities."

The LBIE Joint Administrators continue to target the end of February to publish the terms of their consensual proposal to the underlying Omnibus claimants, on how the recovery proceeds will be distributed amongst them. In addition, LBIE intends to provide claimants with an update on the portfolio of the securities that are set to be returned under the LBI settlement agreement as well as an update into the likely financial impact of the agreement in its next progress report, due by mid-April.

Certain deal terms of both settlements are summarized below and the filings related to the LBI settlement agreement can be found at www.lehman-docket.com in the "Key Documents" section.

# # #

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For LBHI:
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Questions relating to these filings can be directed to the Debtors' claims agent, Epiq Systems, Inc., at 1-866-879-0688 (U.S.) and 1-503-597-7691 (Non-U.S.).

For LBIE:
Media - Stephanie Howel, stephanie.howel@uk.pwc.com, tel: +44 (0)20 7213 2421, mob: +44 (0)7734 456098
Counterparties - Should you have any queries regarding this update, please contact LBIE's Communications and Counterparty Management team at generalqueries@lbia-eu.com. The Joint Administrators will continue to communicate with you through this website on all matters relating to the administration of LBIE.

CERTAIN TERMS OF THE SETTLEMENT AGREEMENTS
Certain of the deal terms of both settlements are summarized below, however, parties should review the agreements filed with the court as those terms are controlling.

Certain key terms of the LBI/LBHI agreement are set out below:

- LBHI's customer claims against LBI will be allowed in an amount of $2.320 billion (valued as of September 19, 2008), in respect of which LBHI will receive the following distribution: (1) a cash distribution of $1.977 billion from the LBI estate, which includes cash in lieu of certain securities and cash receipts from post-petition redemptions and maturities in connection with certain securities, (2) $350 million of consideration from Lehman ALI Inc. in the form of an assignment of a settled intercompany note between Lehman ALI Inc. and LBI to LBHI, LOTC and LBSF, and (3) the return of securities from the LBI estate.
- LBI will allow LBHI a claim for post-petition dividends and interest through December 31, 2012, of approximately $122 million, as well as any other post-petition dividends and interest collected by the Trustee with respect to securities that make up LBHI's allowed customer claims.
- LBI will allow LBHI a $240 million priority unsecured claim in connection with certain tax-related disputes resolved through the settlement.
- LBHI will be allowed general unsecured claims of $13.984 billion (including $1.5 billion relating to a subrogated claim by JP Morgan against LBI).

- The settlement is conditional on numerous items including the Trustee achieving 100% payout on remaining customer claims.

The key terms of the LBI/LBIE agreement (which are consistent with the outline terms agreed in principle in October 2012) are set out below.

- LBIE's Omnibus customer claim against LBI will be allowed in an amount of approximately $7.5 billion (valued as of September 19, 2008). Taking a November 30, 2012, value date, LBIE values the settled claim in the amount of approximately $8.4 billion made up of cash and securities, and this claim will be augmented by post-filing income of approximately $600 million.
- LBIE's House claim against LBI will be allowed in an amount of exactly $500 million in cash as a customer claim and a further amount of exactly $4.0 billion as a general estate claim. LBI's unsecured claim against LBIE will be eliminated entirely.
- LBI's Client Money claim against LBIE and the former's custodied assets held by LBIE will be assigned to LBIE's nominee and LBIE respectively.
- LBI will create a reserve of exactly $777 million to deal with certain claims into LBIE from Barclays Capital Inc. arising from the LBI/Barclays Asset Purchase Agreement dated September 16, 2008.
- All litigation will cease between the parties and all other claims will be released.
- The settlement is conditional on the following:
  - The elimination of duplicate claims filed by claimants into the LBI estate. This is intended to ensure that no unnecessary reserves are required to be made by LBI that will dilute distributions to customer property claimants and similarly ensure that claimants do not make a double recovery.
  - The Trustee achieving 100% payout on remaining customer property claims.
  - The approval of the Post Filing Income methodology which shares post filing dividends and interest amongst customer property claimants according to the actual securities distributed by LBI.
  - The approval of the Trustee's allocation motion to identify the amount of realizations to be credited as customer property.
  - Receipt of US Bankruptcy Court approval and an order of the English High Court for the LBI/LBIE agreement and US Bankruptcy Court approval for the LBI/LBHI agreement.

SIPA Trustee for Lehman Brothers Inc. Files Preliminary Investigation Report: Lessons Learned and Recommendations to Protect Broker-Dealer Customers

NEW YORK, Aug. 25-- James W. Giddens, the Trustee for the $110 billion liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act (SIPA), today issued his Preliminary Investigation Report on the failure of LBI and recommendations for protecting customers in broker-dealer liquidations.

Mr. Giddens commented: "The Securities Investor Protection Act was designed to protect public customers in the event of a brokerage firm collapse. A disaster on the scale of Lehman Brothers was never contemplated, but for the most part SIPA worked well. Under the most challenging circumstances, SIPA enabled the nearly seamless transfer of 110,000 accounts with $92 billion in assets to solvent broker-dealers – giving the vast majority of Lehman's U.S. brokerage customers' access to their property and ability to trade at a critical time for the financial markets."

The report also says that because Lehman Brothers had not prepared a pre-liquidation disaster plan, concrete provisions for the mechanics of asset transfers were lacking and contributed to the chaos of the Lehman bankruptcy. To avoid a "second Lehman" and protect customers in future SIPA liquidations, the Trustee's report makes eight recommendations that could be implemented by regulation, industry agreement or legislation.

The SIPA Trustee's Preliminary Investigation Report and Recommendations were prepared by his counsel, Hughes Hubbard & Reed LLP, and filed with the U.S. Bankruptcy Court for the Southern District of New York. Among the key findings:

- Prior to the liquidation process, regulators and Lehman's internal compliance function largely did their jobs in supervising LBI's basic operations as a broker-dealer.

- During normal operations, LBI was generally in compliance with regulatory requirements and financial responsibility and customer segregation rules.

- For the most part, SIPA worked well. At a time of great tumult in the financial markets, the provisions of the SIPA statute enabled the nearly seamless transfer of assets representing the vast majority of customer accounts, from Lehman to other broker-dealers. Regrettably, not all LBI customers avoided loss or disruption, and remaining claims are being administered under the largest and most complex SIPA claims process in history.

- Most LBI customer property was intact and accessible as envisaged by the regulations, particularly in the United States. Obtaining property that was or should have been held in foreign depositaries proved more challenging.

- As detailed in the report, the Trustee has been disappointed in the performance and attitudes of many entities that hold LBI property or information. The deeds show a pattern of delay, incomplete information and creation of obstacles. Parties have seemed all too willing to take extreme positions in order to claim a right under what was intended to be customer property or to withhold property clearly belonging to the LBI estate. This has greatly hindered the Trustee's work, resulting in significant added costs and frustrating SIPA's underlying goals.

"After any disaster there are practical lessons to learn," Giddens added. "The brokerage industry seems to have forgotten that its success or failure still depends on the confidence of customers. The sense that customers will be protected and dealt with fairly ought not to be eroded through narrow self-interest."

The Trustee's preliminary report makes eight recommendations for avoiding a "second Lehman":

- Pre-liquidation disaster planning, including a "living will", which would require each broker-dealer to have in place an up-to-date liquidation plan that could be monitored by regulatory authorities.
- Robust pre-liquidation negotiations and provisions on the mechanics of asset transfers, including access to assets, information systems and people.
- Balancing clearing banks' rights and broker-dealers' obligations in order to prevent denial of access to information screens and seizure of what should be segregated customer property.
- Study of clearing agencies' emergency rules, operations and consequences.
- Reconsideration of unitary fund of customer property in favor of funds for different types of accounts.
- Increasing the Securities Industry Protection Corp.'s financial resources, borrowing authority and flexibility.
- Provisions for liquidation of collateral and return of excess or marking to market to cure deficiencies.
- Rational rules for unwinding outstanding non-customer financial transactions.

SIPA requires the Trustee to investigate and report the financial condition and business affairs of the debtor, in this case LBI. A final report will be released at the conclusion of the liquidation proceedings. Today's filing is a preliminary report and can be found at www.lehmantrustee.com.

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The information in this statement does not apply to any other Lehman entity, including separate insolvency proceedings involving Lehman Brothers Holding, Inc. (LBHI) and Lehman Brothers International (Europe) (LBIE).

09/15/2013

Five Year Anniversary of Lehman Brothers Failure
Statement from the Office of the Trustee of Lehman Brothers Inc.

Five years after the Lehman bankruptcy, one of our nation's most catastrophic financial events, it is clear that the system to protect customer property, and particularly the Securities Investor Protection Act (SIPA), worked well to alleviate the effects of a financial catastrophe for tens of thousands of customers and the U.S. capital markets.

The SIPA liquidation of Lehman Brothers Inc. (LBI) will result in 100 percent satisfaction of securities customer claims totaling more than $105 billion. This includes the unprecedented accomplishment of the transfer of 110,000 retail customer accounts within days of the bankruptcy filing, which allowed the continued availability of tens of billions in assets to investors and to the financial system at a time of panic and turmoil.

Success in marshaling assets and reaching settlement agreements with the major Lehman affiliates will also pave the way for future distributions from the general estate to general creditors, including former employees, pension funds, institutions, banks, and Lehman affiliates. The process of analyzing, objecting to, settling, and otherwise resolving the more than 12,000 filed general creditor claims is well advanced.

Investigative Report, Cause of Failure and Recommendations

In August 2010, as part of his statutory duties, the Trustee issued an exhaustive investigation report on the failure of the Lehman broker-dealer. This report, an in-depth look at how the U.S. broker-dealer operated and interfaced with the rest of the Lehman enterprise and other market participants and regulators, was based on over 200 witness interviews and review of massive volumes of documents and information in physical and electronic form.

Consistent with the findings of the U.S. Securities and Exchange Commission and others, the Trustee determined that there was no evidence of fraud or misconduct that precipitated the failure of Lehman. The real cause of Lehman's demise was its business decision to become highly leveraged and enmeshed in risky real estate transactions, leading to a liquidity crisis and an escalating crisis of confidence on the part of counterparties and sources of funding and clearing and other services.

The investigative report also offered recommendations to avoid a similar situation from happening again and to protect customers in future SIPA liquidations that remain relevant five years removed from the September 2008 bankruptcy, including:

- **Customer Protection Regulations Were Followed But There Is Room for Improvement and Greater Clarity In the Rules and Procedures That Apply to Emergency Liquidations.** The Trustee determined that at least until the eve of bankruptcy when panic and confusion set in, LBI's compliance with the regulatory requirements designed for the protection of customer property was good, and the requirements largely had the effect they were supposed to have. The Trustee nevertheless recommended that further assessment could be made of the rules and policies of clearing organizations and the mechanics of account transfers and recovery of customer property in emergency situations.

- **Better Access to Information and Related Disaster Planning Are Needed.** The Lehman experience underscores the need for better information, better planning, and better communication. The Trustee also recommends that future SIPA trustees or other liquidators be provided with continuous, unimpeded access to systems that monitor broker-dealer activity, and that transmission of information by clearing banks and depositories be continued without interruption on the same basis as prior to the SIPA proceeding.

- **Greater Harmonization of Rules Internationally.** The insolvency of Lehman has revealed gaps between the protections afforded to customers in the United States and in other countries. Customers would benefit from greater harmonization of rules governing segregation of customer funds, and binding and enforceable international rules that would establish a reliable framework for resolving disputes should be explored.

The Trustee and his staff are grateful to the Securities Investor Protection Corporation and the Securities and Exchange Commission for their assistance, and to Judge James Peck for his continued oversight throughout the liquidation process.

LexisNexis®

Business Wire

October 1, 2013 Tuesday 7:03 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

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HEADLINE: Lehman Administrators Announce £650M Agreement Which Will Benefit Creditors

DATELINE: NEW YORK

BODY:

The joint administrators of LB Holdings Intermediate 2 Limited (in Administration) (LBHI2) today announced that LBHI2 has entered into a commitment letter and head of terms (the Transaction) with Elliott Management Corporation and certain of its affiliates (Elliott), King Street Capital Management, L.P. and certain of its affiliates (King Street) and Lehman Brothers Holdings Inc. (LBHI) in connection with the claims of LBHI2 in the estate of Lehman Brothers International (Europe) (in administration) (LBIE).

The Transaction provides for an initial payment to LBHI2 of approximately £650,000,000 along with the right to receive future contingent sums. In turn Elliott and King Street, alongside LBHI2 will acquire rights with respect to all of LBHI2's claims against LBIE.

The Transaction also provides for LBHI2 to share in certain claims against the LBIE estate held by Elliott and King Street.

Commenting on the announcement Derek Howell, joint administrator of LBHI2 said:

"I believe that the Transaction represents an excellent outcome for the creditors of LBHI2. Working closely with Elliott and King Street, I am hopeful that it will lead to an early resolution of the outstanding issues between LBHI2, Lehman Brothers Limited (in Administration) (LBL) and LBIE which, in turn, may serve to expedite the final resolution of all three administrations."

LBHI2 is the holder of the subordinated debt in LBIE. LBHI is the ultimate shareholder and indirect significant majority creditor of LBHI2. Elliott and King Street are significant creditors of LBIE.

CONTACT: Media:
For Lehman Brothers Holdings Inc.

David Jetuah, 02072121812
david.jetuah@uk.pwc.com

URL: http://www.businesswire.com

LOAD-DATE: October 2, 2013

LexisNexis®

Business Wire

October 28, 2013 Monday 1:20 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 135 words

HEADLINE: Lehman Brothers Completes Sale of 237 Park Avenue

DATELINE: NEW YORK

BODY:

An entity controlled by an affiliate of Lehman Brothers Holdings Inc. ("Lehman") announced today that it has completed the sale of 237 Park Avenue, a 21-story, 1.2 million square foot Class A office building located near Grand Central Terminal in Midtown Manhattan, to affiliates of RXR Realty ("RXR") and Walton Street Capital, LLC ("Walton Street Capital"). The sale was announced in February.

The sale of 237 Park Avenue by Lehman was made possible by several years of restructuring debt secured by the property followed by a mezzanine foreclosure. This sale enabled Lehman to capitalize on strong current demand for commercial real estate in New York City and deliver significant value to its creditors.

CONTACT: Media Contact:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: October 29, 2013

8 of 56 DOCUMENTS

Business Wire

November 21, 2013 Thursday 2:05 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 432 words

HEADLINE: Joint Venture Planned to Facilitate Resolution of LBIE Claims

DATELINE: NEW YORK

BODY:

Lehman Brothers Holdings Intermediate 2 Ltd. ("LBHI2"), Lehman Brothers Holdings Inc. ("LBHI"), Elliott Management Corporation ("Elliott") and King Street Capital Management, L.P. ("KS" and together with Elliott, the "Funds") entered into commitment letters, subject to final documentation, to create a strategic joint venture (the "Joint Venture") that aligns their interests in Lehman Brothers International (Europe) (in administration) ("LBIE").

LBHI2 will contribute to the Joint Venture the economic interests of its senior and subordinated claims (approximately GBP 1.3 billion) against and preferred equity in LBIE. The Funds will pay approximately GBP 650 million to LBHI2 and contribute to the Joint Venture the distributions on their claims against LBIE (equaling approximately GBP 2.6 billion as of September 30, 2013) in excess of the principal amount plus post-administration interest at 8% per year.

The Joint Venture includes a joint recovery pool which is governed by a specified sharing formula. Distributions from the recovery pool will be made to LBHI2 and the Funds either out of the recovery pool, or based on certain contractual arrangements among the parties and certain of their affiliates, on a quarterly basis as follows: (i) the first GPB 650 million will be paid to the Funds; (ii) the next GBP 650 million (plus interest) will be split 70% to the Funds and 30% to LBHI2; (iii) the next GBP 900 million (plus interest) will be split 50%/50% between the Funds and LBHI2; and (iv) any additional distributions will be split 75% to LBHI2 and 25% to the Funds.

The Parties have also agreed through the Joint Venture to collaborate on a wide range of matters pertaining to LBIE.

Neither LBHI nor LBHI2 may encourage, negotiate, or accept any offers or proposals from any other party relating to the Joint Venture or any similar transaction. LBHI and LBHI2 are obligated to advise each of the Funds of any offer or proposal relating to a competing transaction that may be received.

The rights and obligations of the parties under the commitment letters will terminate on January 31, 2014, subject to extension to February 28, 2014 in certain circumstances.

A more detailed summary of the terms of the parties' commitments and the Joint Venture is available at www.lehman-docket.com in the key documents section.

There can be no assurance that the Joint Venture will be completed. Even if completed, the final terms of the Joint Venture may differ from the terms described above.

CONTACT: Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: November 22, 2013

Business Wire

January 23, 2014 Thursday 6:38 PM GMT

DISTRIBUTION: Business Editors; Financial Editors; Legal Editors

LENGTH: 151 words

HEADLINE: LBHI Seeks Approval of Settlement for Resolution of Fannie Mae Claims

DATELINE: NEW YORK

BODY:

The Plan Administrator for Lehman Brothers Holdings Inc. ("LBHI") filed a motion today seeking approval of a settlement agreement among LBHI, Aurora Commercial Corporation, Aurora Loan Services and Federal National Mortgage Association ("Fannie Mae") resolving all of the disputes among the parties and granting Fannie Mae an allowed claim in the LBHI bankruptcy case in the amount of $2.15 billion. As part of the settlement, LBHI retains the opportunity under certain circumstances to reduce the cost of this claim by pursuing recoveries from certain third party mortgage originators and sellers. Effectiveness of the agreement is subject to bankruptcy court approval.

The motion contains a more detailed summary of the terms of settlement and is available at www.lehman-docket.com (Docket number 42153).

CONTACT: Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: January 24, 2014

LexisNexis®

Business Wire

January 31, 2014 Friday 5:04 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 113 words

HEADLINE: Completion of Joint Venture to Facilitate Resolution of LBIE Claims

DATELINE: NEW YORK

BODY:

Lehman Brothers Holdings Inc. ("LBHI") announced today that the joint administrators of LB Holdings Intermediate 2 Limited (in Administration), LBHI, Elliott Management Corporation and King Street Capital Management, L.P. entered into definitive documentation and consummated the Joint Venture that was previously announced on November 21, 2013. The Joint Venture aligns their interests in Lehman Brothers International (Europe) (in administration), as more fully described in the November Press Release, which can be found in the key documents section of www.lehman-docket.com .

CONTACT: Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: February 1, 2014

March 27, 2014 Thursday 12:55 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 247 words

HEADLINE: Fifth Distribution Percentages Announced for Lehman Brothers Holdings Inc. and Its Debtor Affiliates

DATELINE: NEW YORK

BODY:

Lehman Brothers Holdings Inc. announced today in a court filing the percentage recovery that will be distributed on April 3, 2014 to holders of allowed claims against various Lehman Debtors.

Lehman's fifth distribution to creditors pursuant to its confirmed chapter 11 plan will total approximately $17.9 billion. This distribution includes (1) approximately $11.7 billion of payments on account of third-party claims, which includes non-controlled affiliate claims, (2) $5.1 billion of payments among the Lehman Debtors and their controlled affiliates, and (3) $1.1 billion of payments on account of recently allowed third-party claims that would have been paid had those claims been allowed at the time of the previous distributions (see Exhibit B to the court filing, Docket # 43745 , for further detail).

In accordance with the chapter 11 plan, which was confirmed on December 6, 2011, and subject to available funds, the Lehman Debtors' sixth distribution to creditors is anticipated to be made within 5 business days of September 30, 2014.

The chapter 11 plan, related disclosure statement and other filings, including the filing referred to above, can be found at www.lehman-docket.com in the "Key Documents" section. Questions relating to the distribution can be directed to the Debtors' claims agent, Epiq Systems, Inc., at 1-866-879-0688 (U.S.) and 1-503-597-7691 (Non-U.S.).

CONTACT: Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: March 28, 2014

Business Wire

June 1, 2014 Sunday 12:14 AM GMT

DISTRIBUTION: Business Editors; Travel & Hospitality Writers; Legal Editors

LENGTH: 414 words

HEADLINE: Lehman SubsidiaryCommences VoluntaryChapter 11Proceeding for Canyon Ranch Living Miami Hotel;; Enters into"Stalking Horse"SaleAgreement

DATELINE: NEW YORK

BODY:

FL 6801 Spirits LLC, a wholly owned subsidiary of Lehman Brothers Holdings Inc. ("Lehman"), and three of its wholly owned subsidiaries (collectively "FL Spirits") have elected to file voluntary Chapter 11 petitions today in the United States Bankruptcy Court for the Southern District of New York (the "Court") seeking bankruptcy protection for its condominium hotel property in Miami Beach that is operated and managed as a Canyon Ranch Living Hotel and Spa.

FL Spirits has also filed a motion to pursue a sale process under Section 363 of the Bankruptcy Code. To this end, FL Spirits has entered into an acquisition agreement with a "stalking horse" bidder, 360 Miami Hotel & Spa LLC. Upon a successful closing of the transaction, the project will be managed by the Enchantment Group, a premier operator of award-winning resorts and destination spas, including Mii amo, a destination spa at Enchantment Resort. Under the proposed agreement, the purchaser will acquire the hotel lot (including the spa) and 13 condominium units for $12 million subject to higher and better offers. The sale agreement contemplates a Court-supervised auction process, which is designed to achieve the highest or best offer for FL Spirits' assets. The agreement with the purchaser sets the floor, or minimum acceptable bid, and is subject to Bankruptcy Court approval and certain other conditions.

The current operator of the hotel, Canyon Ranch Living, is not a debtor, and operations at the property are expected to continue without interruption, during and after any court-approved sale and closing. Canyon Ranch Living is not affiliated with Lehman and is managing the hotel and condominium facilities pursuant to a management contract.

The court filing related to the petition and sale process can be found at http://cases.primeclerk.com/flspirits (Docket #14-11691).

CONTACT: Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

URL: http://www.businesswire.com

LOAD-DATE: June 2, 2014

Business Wire
A Berkshire Hathaway Company

Lehman Brothers Holdings Inc. to Explore Opportunities to Monetize Portions of General Unsecured Claims against Lehman Brothers Inc.

August 28, 2014 08:10 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc. ("Lehman") announced today that it intends to explore monetization opportunities related to certain remaining allowed general unsecured claims against Lehman Brothers Inc. held by Lehman and certain of its controlled affiliates. There is no assurance that Lehman will proceed with any such opportunities. Lehman is represented in its chapter 11 cases by Weil, Gotshal & Manges LLP.

Contacts

Media:
Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

Business Wire
A Berkshire Hathaway Company

Eighth Distribution Percentages Announced for Lehman Brothers Holdings Inc. and Its Debtor Affiliates

September 24, 2015 07:14 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc., as Plan Administrator, announced today in a court filing the percentage recovery that will be distributed on October 1, 2015 to holders of allowed claims against Lehman Brothers Holdings Inc. and its various affiliated Debtors (collectively "Lehman").

Lehman's aggregate eighth distribution to unsecured creditors pursuant to its confirmed chapter 11 plan will total approximately $5.8 billion. This distribution includes (1) $4.8 billion of payments on account of third-party claims, which includes non-controlled affiliate claims, and (2) $1 billion of payments among the Lehman Debtors and their controlled affiliates (see Exhibit B to the court filing, Docket # 50984, for further detail). Cumulatively through the eighth distribution, Lehman's total distributions to unsecured creditors will amount to approximately $105.4 billion including (1) $77.2 billion of payments on account of third-party claims, which includes non-controlled affiliate claims and (2) $28.2 billion of payments among the Lehman Debtors and their controlled affiliates.

In accordance with the chapter 11 plan, which was confirmed on December 6, 2011, and subject to available funds, the Lehman Debtors' ninth distribution to creditors is anticipated to be made within 5 business days of March 30, 2016.

The chapter 11 plan, related disclosure statement and other filings, including the filing referred to above, can be found at www.lehman-docket.com in the "Key Documents" section. Questions relating to the distribution can be directed to the Debtors' claims agent, Epiq Systems, Inc., at 1-866-879-0688 (U.S.) and 1-503-597-7691 (Non-U.S.).

Contacts

Lehman Brothers Holdings Inc.
Kimberly Macleod, 646-285-9215
kmacleod@lehmanholdings.com

777 THIRD AVENUE, NEW YORK, NY 10017
WWW.EPIQSYSTEMS.COM

THIS IS A NOTICE REGARDING YOUR CLAIM(S) AGAINST LEHMAN BROTHERS HOLDINGS INC. OR ONE OF ITS AFFILIATES.

FAILURE TO TAKE ACTION COULD RESULT IN THE FORFEITURE OF YOUR DISTRIBUTION(S).

You are a record holder of an allowed claim against **Lehman Brothers Holdings Inc.** or one of its affiliated debtors (collectively, the "Debtors").

You are eligible to receive a distribution pursuant to the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan").

IN ORDER TO RECEIVE DISTRIBUTIONS, YOU MUST PROVIDE:

(1) your taxpayer identification number on an appropriate tax form ("Tax Form") and

(2) a certification regarding the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Certification")

to the court-appointed agent in the Debtors' chapter 11 cases, at one of the following addresses.

If by first-class mail:	If by Hand Delivery or Overnight mail:
Lehman Brothers Holdings Claims Processing c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076	Epiq Bankruptcy Solutions, LLC Attn: Lehman Brothers Holdings Inc. 777 Third Avenue, 12th Floor New York, NY 10017

Your Tax Form and OFAC Certification must be received to avoid forfeiture of your distributions.

Please follow the instructions on the following pages to submit your Tax Form and OFAC Certification.

1. TAX FORM REQUIRED

ALL FORMS W-8 AND W-9 PROVIDED TO EPIQ MUST INCLUDE THE APPLICABLE CLAIM NUMBER(S) IN THE BOTTOM LEFT CORNER OF THE APPROPRIATE FORM.[1]

If you are a U.S. payee, complete and return the attached Form W-9.

If you are a foreign payee, complete and return the appropriate Form W-8 (one of Form W-8BEN, Form W-8ECI, Form W-8EXP, or Form W-8IMY, as applicable) (including all required attachments, as discussed below under the heading "Supplemental Tax Information").

Form W-8 and instructions are available at www.irs.gov, www.lehman-docket.com, or upon request to lehmancallcenter@epiqsystems.com.

Additional information regarding the Tax Forms is attached hereto under the heading "Supplemental Tax Information."

It is important to note that submission of a Tax Form does not indicate or guarantee that distributions will be made free of any withholding tax. The Debtors will determine their information reporting and withholding tax obligations, if any, for each distribution and each payee based on applicable rules. Federal withholding tax rates of up to 30% may apply.

2. CERTIFICATION REQUIRED CONFIRMING THAT NO ECONOMIC OR TRADE SANCTIONS APPLY

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions against certain governments, entities and natural persons based on U.S. foreign policy and national security goals. There are (i) country-wide sanctions programs and (ii) a list of Specially Designated Nationals and Blocked Persons (the "List"), which may be found for review on the web site maintained by OFAC at www.treasury.gov, and at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx.

Under OFAC regulations, the Debtors cannot directly or indirectly make a distribution to anyone who is on the List or with whom transactions are prohibited because of a country sanction. Accordingly, the Debtors require, as a condition of a distribution, the completion of the attached OFAC Certification.

In order to receive any distribution to which you otherwise may be entitled, you must complete and submit your completed OFAC Certification confirming that neither you nor, to the best of your knowledge, any person or entity for whom you may be acting or who may be the beneficial owner of the applicable claim(s), security/(ies), or interest(s) is a person or entity with whom it is illegal for a U.S. person to transact under the OFAC sanctions regulations and the List.

The Debtors **will not** make any distribution to a party that has not provided and updated, as applicable, an OFAC Certification. If you have returned the OFAC Certification already, you do not need to return it again.

If you have any questions regarding your claim or this request, please contact Epiq at **866-879-0688 (non-US: +1 503-597-7691).**

[1] If you are submitting a Form W-8IMY, the claim number(s) of a beneficial owner may be listed on the attached Form W-8 or W-9, or on the withholding statements.

SUPPLEMENTAL TAX INFORMATION

The following discussion provides additional information concerning the type of Tax Form to be provided based on the nature of the payment and the status of the payee.

A. **U.S. Payees** If you are a U.S. payee (generally, a U.S. citizen or resident, or an entity created or organized under U.S. law), you should provide a Form W-9. Although certain entities are exempt from backup withholding under the Treasury regulations without providing a form, we are requiring all U.S. payees to submit a Form W-9 to assist with processing distributions.

B. **Foreign Payees** If you are a foreign payee (generally, a non-resident alien individual or entity created under non-U.S. law), the Tax Form you need to submit may depend on the type of income which the claim produced, or could have produced, for U.S. federal income tax purposes.

> 1. Foreign Source Income The Debtors generally will not make a distribution with respect to a claim which produced, or could have produced, foreign source income (as determined for U.S. federal income tax purposes) (e.g., a payment by a guarantor on a debt obligation of a foreign corporation) unless the payee provides an appropriate Form W-8. Certain entities are exempt from backup withholding and information reporting, as provided in Treasury regulation section 1.6049-4(c)(1) ("exempt recipients"). For this purpose, the Debtors intend to treat a foreign payee which is a flow-through entity, or is acting as an intermediary, as an exempt recipient unless the Debtors have actual knowledge that that the beneficial owner is a U.S. person who is not an exempt recipient. If the Debtors treat a foreign payee as an exempt recipient under the foregoing sentence, then the foreign payee can submit Form W-8IMY without attaching Forms W-8 or W-9 of its beneficial holders and a withholding statement.
>
> 2. U.S. Source Income The Debtors generally will not make a distribution with respect to a claim which produced, or could have produced, U.S. source income (as determined for U.S. federal income tax purposes) (e.g., a payment by a U.S. corporation with respect to its own debt) to a foreign payee unless the payee provides the appropriate Form W-8. Further, if a foreign payee is acting as an intermediary, except to the extent such payee is treated as a "qualified intermediary" under applicable Treasury regulations, Form W-8IMY must be submitted with (i) the Forms W-8 or W-9 of its beneficial holders and (ii) a withholding statement. Similar rules with respect to the Form W-8IMY apply to payments to foreign partnerships. Payments of U.S. source income to foreign payees may be subject to U.S. withholding tax, unless such income is exempt under U.S. tax law or an applicable U.S. income tax treaty.

C. **Additional Information** The preceding discussion is for general information purposes only and is not intended, and should not be construed as, tax advice. The circumstances surrounding specific claims or creditors may (i) require the submission of additional information or (ii) provide alternative exemptions or reductions in withholding tax. Creditors entitled to distributions under the Plan should consult their tax advisors regarding applicable U.S. federal withholding tax laws as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. The Debtors reserve the right to request additional information from creditors in order to determine the appropriate information reporting or withholding tax under applicable law.

CERTIFICATION REGARDING STATUS
(OFAC Certification)

Creditor Name:
Claim Number(s):

I, the undersigned, am the above-referenced creditor, or an authorized signatory for the above-referenced creditor (the "Creditor"), and hereby certify that neither the Creditor nor, to the best of the Creditor's knowledge, any person or entity for whom the Creditor may be acting or who may be the beneficial owner of the applicable claim(s), security/(ies), or interest(s) is a person or entity with whom it is illegal for a U.S. person to transact under the OFAC sanctions regulations and the list of Specially Designated Nationals and Blocked Persons.

Dated: ________________________

____
Signature

____
Print Name

____
Title (if applicable)

IMPORTANT NOTICE

To the Holders of the
Lehman Brothers Holdings Inc. Senior Notes listed below

On March 6, 2012, the Effective Date was declared for the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan"), dated December 5, 2011.[1]

In accordance with sections 1.48 and 8.3 of the Plan, the next distribution will commence on or about October 1, 2015.

Set forth on the attached Schedule A is the rate of cash in U.S. Dollars to be allocated in the next distribution per 1,000 of principal amount for each issue of senior notes to which this notice pertains.

Copies of the Plan, the Plan Supplement, the court order approving the Plan, and related documents are available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. Information is also available for registered users of the Bankruptcy Court's filing system by accessing the Bankruptcy Court's website (www.nysb.uscourts.gov) and for all parties at www.lehman-docket.com.

This notice is given by:
Lehman Brothers Holdings Inc., as Plan Administrator
September 28, 2015

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

SCHEDULE A

ISIN	Rate per 1,000 of Principal Amount	Percentage of Principal Amount Being Paid in the Distribution
XS0073472606	0.227372	2.415941%
XS0082350587	0.007932	2.457244%
XS0128857413	34.549521	2.434865%
XS0138439616	33.990345	2.395458%
XS0151868444	33.910088	2.389801%
XS0167792026	39.594769	2.872210%
XS0178222179	23.816649	2.381665%
XS0179304869	34.002163	2.396290%
XS0181712364	0.224928	2.389972%
XS0183944643	34.862438	2.456918%
XS0185590139	0.224752	2.388102%
XS0189741001	34.143667	2.406263%
XS0193035358	33.916874	2.390280%
XS0196298219	32.106254	2.381665%
XS0205185456	33.965934	2.393737%
XS0210414750	44.077307	2.457683%
XS0213899510	34.497715	2.431214%
XS0224346592	34.068188	2.400944%
XS0224535483	43.209467	2.409293%
XS0247679573	34.229461	2.412309%
XS0252834576	34.286123	2.416302%
XS0252835110	33.998224	2.396013%
XS0254171191	33.929262	2.391153%
XS0257022714	33.809433	2.382708%
XS0262321986	3.558298	2.398239%
XS0272543900	34.046453	2.399412%
XS0282937985	33.997222	2.395942%
XS0288056913	29.487211	2.550804%
XS0288579260	33.842283	2.385023%
XS0289254509	29.780848	2.576564%
XS0289619529	3.540377	2.386161%
XS0290041960	29.804538	2.568178%
XS0290745180	29.880190	2.564383%
XS0291967296	1.129166	2.407743%
XS0299141332	44.356996	2.473278%
XS0300055547	33.967575	2.393853%
XS0307745744	34.173928	2.408396%
XS0326006540	35.455431	2.498709%
XS0345259435	23.816649	2.381665%
XS0348395814	16.733174	2.388242%
XS0362467150	43.912010	2.448466%

IMPORTANT NOTICE

To the Holders of the
Lehman Brothers Holdings Inc. Senior Notes listed below

On March 6, 2012, the Effective Date was declared for the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan"), dated December 5, 2011.[1]

In accordance with sections 1.48 and 8.3 of the Plan, the next distribution will commence on or about October 1, 2015.

Set forth below is the rate of cash in U.S. Dollars to be allocated in the next distribution per 1,000 of principal amount for each issue of senior notes to which this notice pertains.

ISIN	Previous Temporary ISINs	10/15 Temporary ISIN	Rate per 1,000 of Principal Amount	Percentage of Principal Amount Being Paid in the Distribution
CA524908PR55	**04/12:** CA5249088A13 **10/12:** CA5249088Z63 **04/13:** CA5249089X07 **10/13:** CA5249089Z54 **04/14:** CA5249089D43 **10/14:** CA5249089H56 **04/15:** CA5249089M42	CA5249089Y89	22.595433	2.414209%
CA524908TV22	**04/12:** CA5249089T94 **10/12:** CA5249089U67 **04/13:** CA5249088B95 **10/13:** CA5249088C78 **04/14:** CA5249089E26 **10/14:** CA5249089G73 **04/15:** CA5249089K85	CA5249089W24	22.326878	2.385515%
CA524908VR81	**04/12:** CA5249089V41 **10/12:** CA5249089W24 **04/13:** CA5249089Y89 **10/13:** CA5249088D51 **04/14:** CA5249089F90 **10:14:** CA5249089J13 **04/15:** CA5249089L68	CA5249089X07	22.374114	2.390562%

Copies of the Plan, the Plan Supplement, the court order approving the Plan, and related documents are available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. Information is also available for registered users of the Bankruptcy Court's filing system by accessing the Bankruptcy Court's website (www.nysb.uscourts.gov) and for all parties at www.lehman-docket.com.

This notice is given by:
Lehman Brothers Holdings Inc., as Plan Administrator
September 28, 2015

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

IMPORTANT NOTICE

To the Holders of the
Lehman Brothers Holdings Inc. Senior Notes listed below

On March 6, 2012, the Effective Date was declared for the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan"), dated December 5, 2011.[1]

In accordance with sections 1.48 and 8.3 of the Plan, the next distribution will commence on or about October 1, 2015.

Set forth below is the rate of cash in U.S. Dollars to be allocated in the next distribution per 1,000 of principal amount for each issue of senior notes to which this notice pertains.

ISIN	Rate per 1,000 of Principal Amount	Percentage of Principal Amount Being Paid in the Distribution
XS0336095749	18.909020	2.381665%

Copies of the Plan, the Plan Supplement, the court order approving the Plan, and related documents are available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. Information is also available for registered users of the Bankruptcy Court's filing system by accessing the Bankruptcy Court's website (www.nysb.uscourts.gov) and for all parties at www.lehman-docket.com.

This notice is given by:
Lehman Brothers Holdings Inc., as Plan Administrator
September 28, 2015

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

IMPORTANT NOTICE

To the Holders of the
Lehman Brothers Holdings Inc. Senior Notes listed below

On March 6, 2012, the Effective Date was declared for the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan"), dated December 5, 2011.[1]

In accordance with sections 1.48 and 8.3 of the Plan, the next distribution will commence on or about October 1, 2015.

Set forth below is the rate of cash in U.S. Dollars to be allocated in the next distribution per 1,000 of principal amount for each issue of senior notes to which this notice pertains.

ISIN	Rate per 1,000 of Principal Amount	Percentage of Principal Amount Being Paid in the Distribution
CH0026915527	21.377497	2.396311%
CH0026985082	21.736701	2.436575%

Copies of the Plan, the Plan Supplement, the court order approving the Plan, and related documents are available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. Information is also available for registered users of the Bankruptcy Court's filing system by accessing the Bankruptcy Court's website (www.nysb.uscourts.gov) and for all parties at www.lehman-docket.com.

This notice is given by:
Lehman Brothers Holdings Inc., as Plan Administrator
September 28, 2015

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

Lehman Brothers Inc. Trustee Releases Preliminary Realization Report

Liquidation at the Point of Substantial Completion; Efforts Continue to Minimize General Estate Losses

New York, February 23, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act (SIPA) and chair of the Hughes Hubbard and Reed Corporate Reorganization and Bankruptcy Group, today filed a Preliminary Realization Report with the Bankruptcy Court that represents a milestone in winding-down the estate and substantially concludes the Trustee's SIPA-mandated investigative duties.

The report assesses what assets were available for customers and creditors on September 19, 2008 (the Filing Date) versus the assets realized by the Trustee during the course of the liquidation. The report details the progress made in administering the LBI estate, including paying customers in full and making substantial distributions to general creditors. The report also explains why allowed unsecured creditor claims exceed available assets and will not be fully satisfied.

"This report signifies that winding-down the estate continues in earnest and that the liquidation is at a point of substantial completion," Giddens said. "Over the course of this liquidation, we have pursued every legal avenue to recover assets that we believe belong to the estate. While efforts continue to marshal assets, unsecured losses have resulted from factors specific to the historic failure of the Lehman enterprise and Barclays' acquisition of some but not all parts of LBI's business and select customer accounts."

By marshaling assets owed to the LBI estate through litigation, settlements and a careful process of securities sales, the Trustee has decreased the potential amount of unsecured losses. General estate assets are at least $15.2 billion less than the assets available as of the Filing Date, and, pending certain litigation outcomes, the loss may increase.

The largest cause of existing and potential losses was the emergency transaction with Barclays negotiated in the days and hours before the liquidation whereby Barclays acquired a select group of high-value brokerage accounts and certain parts of the LBI business. Assets already paid to Barclays and additional assets potentially owed have significantly diminished amounts available for additional distributions to unsecured general creditors. In addition to the Barclays transaction, two additional factors have contributed to the unsecured losses:

1. On the Filing Date, LBI's valuation of assets exceeded their realizable market position. These losses from book values were exacerbated by forced liquidation of firm positions during the historically turbulent market of late 2008 when counterparties availed themselves of the Safe Harbor provisions of the Bankruptcy Code.

2. Prior to bankruptcy, LBI was a hub among the 2,600 affiliates of the worldwide Lehman enterprise. With nearly all affiliates in bankruptcy or similar proceedings around the world, the realized value of all investments in affiliates and affiliate receivables became substantially less than book value. At the same time, claims from affiliates, with both customer and general unsecured status, have proven to be far in excess of the anticipated book value as of the filing date.

As explained in the Report, the Trustee and his team have reconciled 140,000 claims and administered more than $121.7 billion dollars. Approximately $117 billion – nearly all of the assets administered – have been or are in the process of being distributed. Customer, secured, priority and administrative claims have been 100 percent satisfied.

On February 19, 2015, the Bankruptcy Court approved a second interim distribution of $2.2 billion to unsecured general creditors that will bring total distributions to 27 percent for these claimants. Together, the customer and general creditor distributions represent the largest distributions across the worldwide Lehman insolvency proceedings and far exceed the expected recoveries at the outset of the liquidation.

"When this liquidation began, the possibility of a general estate was in doubt, and the fact that general creditors now stand to receive 27 percent of their allowed claims is a significant achievement," added Giddens.

The results in this liquidation could not have been achieved without the oversight of the Court, Judges Peck and Chapman, and the Securities Investor Protection Corporation, as well as the advice and support of the United States Securities and Exchange Commission, the Federal Reserve Bank of New York, the Commodity Futures Trading Commission, and the Financial Industry Regulatory Authority.

Realization Reports are often published at the end of a liquidation. With substantial progress in winding-down the estate, the Trustee determined a report at this time would be informative to the Court, creditors, regulators and policy makers.

Media Contact
Jake Sargent, (202) 569-5086

Statement from the Office of James W. Giddens, Liquidation Trustee for Lehman Brothers Inc., on Federal Appeals Court Barclays Litigation Ruling

August 5, 2014 - The U.S. Court of Appeals for the Second Circuit today affirmed the U.S. District Court's ruling regarding certain assets in dispute with Barclays Capital Inc. following the sale of the Lehman brokerage business, Lehman Brothers Inc. (LBI), to Barclays in September 2008.

"We are studying the decision closely," James W. Giddens, the Liquidation Trustee for LBI said. "Our focus remains on winding-down the estate, making distributions from the general estate as promptly as possible and protecting claimants' interests and due process rights."

The Trustee has appropriately reserved for the Appeals Court decision. The decision does not impact distributions already completed, underway and planned for, including the full satisfaction of customer claims and secured and priority general creditor claims. Distributions to customers totaled more than $105 billion, making it the largest customer distribution in history and the largest distribution of any kind across the worldwide Lehman insolvency proceedings. The decision also does not impact the planned first interim distribution to unsecured general creditors with allowed claims.

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Lehman Brothers Inc. Trustee Receives Court Approval for Second Interim Distribution for Unsecured Creditors

$2.2 Billion in Distributions Expected to Begin in Mid-March

New York, NY, February 19, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act and chair of the Hughes Hubbard and Reed Corporate Reorganization and Bankruptcy Group, today received Bankruptcy Court approval to initiate the second interim distribution to unsecured general creditors with allowed claims. In January 2015, the Trustee allocated approximately $2.2 billion for allowed unsecured general creditor claims.

"We are moving ahead with our second multi-billion distribution to unsecured general creditors as we continue winding down the LBI estate," Giddens said. "We will work toward additional distributions while maintaining appropriate reserves and protecting claimants' interests and due process rights."

The Trustee has distributed more than $3.7 billion to LBI's creditors since July 2014. With a second interim distribution of $2.2 billion, unsecured general creditors will achieve an approximately 27 percent payout on allowed claims. Distributions are expected to begin the second week of March, pending final Court orders. Claimants include former employees, pension funds, institutions, banks, and Lehman affiliates.

In total, customers have received more than $106 billion, fully satisfying the 111,000 customer claims. Secured, priority, and administrative creditors have also received 100 percent distributions. Together, the customer and general creditor distributions represent the largest distributions across the worldwide Lehman insolvency proceedings. The Trustee's principal focus is now to resolve remaining claims and make further general creditor distributions in order to close the estate as promptly as possible.

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202-569-5086

Stage Set for Lehman Brothers Inc. Trustee to Make First Unsecured General Creditor Interim Distribution

Court Approval of Order Continues Progress in Winding Down the LBI Estate

July 30, 2014 – The United States Bankruptcy Court for the Southern District of New York, the Honorable Shelley C. Chapman presiding, today granted an order allowing James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, to move toward making a first interim distribution to unsecured general creditors with allowed claims.

"This order enables a distribution to unsecured general creditors," said Giddens. "That such a distribution is even possible represents an extraordinary achievement that was far from certain when the liquidation began. As we continue to wind-down the estate, our focus remains on maximizing assets available for distribution and protecting claimants' interests and due process rights."

The order caps the maximum potentially allowable amounts for unresolved unsecured general creditor claims. The order also allows the establishment of an unsecured claims reserve. These steps are necessary components of the Trustee's overall plan to begin distributions to unsecured general creditors.

The Court also approved the settlement agreement between LBI and Lehman Brothers Securities Asia Limited (Hong Kong), which will result in the return of more than $70 million to the LBI general estate.

The LBI general estate currently has more than $3 billion available to both make an interim distribution and reserve an appropriate amount to protect the interests and due process rights of the holders of unresolved claims. The exact amount that will be distributed will be determined based on an analysis of the estate's assets and liabilities at the time of the distribution. The Trustee expects the distribution will begin in early September.

At the outset of the LBI liquidation, the extent of customer distributions was unknown and the potential for a general estate was in doubt. Allowed customer claims have now been paid in full, and a significant general estate is available for distribution.

- To date, more than $105 billion has been distributed to 111,000 former LBI customers. This is the largest customer distribution in bankruptcy history and the largest distribution of any kind across the worldwide Lehman insolvency proceedings.

- More than $240 million is in the process of being distributed to fully satisfy the allowed claims of secured and priority general creditors, the vast majority of which are former employees of LBI.

- A first interim distribution to unsecured general creditors would be made to holders of allowed unsecured claims, including those held by former employees, pension funds, institutions, banks, and Lehman affiliates.

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###

Lehman Brothers Inc. Trustee Initiates Second Interim Distribution for Unsecured Creditors

$2.2 Billion in Distributions Beginning Today

New York, NY, March 10, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act and chair of the Hughes Hubbard & Reed LLP Corporate Reorganization and Bankruptcy Group, initiated the second interim distribution to unsecured general creditors with allowed claims by wiring more than $2 billion to claimants today. Distributions from the LBI estate will now total $112 billion, the largest distributions across the worldwide Lehman insolvency proceedings.

"The second multi-billion dollar distribution to general creditors is underway with more than 90 percent of our allocated funds being wired today," Giddens said. "We are committed to resolving remaining disputed claims and pursuing necessary litigation to efficiently maximize further distributions and successfully conclude the largest broker-dealer liquidation in history."

In February 2015, the Bankruptcy Court approved the Trustee's motion for a second interim distribution with an allocation of $2.2 billion. Remaining distributions from allocated funds will proceed as required tax forms are received.

The Trustee has distributed approximately $5.9 billion to LBI's creditors since July 2014. With this second interim distribution, unsecured general creditors will achieve an approximately 27 percent payout on allowed claims. Customers have received more than $106 billion, fully satisfying the 111,000 customer claims. Secured, priority, and administrative creditors have also received 100 percent distributions.

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Lehman Brothers Inc. Trustee Initiates Third Interim Distribution to Unsecured Creditors
$1.75 Billion in Distributions Beginning Today

New York, NY, September 9, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act and chair of the Hughes Hubbard & Reed LLP Corporate Reorganization and Bankruptcy Group, initiated the third interim distribution to unsecured general creditors with allowed claims today by wiring and sending checks totaling $1.75 billion to claimants. Distributions from the LBI estate will now total $114 billion, the largest distributions across the worldwide Lehman insolvency proceedings.

"The third multi-billion dollar distribution to general creditors is underway as winding down the estate moves ahead," Giddens said. "We will continue to resolve remaining claims to maximize potential future distributions and successfully conclude the largest broker-dealer liquidation in history."

In August 2015, the Bankruptcy Court approved the Trustee's motion for a third interim distribution with an allocation of $1.9 billion. More than 90 percent of the allocated funds for the third interim distribution are being distributed this week, and distributions will continue as necessary tax forms are received. The cumulative payout on allowed claims of unsecured general creditors now totals 35 percent.

The Trustee has distributed approximately $7.65 billion to LBI's creditors since July 2014. Customers have received more than $106 billion, fully satisfying the 111,000 customer claims. Secured, priority, and administrative creditors have also received 100 percent distributions.

The Trustee is represented by Hughes Hubbard & Reed LLP.

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Lehman Brothers Inc. Trustee Initiates First Interim Distribution for Unsecured Creditors
$2.6 Billion in Distributions Will Begin to be Received Wednesday

New York, NY, September 9, 2014 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, today initiated the first interim distribution to unsecured general creditors with allowed claims. In August 2014, the Trustee allocated approximately $3.5 billion for allowed unsecured general creditor claims.

"We are right on schedule to distribute billions of dollars to unsecured general creditors and continue winding down the LBI estate," Giddens said. "As this first interim distribution is completed, we can expect additional distributions to unsecured general creditors, while maintaining appropriate reserves and protecting claimants' interests and due process rights."

Claimants will begin to receive approximately $2.6 billion, or 75 percent of the amount allocated for the first interim distribution, tomorrow. Distributions will continue on a rolling basis as required tax forms are received. This first interim distribution equals17 percent of the total amount of allowed unsecured general creditor claims. Claimants include former employees, pension funds, institutions, banks, and Lehman affiliates.

At the outset of the LBI liquidation, the extent of customer distributions was unknown and the potential for a general estate was in doubt. Customer claims have been paid in full, and now with this first interim distribution, more than $110 billion will have been distributed from the LBI estate to customers and general creditors. This represents the largest distribution across the worldwide Lehman insolvency proceedings and is among the largest distributions in a bankruptcy or liquidation proceeding in history.

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LBI Trustee Files U.S. Supreme Court Petition for Writ of Certiorari Over $4 Billion Asset Sale Dispute with Barclays

New York, NY, December 15, 2014 - James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act (SIPA), is today filing a petition for writ of certiorari with the U.S. Supreme Court seeking review of lower court rulings that awarded margin cash assets to Barclays (NYSE: BCS) contrary to the Bankruptcy Code and the Due Process clause of the U.S. Constitution.

"This petition is consistent with my fiduciary duty as Trustee to protect the interests of customers and creditors, and it seeks to uphold the protections of the Bankruptcy Code and the Due Process clause of the U.S. Constitution," Giddens said.

"While the Bankruptcy Court rightly rejected Barclays' claims to the margin cash assets, the decisions by the District and Appeals Courts reduced the amount available for the general estate by $4 billion, frustrated the purpose of the liquidation, and undermined the credibility of a sale hearing," Giddens continued.

Barclays purchased Lehman's brokerage business following a Section 363 hearing in Bankruptcy Court that began on September 19, 2008. During the hearing, the parties to the transaction made repeated and unambiguous representations that "no cash" was to be included in the sale. These representations were the basis for all parties, including the Securities Investor Protection Corporation, assenting to the transaction and the Bankruptcy Court approving the transaction. Despite this, more than a year later, Barclays claimed that a post-transaction "clarification letter," which was never subject to notice, hearing or Bankruptcy Court approval as required by Section 363, entitled it to $4 billion in margin cash assets.

The same Bankruptcy Court judge who oversaw the Section 363 hearing later conducted an exhaustive 34-day trial over Barclays' disputed claim to these assets. The judge heard extensive testimony and evidence, concluded that "no cash" meant "no cash," and denied Barclays' $4 billion request.

The U.S. District Court for the Southern District of New York and the U.S. Court of Appeals for the Second Circuit held otherwise, permitting the subsequent "clarification letter" to trump the conflicting, express representations on which the Bankruptcy Court relied to approve the sale in the first place.

A Section 363 hearing permits a trustee to sell a debtor's property outside the ordinary course of business only after "notice and a hearing" before the Bankruptcy Court. This critical protection allows all interested parties to have an opportunity to learn about and potentially object to the sale terms and ensures that there is meaningful judicial oversight and review of the transaction.

If the Appeals Court and District Court decisions are left standing, long-term damage to the Section 363 process will result:

- The decisions provide a playbook for sophisticated parties and lawyers to game Section 363 sales to the detriment of trustees, creditors, and customers.

- The decisions undercut the ability of the Bankruptcy Court and interested parties to rely on representations made during a Section 363 hearing, threatening the integrity of those proceedings and the efficacy of those sales.

- The decisions hinder the judicial efficiency and flexibility that Section 363 sales often require.

Counsels for the Trustee on this issue include Paul D. Clement, George W. Hicks, Jr. and Barbara Smith Grieco of Bancroft PLLC, and James B. Kobak, Jr., Christopher K. Kiplok and Savvas A. Foukas of Hughes Hubbard & Reed LLP.

Status of the Liquidation

The Trustee has appropriately reserved for the Barclays litigation, and the decision to file this petition does not affect the distributions already made to customers and general creditors.

At the outset of the LBI liquidation, the extent of customer distributions was unknown and the potential for a general estate was in doubt. Currently:

- All customer and priority claims have been paid in full.

- The first interim distribution to general creditors, begun in September 2014, totaled $2.6 billion and equaled 17 percent of the total amount of allowed unsecured general creditor claims.

- Total distributions are more than $110 billion, representing the largest distribution across the worldwide Lehman insolvency proceedings.

The Trustee expects to be able to make additional interim distributions to unsecured general claimants as he continues to wind-down the estate.

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Lehman Brothers Inc. Trustee Plans Additional $1.9 Billion Distribution to Unsecured General Creditors

Distribution Would Bring Total Unsecured General Creditor Payout to 35 Percent

New York, NY, July 13, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, today filed a motion with the Bankruptcy Court seeking approval to make a third interim distribution totaling $1.89 billion to unsecured general creditors with allowed claims.

If the third interim distribution is approved by the Court, the cumulative payout to unsecured general creditors will reach 35 percent and total approximately $7.8 billion. Total distributions to all creditors, which include unsecured general creditors and secured, priority, and administrative creditors, will come to more than $8 billion.

"With this third distribution to unsecured general creditors of nearly two billion dollars, we have come a long way from the beginning of the liquidation when the mere existence of a general estate was in doubt," Giddens said. "The wind down of the estate continues in earnest, and we will continue to resolve outstanding issues so that all remaining available assets can be fully distributed."

The potential for any additional distribution from the general estate is contingent on resolution of outstanding claims and the outcomes of various ongoing litigations.

In total, customers have received more than $106 billion, fully satisfying the 111,000 customer claims. Secured, priority, and administrative creditors have also received 100 percent distributions.

Together, the LBI customer and creditor distributions represent the largest distributions across the worldwide Lehman insolvency proceedings. These achievements would not have been possible without the assistance of the Securities Investor Protection Corporation and the Securities and Exchange Commission, and the oversight of United States Bankruptcy Court judges, the Honorable James M. Peck and the Honorable Shelley C. Chapman.

The Trustee is represented by Hughes Hubbard & Reed LLP.

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Lehman Brothers Inc. Trustee Plans Additional $2.2 Billion Distribution to Unsecured General Creditors

Distribution Would Bring Total Unsecured General Creditor Payout to 27 Percent

New York, NY, January 28, 2015 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, today filed a motion with the Bankruptcy Court seeking a second interim distribution totaling approximately $2.2 billion to unsecured general creditors with allowed claims.

"When this liquidation began, the possibility of a general estate was in doubt, and the fact that general creditors now stand to receive 27 percent of their allowed claims is a significant achievement," Giddens said. "We will continue winding down the estate and working toward additional distributions to general creditors, while maintaining appropriate reserves and protecting claimants' interests and due process rights."

The Trustee has distributed more than $3.7 billion to LBI's creditors since July 2014 and now seeks the Court's approval to increase distributions to unsecured general creditors by approximately $2.2 billion. If approved, this second interim distribution would achieve an approximately 27 percent distribution to unsecured general creditors.

In total, customers have received more than $106 billion, fully satisfying the 111,000 customer claims. Secured, priority, and administrative creditors have also received 100 percent distributions. The Trustee's principal focus is now to resolve remaining claims and make further general creditor distributions in order to close the estate as promptly as possible.

Together, the customer and general creditor distributions represent the largest distributions across the worldwide Lehman insolvency proceedings, and it would not have been possible without the assistance of the Securities Investor Protection Corporation and the Securities and Exchange Commission, and the oversight of United States Bankruptcy Court judges, the Honorable James M. Peck and the Honorable Shelley C. Chapman.

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Lehman Brothers Inc. Trustee Sets Distribution Fund of $4.6 Billion for Unsecured General Creditors

First Interim Distribution on Allowed Claims Planned for September

New York, NY, August 15, 2014 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, today filed a notice regarding the first interim distribution to unsecured general creditors with allowed claims, setting the fund for the distribution at $4.6 billion. This first interim distribution to unsecured general creditors follows the ability to satisfy 100 percent of all customer claims and secured and priority general creditor claims. Distributions to unsecured general creditors will begin on or about September 10, 2014.

"This first interim distribution to unsecured general creditors totaling billions of dollars is a milestone in administering and winding down the LBI estate," Giddens said. "That such a distribution is even possible represents an extraordinary achievement that was far from certain when the liquidation began. We expect additional distributions to unsecured general creditors, while maintaining appropriate reserves and protecting claimants' interests and due process rights."

Taking into account required reserves, LBI general estate assets available for distribution total $4.7 billion. Of this amount, the Trustee has set a fund of $4.6 billion, or approximately 97 percent of the total available, for the first interim distribution. The Trustee has allocated approximately $3.5 billion for allowed unsecured general creditor claims and approximately $1.1 billion for still pending unsecured general creditor claims. These allocations represent 17 percent of the total amount of these claims.

At the outset of the LBI liquidation, the extent of customer distributions was unknown and the potential for a general estate was in doubt. Customer claims have been paid in full, and now with the planned first interim distribution, more than $110 billion will have been distributed from the LBI estate to customers and general creditors. This represents the largest distribution across the worldwide Lehman insolvency proceedings, and it would not have been possible without the assistance of the Securities Investor Protection Corporation and the Securities and Exchange Commission, and the oversight of United States Bankruptcy Court judges, the Honorable James M. Peck and the Honorable Shelley C. Chapman.

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Lehman Brothers Inc. Trustee Seeks Approval of First Interim Distribution to General Creditors
Billions Available for Distribution as Trustee's Wind-Down Efforts Continue

June 26, 2014 – James W. Giddens, Trustee for the liquidation of Lehman Brothers Inc. (LBI), filed a motion today that sets the stage for a first interim distribution of billions of dollars to general creditors with allowed unsecured claims. The motion seeks Bankruptcy Court approval of an order that caps the maximum potentially allowable amounts of the unresolved unsecured claims and establishes the unsecured claims reserve.

The Trustee's motion follows Court approval on June 19, 2014, of a distribution that will fully satisfy allowed secured and priority creditor claims. The distribution, which includes payments on former LBI employee claims and priority tax claims, is in process.

"From the beginning, we have worked aggressively and diligently to pay customers 100 percent and marshal assets for a general estate," Giddens said. "Both goals have now been achieved, and we are in a position to make a substantial first interim distribution to general creditors with allowed unsecured claims."

The Trustee has conducted an extensive analysis of the financial condition of the LBI estate and concluded that progress made in the general creditor claims process and the amount of cash now available in the LBI general estate permits an interim distribution.

The LBI general estate has more than $3 billion available to make both an interim distribution and reserve an appropriate amount to protect the interests and due process rights of the holders of unresolved claims. The Trustee also anticipates the possibility of recovering additional assets for the general estate. At the time of the interim distribution, the Trustee will determine the exact amount that will be distributed based on an analysis of assets and liabilities.

At the outset of the LBI liquidation, the extent of customer distributions was unknown and the potential for a general estate was in doubt. Allowed customer claims have now been paid in full, and a significant general estate is available for distribution.

- To date, more than $105 billion has been distributed to 111,000 former LBI customers. This is the largest customer distribution in bankruptcy history and the largest distribution of any kind across the worldwide Lehman insolvency proceedings.
- A first interim distribution, if approved, would be made to holders of allowed unsecured claims, including those held by former employees, pension funds, institutions, banks, and Lehman affiliates. The Trustee has set a record date of July 15, 2014.

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Business Wire
A Berkshire Hathaway Company

LBS Trustee Considers Possible Wind Down of Bankruptcy Estate

November 06, 2014 12:12 PM Eastern Standard Time

CURACAO, Dutch Caribbean--(BUSINESS WIRE)--Lehman Brothers Securities N.V. ("LBS") today announced that Michiel Gorsira (the "LBS Trustee"), in his capacity as bankruptcy trustee (*curator*), is considering winding down the LBS estate and making a final distribution to creditors in the first quarter of 2015. The wind down process, which will require approval from the supervisory judge overseeing LBS's bankruptcy proceedings, would be expected to include a combination of an in kind distribution of at least 85% of LBS's intercompany claims against Lehman Brothers Holdings Inc. and Lehman Brothers International Europe, and the sale for cash of the remaining portion of those claims and any remaining assets with a corresponding distribution of the proceeds to creditors. The LBS Trustee intends to solicit proposals from certain market participants to help facilitate the wind down. No assurances can be made that such a wind down will in fact occur in the first quarter of 2015 or at any particular time thereafter, or of the assets that may be distributed in kind in the wind down, or of the amount of cash proceeds that may be received by creditors in the wind down.

Contacts

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Business Wire
A Berkshire Hathaway Company

Lehman Brothers Holdings Inc. to Sell $2.5 Billion of Claims against Lehman Brothers Inc.

January 14, 2015 08:01 AM Eastern Standard Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc. and certain of its controlled affiliates ("Lehman") announced today that they agreed to sell $2.5 billion face amount of their remaining general unsecured claims (the "Claims") against Lehman Brothers Inc.

The sale of the Claims is subject to certain closing conditions.

Lehman was represented by Weil, Gotshal & Manges LLP in connection with the sale.

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Business Wire
A Berkshire Hathaway Company

Lehman Brothers Holdings Inc. to Sell $2.5 Billion of Claims against Lehman Brothers Inc.

September 11, 2014 08:49 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc. and certain of its controlled affiliates ("Lehman") announced today that, following the conclusion of a "Dutch" auction process, they agreed to sell $2.5 billion of their remaining general unsecured claims (the "Claims") against Lehman Brothers Inc. ("LBI").

The Claims will be sold net of the 17% distribution received by Lehman from LBI earlier this week for 24.75% of their face value, yielding an aggregate purchase price of approximately $619 million.

The sale of the Claims is subject to certain closing conditions.

Lehman was represented by Weil, Gotshal & Manges LLP in connection with the auction.

Contacts

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Business Wire
A Berkshire Hathaway Company

Lehman Brothers Holdings Inc. Files Updated Cash Flow Estimates

January 30, 2015 05:51 PM Eastern Standard Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc. ("LBHI") filed today in U.S. Bankruptcy Court for the Southern District of New York cash flow estimates for itself and its controlled affiliates for the period beginning October 3, 2014 through their estimated end of activities. Total cash from operations for the period subsequent to the commencement of their bankruptcy cases is now estimated to be $90.6 billion, reflecting a $1.8 billion increase from the cash flow estimates ("CFE") filed with the court in July 2014. The increase is primarily driven by recent settlement agreements with holders of claims against Lehman Brothers Bankhaus A.G. ("Bankhaus") and LBHI relating to LBHI's guarantee of Bankhaus' obligations, as well as positive execution results and increases in the estimated value of certain assets. The Company estimates remaining cash from operations following the sixth distribution to third party creditors (October 2, 2014) of approximately $13.8 billion, excluding potential litigation recoveries.

The cash flow estimates and related filings, including recent balance sheets, the chapter 11 plan and disclosure statement, can be found at www.lehman-docket.com in the "Key Documents" section. The Company's posted responses to questions can also be found at www.lehman-docket.com in the "Key Documents" section, under "Responses to Questions Submitted." For any additional questions regarding financial disclosures, the Company has established an email address, which can be found in the CFE filing referenced above. The Company will continue to review questions and, where appropriate, post responses.

Contacts

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Business Wire
A Berkshire Hathaway Company

Lehman Brothers Holdings Inc. Files Updated Cash Flow Estimates

July 31, 2014 05:55 PM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc. filed today in U.S. Bankruptcy Court for the Southern District of New York cash flow estimates for itself and its controlled affiliates for the period beginning April 5, 2014 through their estimated end of activities. Total cash from operations for the period subsequent to the commencement of their bankruptcy cases is now estimated to be approximately $88.8 billion, reflecting an $8.3 billion increase from the cash flow estimates filed with the court in July 2013. The increase is primarily due to positive execution results; recent collections, claims mitigation and other activities at Non-Controlled Affiliates which have resulted in increases in estimated recoveries from these entities; and increases in the estimated value of certain assets.

The cash flow estimates and related filings, including recent balance sheets, the chapter 11 plan and disclosure statement, can be found at www.lehman-docket.com in the "Key Documents" section. The Company has established an email address, which can also be found in the filing referenced above, to receive questions regarding financial disclosures. The Company will continue to review questions and, where appropriate, post responses.

Contacts

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GRANTOR AND BENEFICIARY STATEMENT

LEHMAN BROTHERS HOLDINGS INC. PLAN TRUST
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NEW YORK, NY 10020

FOR THE TAX YEAR ENDED DECEMBER 31, 2014

Background

On December 6, 2011, the United States Bankruptcy Court for the Southern District of New York entered an order confirming the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. ("LBHI") and its Affiliated Debtors (the "Plan"). On March 6, 2012 (the "Effective Date"), the Plan became effective.

The Plan provided for the creation of the Lehman Brothers Holdings Inc. Plan Trust (the "LBHI Plan Trust"). Pursuant to the Plan, LBHI and certain individuals designated pursuant to the Plan as trustees (the "Trustees") entered into a trust agreement (the "Plan Trust Agreement"), effective as of March 6, 2012, establishing the LBHI Plan Trust.

Pursuant to the Plan, as of the Effective Date, all existing shares of common stock and preferred stock issued by LBHI were cancelled, and LBHI issued one new share of common stock (the "Plan Trust Stock") to the LBHI Plan Trust, which holds such share for the benefit of such former stockholders of LBHI consistent with their former relative priority and economic entitlements. The Plan Trust Stock comprises the sole asset of the LBHI Plan Trust, and the beneficial interests in the LBHI Plan Trust are nontransferable.

Liquidating Trust Status

For U.S. federal income tax purposes, the LBHI Plan Trust is treated as a "liquidating trust" taxable as a "grantor trust" of which the former LBHI stockholders are regarded as the grantors. Each former stockholder of LBHI that is a beneficiary of the LBHI Plan Trust is treated for U.S. federal income tax purposes as a direct owner of the underlying assets of the LBHI Plan Trust (*i.e.*, the Plan Trust Stock) in accordance with its former relative priority and economic entitlements as a stockholder.

LBHI Plan Trust Reporting

Pursuant to § 3.6(a)(i) of the Plan Trust Agreement, and the letter sent to each stockholder in August and September of 2012, within seventy-five (75) days following the end of each calendar year or as soon as practicable thereafter, the Trustees will annually furnish to each beneficiary a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit, if any, for U.S. federal income tax purposes by posting on our website, at www.lehman-docket.com and shall provide instructions to report such items on their federal income tax returns.

U.S. Federal Income Tax Reporting

The following income, deductions, and credits are the income, deductions, and credits of the LBHI Plan Trust and, as to their allocable portion, to be reported on the U.S. federal income tax return of the grantors and beneficiaries, if required. All holders must report all allocable items on their U.S. federal income tax returns in accordance with relevant tax laws or forward the information to the holders with instructions to report such items on their U.S. federal income tax returns. Each grantor and beneficiary should consult with his or her tax professional to determine his or her individual reporting requirements.

Taxable income under §§ 671 through 678 of the Internal Revenue Code.........	$0
Deductions applied to income above..	$0
Credits applied to income above..	$0

GRANTOR AND BENEFICIARY STATEMENT

LEHMAN BROTHERS HOLDINGS INC. PLAN TRUST
1271 AVENUE OF THE AMERICAS, 40^{TH} FLOOR
NEW YORK, NY 10020

FOR THE TAX YEAR ENDED DECEMBER 31, 2015

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Taxable income under §§ 671 through 678 of the Internal Revenue Code………	$0
Deductions applied to income above…………………………………………………...	$0
Credits applied to income above…………………………………………………….	$0

Business Wire
A Berkshire Hathaway Company

Seventh Distribution Percentages Announced for Lehman Brothers Holdings Inc. and Its Debtor Affiliates

March 26, 2015 07:47 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc., as Plan Administrator, announced today in a court filing the percentage recovery that will be distributed on April 2, 2015 to holders of allowed claims against Lehman Brothers Holdings Inc. and its various affiliated Debtors (collectively "Lehman").

Lehman's aggregate seventh distribution to unsecured creditors pursuant to its confirmed chapter 11 plan will total approximately $7.6 billion. This distribution includes (1) $6.3 billion of payments on account of third-party claims, which includes non-controlled affiliate claims, and (2) $1.3 billion of payments among the Lehman Debtors and their controlled affiliates (see Exhibit B to the court filing, Docket # 49001, for further detail). Cumulatively through the seventh distribution, Lehman's total distributions to unsecured creditors will amount to approximately $99.6 billion including (1) $72.4 billion of payments on account of third-party claims, which includes non-controlled affiliate claims and (2) $27.2 billion of payments among the Lehman Debtors and their controlled affiliates.

In accordance with the chapter 11 plan, which was confirmed on December 6, 2011, and subject to available funds, the Lehman Debtors' eighth distribution to creditors is anticipated to be made within 5 business days of September 30, 2015.

The chapter 11 plan, related disclosure statement and other filings, including the filing referred to above, can be found at www.lehman-docket.com in the "Key Documents" section. Questions relating to the distribution can be directed to the Debtors' claims agent, Epiq Systems, Inc., at 1-866-879-0688 (U.S.) and 1-503-597-7691 (Non-U.S.).

Contacts

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kmacleod@lehmanholdings.com

Business Wire
A Berkshire Hathaway Company

Sixth Distribution Percentages Announced for Lehman Brothers Holdings Inc. and Its Debtor Affiliates

September 25, 2014 06:31 AM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--Lehman Brothers Holdings Inc., as Plan Administrator, announced today in a court filing the percentage recovery that will be distributed on October 2, 2014 to holders of allowed claims against Lehman Brothers Holdings Inc. and its various affiliated Debtors (collectively "Lehman").

Lehman's aggregate sixth distribution to unsecured creditors pursuant to its confirmed chapter 11 plan will total approximately $10.9 billion. This distribution includes (1) $9.0 billion of payments on account of third-party claims, which includes non-controlled affiliate claims, and (2) $1.9 billion of payments among the Lehman Debtors and their controlled affiliates (see Exhibit B to the court filing, Docket # 46365, for further detail). Cumulatively through the sixth distribution, Lehman's total distributions to unsecured creditors will amount to approximately $92.0 billion including (1) $66.1 billion of payments on account of third-party claims, which includes non-controlled affiliate claims and (2) $25.9 billion of payments among the Lehman Debtors and their controlled affiliates.

In accordance with the chapter 11 plan, which was confirmed on December 6, 2011, and subject to available funds, the Lehman Debtors' seventh distribution to creditors is anticipated to be made within 5 business days of March 30, 2015.

The chapter 11 plan, related disclosure statement and other filings, including the filing referred to above, can be found at www.lehman-docket.com in the "Key Documents" section. Questions relating to the distribution can be directed to the Debtors' claims agent, Epiq Systems, Inc., at 1-866-879-0688 (U.S.) and 1-503-597-7691 (Non-U.S.).

Contacts

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