

IN THE HIGH COURT OF JUSTICE

No. 7942 of 2008

CHANCERY DIVISION

COMPANIES COURT



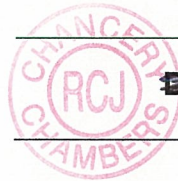
Before The Honourable Mr Justice Briggs

Tuesday the 15th day of December 2009

**IN THE MATTER OF LEHMAN BROTHERS INTERNATIONAL (EUROPE)
(in administration)**

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

AND UNDER THE INHERENT JURISDICTION OF THE COURT



~~DRAFT~~ ORDER

UPON THE APPLICATION of the joint administrators (the "**Joint Administrators**") of Lehman Brothers International (Europe) Limited ("**LBIE**") and of LBIE (the "**Application**")

AND UPON THE HEARING Leading Counsel for the Joint Administrators and Counsel for Newport Global Opportunities Fund L.P., Newport Global Credit Fund (Master) L.P., PEP Credit Investor L.P. and Providence TMT Special Situations Fund L.P.

AND UPON THE READING the written evidence filed

IT IS HEREBY ORDERED AND DIRECTED pursuant to paragraph 63 of Schedule B1 to the Insolvency Act 1986 and under the Court's inherent jurisdiction that:

1. having given not less than 6 weeks' notice of the "Bar Date" referred to below,
by

- (i) placing an announcement on the Lehman section of the PricewaterhouseCoopers LLP website (http://www.pwc.co.uk/eng/issues/lehman_updates.html) in the form of the draft notice in Schedule 1 hereto ("**Notice**");
- (ii) sending a copy of the Notice by post or e-mail to all LBIE clients that the Joint Administrators believe have a claim to Trust Assets; and
- (iii) publishing the Notice in the Financial Times and the Wall Street Journal,

if after 5pm GMT on 19 March 2010 (the "**Bar Date**"), to the extent that there exist no valid and enforceable Security Interests held by or on behalf of any third party in respect of the relevant Trust Assets, the Joint Administrators procure that LBIE does, and LBIE does:

- a. Distribute Trust Assets to those persons who, on the basis of the information available to LBIE and the Joint Administrators at the time of such distribution, are entitled to them; and/or
- b. Appropriate such Trust Assets as LBIE is, on the basis of the information available to LBIE and the Joint Administrators at the time of such appropriation, entitled to Appropriate;

LBIE and the Administrators will not be liable in respect of any breach of trust (whether as trustee or accessory) to any claimant to Trust Assets in respect of any additional claims not reflected by the distributions and/or appropriations actually made where, prior to the distributions and/or appropriations being made, LBIE and the Joint Administrators did not have information available to them to support the existence of those additional claims; and

- 2. that the Joint Administrators' and LBIE's costs of the Application be paid as an expense of the administration in the first instance, subject to any subsequent Order of the Court that such costs be paid (wholly or in part) out of Trust Assets or borne by those entitled to Trust Assets.

Capitalised terms used above (but not defined) bear the meaning ascribed to them in Schedule 2 hereto.

Schedule 1 - the "Notice"

Lehman Brothers International (Europe) (in administration)

Notice re. claims to client assets

Notice is hereby given that, on 15 December 2009, the High Court of England and Wales made an Order protecting Lehman Brothers International (Europe) (in administration) ("LBIE") and its Joint Administrators from potential claims in respect of any breach of trust which arises in circumstances where they distribute certain assets to clients and counterparties of LBIE after 19 March 2010 on the basis of the information then available to them (including information sent to them by clients prior to that date) and subsequent information comes to light after the making of the distribution which shows that the distribution was not made in accordance with the strict rights of one or more beneficiary. A copy of the Order may be viewed at http://www.pwc.co.uk/eng/issues/lehman_updates.html.

This notice only summarises the terms of the Order. No reliance should be placed on this summary and any person who believes they may be affected by the Order should review the detailed terms of the Order, including the schedule thereto.

The assets to be distributed pursuant to the Order are "Trust Assets" (as defined in the Order). In broad terms, Trust Assets are securities and money derived from securities post-administration held by or to the order of LBIE as custodian in segregated client accounts. Trust Assets do not include money received pre-administration or securities or money held in LBIE's house accounts. Trust Assets do not form part of LBIE's general estate.

Deadline for submitting Trust Asset claims

Pursuant to the terms of the Order, clients and counterparties of LBIE are hereby notified that they should, by **5.00pm in London on 19 March 2010** (the “**Bar Date**”), submit full details of any claims (other than claims by “Security Interest Claimants”, as defined in the Order) they wish to assert to Trust Assets held by or on behalf of LBIE.

If you are a LBIE client with a claim to Trust Assets, please consult your Updated Position and Balance Statement (“**UPBS**”) via the Client Information Portal (using the log on information sent to all clients that the Joint Administrators believe have a claim to Trust Assets). If you believe that your UPBS accurately reflects your claim to Trust Assets (and you are content that you have provided all supporting documentation), please accept the UPBS via the portal in advance of the Bar Date. If you believe that your UPBS does not accurately reflect your claim to Trust Assets, please amend each position and submit all supporting evidence for all revisions via the portal in advance of the Bar Date.

If you believe you have a claim to Trust Assets but do not have access to the client asset section of the Client Information Portal, please submit details of your claim, in advance of the Bar Date (regardless of whether you have done so previously), to claimresolutionagreement@lbia-eu.com, using the prescribed form which can be accessed at http://www.pwc.co.uk/eng/issues/lehmans_stakeholder_client_assets.html (attaching all supporting documentation).

Persons who fail to submit claims to Trust Assets by the Bar Date may lose their ability to share in any distributions of relevant assets.

The Order does not require you to take any action in relation to the following claims:

- (a) general, unsecured claims against the estate (i.e. unsecured monetary claims against LBIE where the money is not held on trust);
- (b) claims arising only from security interests in Trust Assets; and
- (c) claims to monies held by LBIE under the client money rules set out in the FSA’s Client Assets sourcebook.

You are referred to the Order for full details of the claims to which the Bar Date applies.

If you have been sent this notice, it does not mean that you have a claim to Trust Assets or are otherwise entitled to receive a distribution of Trust Assets.

Any general queries in relation to this notice should be directed to claimresolutionagreement@lbia-eu.com. You should, however, consult your own legal advisers for advice in relation to the scope and effect of this notice and the Order.

Steven Anthony Pearson, Anthony Victor Lomas, Michael John Andrew Jervis, Dan Yoram Schwarzmann and Derek Anthony Howell (Joint Administrators of LBIE)

The Joint Administrators act as agents of LBIE without personal liability.

Schedule 2 - Definitions

"Appropriate"	appropriate to LBIE in accordance with such Security Interests or other rights as LBIE has as a matter of contract or applicable law
"Asset"	any Security or money
"Derived Asset"	<p>any Asset received by LBIE after 7:56 a.m. (London time) on 15 September 2008 arising out of or derived from any Security (but also including interest on money that was originally derived from a Security) which was itself Trust Assets at or immediately before the time at which that other Asset was received, including:</p> <ul style="list-style-type: none"> (i) any Security or money which an intermediary delivers to LBIE in lieu of a Segregated Asset held by such intermediary, as required by, or otherwise permitted under, the applicable law of that intermediary; (ii) any sale proceeds of any Security comprising (i) above realised by LBIE; and (iii) any proceeds or consideration received in exchange, replacement, realisation, disposal, appropriation or maturity of any Asset which has, since 7:56 a.m. (London time) on 15 September 2008, been exchanged or replaced (including, without limitation, as a result of any corporate action or corporate event in respect of such Asset), realised, disposed of or appropriated or which has matured, <p>and, when used in relation to a particular Security, any Asset that is so derived from that Security</p>
"Distribute"	<p>with respect to an Asset in the possession or custody of LBIE, deliver or transfer the Asset to a third party recipient; or</p> <p>with respect to an Asset in the possession or custody of a person other than LBIE (the "holder"), give an instruction to the holder for the delivery or transfer of the Asset to a third party recipient</p>
"Recovered Asset"	any Asset received by LBIE from a third party as a result of an obligation upon that third party (having received from LBIE a Segregated Asset or a Derived Asset after 7:56 a.m. (London time) on 15 September 2008) to redeliver such Segregated Asset or Derived Asset or equivalent Asset to LBIE

<p>"Security" or "Securities"</p>	<p>any financial instrument or any right in respect of any financial instrument against a custodian, clearing system, depository, nominee or other person who holds assets (including, for the avoidance of doubt, rights in respect of assets) on behalf of or to the order of a person who holds such financial instrument</p>
<p>"Security Interest"</p>	<p>any legal, equitable, contractual or possessory interest (or equivalent under a legal system outside England) of a person (a "Security Interest Claimant") in a Trust Asset that is in the nature of a lien, pledge or security that encumbers the entitlement of the owner or holder of that Trust Asset until one or more obligations owed to the Security Interest Claimant are discharged in full</p>
<p>"Segregated Asset"</p>	<p>any Security which was recorded in the books and records of LBIE as at 7:56 a.m. (London time) on 15 September 2008 as being held in a segregated manner for customers of LBIE separately from other Securities held by LBIE which are available to the unsecured creditors of LBIE and which was:</p> <ul style="list-style-type: none"> (i) held in physical form by LBIE and segregated from other Securities held in physical form by LBIE which are not credited to an account of a customer of LBIE; or (ii) held in physical form by an intermediary for LBIE's customers and segregated from other Securities held in physical form by such intermediary which are not credited to an account of a customer of such Intermediary; or (iii) if not held in physical form by an intermediary, <ul style="list-style-type: none"> (a) credited to an account designated in the books and records of the intermediary as an account in the name of LBIE, but being held by LBIE for the benefit of its customers; or (b) where the intermediary does not designate any account recorded in its books and records as being for LBIE's customers, credited to an account in the name of LBIE
<p>"Trust Assets"</p>	<p>at any time, any Assets which are at such time a Segregated Asset, a Derived Asset or a Recovered Asset</p>

Nos. 7942 and 7945 of 2008

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COMPANIES COURT

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**AND IN THE MATTER OF THE INSOLVENCY ACT
1986**

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DRAFT ORDER

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