
Lehman Brothers International (Europe) – In Administration

Joint Administrators' twenty-second
progress report, for the period from
15 March 2019 to 14 September 2019

11 October 2019

www.pwc.co.uk/lehman

Important notice

Status of Administration

A distribution of Post-Administration Interest has been effected under the Surplus Scheme, which became effective on 20 June 2018. All but a handful of non-subordinated unsecured creditors have now received their full entitlements from the Administration.

Reliance on data

LBIE, the Administrators, their firm, its members, partners, staff and advisers accept no liability to any party for any reliance placed upon this report.

Rights against third parties

LBIE also expressly reserves all of its rights against third parties on all matters and no conclusion should be drawn by third parties as to LBIE's position or legal arguments on any such matters from references made in this report.

Currency risk

Whilst amounts included in this report are primarily stated in sterling, certain elements of LBIE's assets continue to be denominated in currencies other than sterling.

Rounding

Unless otherwise indicated, the figures within the report are rounded to the nearest £1 million.

Definitions

This report includes various defined terms as set out in the updated glossary of terms in Appendix D. Capitalised terms not defined shall have the meaning given to them in the Surplus Scheme documents.

Contents

Section 1:	<i>Introduction</i>	3
Section 2:	<i>Progress during the Reporting period</i>	5
Appendices		
Appendix A:	<i>Receipts and payments: cumulative and 6 months to 14 September 2019</i>	8
Appendix B:	<i>Administrators' remuneration</i>	12
Appendix C:	<i>Statutory and other information</i>	14
Appendix D:	<i>Glossary of terms</i>	15

Section 1: Introduction

Introduction

This report has been prepared by the Administrators of Lehman Brothers International (Europe) in accordance with Rule 18.3 of the Insolvency Rules.

This is the twenty-second such formal update to unsecured creditors and it provides details of progress made in the 6-month period from 15 March 2019 to 14 September 2019. The statutory receipts and payments accounts for the same period are attached at Appendix A.

Wherever possible in this report we have sought not to duplicate information disclosed in previous updates and reports. Copies of previous progress reports, the Surplus Scheme documents and other important announcements can be found at www.pwc.co.uk/lehman.

Scheme of Arrangement

The Surplus Scheme became effective on 20 June 2018. A summary of the Surplus Scheme progress and distributions made can be found in Section 2 of this progress report.

Objective of the Administration

The Administrators continue to pursue the statutory objective and specific aims as set out in previous reports, which are summarised at Appendix C.

Aims and priorities

The Surplus Scheme has continued throughout the Reporting period allowing the Administrators to significantly progress matters in relation to the Administration. Our aims and priorities are therefore:

LBIE Surplus Scheme

To distribute the remaining Surplus entitlements under the Surplus Scheme;

To conclude the claim of one remaining certifying creditor; and

To maintain appropriate investment policies for LBIE's remaining Surplus pending distribution.

Progression of other outstanding matters

To realise all remaining House Estate assets and pay outstanding unsecured claims and Administration expenses by:

- recovering remaining amounts owing;

- realising the value of remaining House securities;
- agreeing and admitting the small number of pending Senior claims;
- managing out and, where appropriate, releasing provisions and indemnities; and
- winding down LBIE's operations.

LBIE Trust Estate

To return remaining client securities after resolution of related House debtor litigation.

LBIE costs

To efficiently manage ongoing Administration costs.

Operating Committee and governance arrangements

During the Reporting period we have had regular meetings with Operating Committee delegates to review progress, consult on major issues and approve the Administrators' fees and expenses.

The members of the Operating Committee, during the Reporting period, are set out in Appendix C.

Change of Administrators

In the prior Reporting period, Guy Parr retired from PwC. Following an application to the UK High Court on 8 March 2019 and a court hearing on 20 March 2019, his resignation as an Administrator of LBIE was accepted with effect from 8 March 2019. The judgment and court order are available on the LBIE website. In accordance with the court order, Guy Parr was discharged from any liability (save for pre-notified claims, if any) as an Administrator with effect from 7 May 2019.

This report and future updates

The next formal progress report to continuing creditors will be in approximately 6 months' time and will be posted to the LBIE website on or before 14 April 2020.

In order to minimise the costs associated with statutory reporting, we issued a general website notice in April 2018. This means that all future statutory reports and notices to creditors (except where required by the Insolvency Rules or under the Surplus Scheme) will be published on the LBIE website. Physical copies of future reports will only be sent to

creditors who specifically request them in accordance with the notice.

In the interim, we will continue to provide ad hoc updates through the LBIE website or by other means, as appropriate.

Signed:

A handwritten signature in dark ink, consisting of a series of loops and waves, representing the name Russell Downs.

Russell Downs

Joint Administrator

Lehman Brothers International (Europe) - In Administration

Section 2:

Progress during the Reporting period

Update on progress of the Surplus Scheme

During this Reporting period the Administrators have made a further seven Surplus distributions of full Statutory Interest entitlements (“SI”) of c.£41.5m (across 29 legal entities) to the Scheme Creditors entitled to 8% simple interest. The Administrators will continue to engage with counterparties until all SI has been paid in accordance with the Scheme documents.

Distributions were generally made net of withholding tax. Withholding tax payments have been made to HMRC of c.£3.6m on 9 April 2019 and c.£1.1m on 3 July 2019. A further additional payment of c.£20k was paid on 19 September 2019.

As a result of progress made during the Reporting period, the Administrators made a further significant payment to the Subordinated Creditor in respect of the Subordinated Debt and associated SI, of £41m on 16 April 2019. This brings total distributions to 14 September 2019 to the Subordinated Creditor in respect of the Subordinated Debt and associated SI to c.£1,933m.

The Administrators note a further distribution was made after the Reporting period of £45m as advised on our website announcement of 7 October 2019.

Certifications

Work on the claims of certifying creditors continued and was substantially concluded in the period.

The claims of four parties (eight certifications) proceeded through the Dispute Resolution Procedure and in each case the Adjudicator dismissed the certifying creditor’s case and upheld LBIE’s.

One certifying creditor has expressed its dissatisfaction with LBIE’s treatment of its certification pursuant to the Surplus Scheme.

Other progress and remaining issues

German tax investigation

There has been further interaction with the Cologne Public Prosecutor (“CPP”) and the German Federal Tax Authority (“GFTA”) to seek to agree their claims. Further dialogue is expected and, if this fails to reach a resolution, then the Administrators may need to seek directions from the Court.

MCF

The Administrators have continued to review progress and strategy in respect of collections from MCF and explore opportunities to enhance the value or expedite the timing of this ongoing realisation process. During the Reporting period LBIE received distributions of c.£9m from MCF.

AGR litigation

Administrators have continued their preparation for trial. We previously expected it to be heard before the end of this year, but it is now more likely to be next year.

Exotix litigation

Pursuant to the High Court hearing in November 2018, Mr Justice Hildyard handed down his first instance judgment on 9 September 2019, in favour of LBIE. The judgment relates to a dispute as to the terms of a trade. Exotix have indicated that they will seek permission to appeal the decision. A consequential hearing to agree next steps before Mr Justice Hildyard is planned for Friday 25 October 2019.

Lehman Brothers Nominees Limited – in Members’ Voluntary Liquidation (“LBNL”)

Following the members’ voluntary liquidation of LBNL on 20 December 2018, HMRC opened a further tax enquiry which remains ongoing. The Administrators are working with HMRC to progress the tax enquiries as quickly as possible. No other creditors have come forward with a valid claim and all other matters in the liquidation have been resolved. The liquidation will remain ongoing until the tax enquiries are complete.

Outstanding claims

The Administrators have continued to assess outstanding claims and engage with previously unresponsive creditors, resulting in two claims being resolved.

Discussions continue with other remaining claimants to resolve their claims.

Foreign currency

Creditors should note that some reserves and potential recoveries are denominated in a foreign currency.

LBIE Trust Estate

Client Assets

LBIE still holds client securities (c.€65m combined value as at 14 September 2019) relating to certain third parties that are also debtors of LBIE, pending conclusion of ongoing litigation.

Client Money

The Client Money estate has now been almost fully resolved:

- Funds were transferred to the ISA on 25 July 2019 in respect of the one client money claimant that did not cash the cheque sent to it.
- The Administrators are engaging in discussions in respect of the one remaining unagreed claim.

Surplus funds have now been transferred to the House Estate. The Administrators intend to close the Client Money estate following resolution of the outstanding matters.

Infrastructure

During the Reporting period, significant work has been undertaken to reduce operational costs and facilitate the wind down of the estate, including:

- Significantly reducing the property overheads;
- Migration of IT infrastructure from a dedicated datacentre and 3rd party support management service to Microsoft Cloud solution managed by the LBIA team to ensure a more cost effective and appropriate solution is available to support the remaining activities of the Administration through to closure;
- Work undertaken to facilitate exiting the current premises by 30 June 2020.

Outstanding matters and exit from Administration

The Administrators continue to review progress and consider that progress is being made to reach the point at which the Administration can be concluded. However, there are some material matters outstanding, some of which are or may become subject to litigation, which makes it difficult to predict precisely when the Administration will be brought to an end.

Appendices

Appendix A:

Receipts and payments: cumulative and 6 months to 14 September 2019

House Estate receipts and payments: cumulative and 6 months to 14 September 2019

House Estate	Notes	Cumulative - 15 September 2008 to 14 Mar 2019 (GBP equivalent) £m	Period - 6 months to 14 Sep 2019 (GBP equivalent) £m	Cumulative - 15 September 2008 to 14 Sep 2019 (GBP equivalent) £m
Receipts				
Counterparties	1	12,698	18	12,716
Client Money distribution	2	1,145	-	1,145
Other receipts	3	13,569	6	13,575
Total receipts for the period		27,412	24	27,436
Payments				
Dividends and Post-Administration Interest paid	4	(19,543)	(87)	(19,630)
Administrators' remuneration and disbursements	5	(1,049)	(6)	(1,055)
Payroll and employee costs	6	(655)	(1)	(656)
Legal and professional costs	7	*(443)	(13)	(456)
Other payments	8	(4,733)	(5)	(4,738)
Total payments for the period		(26,423)	(112)	(26,535)
Net movement in the period		*989	(88)	901
Foreign exchange translation differences		(133)	1	(132)
Total House Estate	9	~856	(87)	#769

* These sums do not perfectly cast due to rounding to £m.

~ Balances held in foreign currencies at 14 March 2019 were c.\$25m.

Balances held in foreign currencies at 14 September 2019 were c.\$22m.

Statement of expenses incurred in the 6 months to 14 September 2019

The following table provides details of expenses incurred in the Reporting period.

Expenses	Incurred in 6 months to 14 Sep 2019 £m
Administrators' remuneration and disbursements	(5)
Payroll and employee costs	(1)
Legal and professional costs	(9)
Other payments	(2)
Total	(17)

Notes

General

Foreign currency transactions are reported in sterling at the rate prevailing on the relevant transaction date.

The transactions within the LBIE estate in the period:

- are reported on a cash receipts and payments basis and in accordance with the Insolvency Rules and best practice; and
- were completed in accounts established and controlled by the Administrators.

Separate bank accounts are held for realisations from the House Estate and the Trust Estate.

1. Counterparties

Receipts in the period principally comprise:

- c.£9m of distributions from MCF;
- c.£5m of distributions from LBH;
- c.£3m of distributions from LBHI; and
- c.£1m of distributions from LBSF.

2. Client Money distribution

- No receipts in the period.

3. Other receipts

Other receipts principally comprise:

- c.£3m of bank interest received from money market deposits;
- c.£2m VAT repayments received from HMRC; and
- c.£1m of other income consisting of asset services income, tax refunds and operational cost recharges.

4. Dividends and Post-Administration Interest Paid

Unsecured distributions of c.£87m have been paid in the period comprising;

- c.£4.7m withholding tax deducted from SI distributions and paid to HMRC;
- c.£41m payments to the holder of Subordinated Debt; and
- c.£41.5m Post-Administration Interest paid through the Surplus Scheme.

5. Administrators' remuneration and disbursements

Payment deferral terms (as agreed with the Operating Committee and referred to on page 14 of this report) account

for any differences between costs incurred and payments made in the period. Out-of-pocket disbursements of less than £1m were paid in the period.

6. Payroll and employee costs

Payments relate to salary and benefits for UK-based employees and third party contractors. This includes employee-related costs incurred on behalf of Affiliates, which are recovered by LBIE and included as other realisations.

7. Legal and professional costs

Legal and other advisers' costs relate to advice given, and to court proceedings and litigation conducted, in numerous jurisdictions by a number of professional firms in connection with a range of issues across the Administration.

8. Other payments

Other payments principally comprise:

- c.£3m of VAT paid on invoices; and
- c.£2m of occupancy and infrastructure costs.

9. Investment profile

Current investment strategy

For immediate liquidity requirements, LBIE invests in short-term money market deposits.

Total balances

House Estate	GBP equivalent £m
Short-term deposits #	763
Interest-bearing accounts	6
Total	769

Average rate of return for 6 months ending 14 September 2019 of 0.66% for sterling deposits and 2.39% for US deposits.

Cash management and investment policy

Subject to meeting regulatory requirements, the continuing objectives of the policy are to provide:

- security for Administration funds;
- liquidity as required by the Administration; and
- appropriate returns (positive yield net of fees).

The primary objective continues to be ensuring the security of Administration funds. To meet this objective, a comprehensive counterparty credit risk policy is in place with clear limits on counterparties, instruments, amounts and duration. Compliance with policy is measured on at least a daily basis using live indicators, and any material breaches arising from

market movements are reported immediately to the Administrators.

The cash is managed by a team of treasury professionals which meets with the Administrators on a regular basis.

Policy for interest-bearing accounts and short-term deposits/notice accounts

Permitted banks must meet 4 key criteria:

- be headquartered in a sovereign state where the average long-term ratings from S&P, Moody's and Fitch are in the top 4 available tiers (AAA to AA-);
- be headquartered in a sovereign state within the top 3 tiers of the S&P banking industry country risk assessment;
- have a blended average long-term rating from S&P, Moody's and Fitch within the top 4 available tiers (AA to A); and
- be a Prudential Regulation Authority or European Banking Authority approved counterparty.

The counterparties are ranked in 3 tiers (1-3) based on their risk score (1 being least risky) which is calculated by assessing their 5-year credit default swap prices, bond yields, equity volatility, capital buffers and financial ratios. To ensure diversification, counterparty limits and durations are based on the tier to which they belong:

- 20% of funds under management with any single tier 1 bank and a maximum duration of 3 months;
- 20% of funds under management with any single tier 2 bank and a maximum duration of 2 months; and
- 15% of funds under management with any single tier 3 bank and a maximum duration of 1 month.

Post-Administration Client Money receipts and payments: 6 months to 14 September 2019

Post-Administration Client Money	Notes	Period - 6 months to 14 Sep 2019 €m
Total third party balances at 14 March 2019	-	11
Receipts	1	1
Payments	-	-
Net movement in the period	-	-
Total third party balances at 14 September 2019 [∞]	2	12

[∞] Relating to clients subject to debt recovery litigation in Germany.

Notes

1. Dividends

- c.€1m received in the period on securities held

2. Investment profile

Total balances

Post-Administration Client Money	€m
Interest-bearing accounts	12
Total	12

Cash management and investment policies for client funds

The Client Money cash management policy for interest-bearing accounts is based on that used for the House Estate, modified to comply with the additional Client Money regulatory requirements. Client Money is not eligible for investment in government bonds and can be placed on money market deposits for a maximum duration of 30 days.

**Pre-Administration Client Money receipts and payments:
cumulative and 6 months to 14 September 2019**

Pre-Administration Client Money	Notes	Cumulative - 15 September 2008 to 14 Mar 2019 (GBP equivalent) £m	Period - 6 months to 14 Sep 2019 (GBP equivalent) £m	Cumulative - 15 September 2008 to 14 Sep 2019 (GBP equivalent) £m
Receipts				
Client Money pool recoveries		1,445	-	1,445
Funds received for the House		51	-	51
Interest		20	-	20
Total receipts for the period		1,516	-	1,516
Payments				
Client Money interim distribution		(1,551)	(0.0)	(1,551)
Funds paid to the House		(51)	-	(51)
Legal costs		(6)	-	(6)
Total payments for the period		(1,608)	(0.0)	(1,608)
Net movement in the period		(92)	(0.0)	(92)
Foreign exchange translation differences [^]		93	0.1	93
Total balances	1	-1	0.1	#1

[^] The cumulative translation differences principally arise from translating other currencies into GBP for reporting purposes.

[~] Balances held in currencies other than GBP at 14 March 2019 were c.£1m.

[#] Balances held in currencies other than GBP at 14 September 2019 were c.£1m.

Notes

1. Investment profile

Total balances

Pre-Administration Client Money	GBP equivalent £m
Interest-bearing accounts	1
Total	1

Appendix B:

Administrators' remuneration

Analysis of Administrators' remuneration by grade and work activity

During the Reporting period, the Operating Committee has resolved to continue to fix the basis of the Administrators' remuneration by reference to the time properly given by the Administrators or their staff in attending to matters arising in the Administration. The table below provides an analysis of the Administrators' total hours incurred and the associated cost by staff grade and work activity for the previous time period (to 31 December 2018) and the current period (to 30 June 2019).

	Prior actual		Current actual	
	1 July 2018 to 31 December 2018		1 January 2019 to 30 June 2019	
	Hours	£'000	Hours	£'000
By grade				
Partner	1,033	985	663	700
Director	1,107	946	816	715
Senior Manager	3,225	1,799	2,140	1,307
Manager	3,468	1,606	2,466	1,161
Senior Associate	3,102	1,069	2,480	909
Associate	2,250	437	1,703	416
Total	14,185	6,842	10,268	5,208
Average hourly rate		£482		£507
By work activity~				
Resolution of residual matters	3,510	2,388	2,944	1,982
Taxation, finance, treasury and reporting	4,595	2,330	3,178	1,756
IT and Data	6,080	2,124	4,145	1,470
Total	14,185	6,842	10,268	5,208

Information about remuneration

Details of the statutory framework for the approval of the Administrators' remuneration and the level and detail of disclosure provided by the Administrators are set out in our earlier reports.

Total time costs incurred in the Reporting period are c.£4.6m, which includes time costs incurred from 1 July 2019 to 14 September 2019, not reported in detail on page 12, of c.£1.8m. A full analysis of these costs will be included as part of the 6-month period to 31 December 2019 in the next progress report.

Cumulative time costs accrued to 30 June 2019 are c.£1,019m. As shown in Appendix A, the total Administrators' remuneration and disbursements paid to 14 September 2019 are c.£1,055m.

In the Reporting period we have continued to provide the Operating Committee with detailed information relating to our remuneration and Category 2 disbursements, in accordance with SIP 9.

Creditors' rights

Creditors have the right to ask for more information about remuneration or expenses within 21 days of receiving this report as set out in Rule 18.9 of the Insolvency Rules. Any request must be in writing. Creditors can also challenge remuneration and expenses within 8 weeks of receiving this report as set out in Rule 18.34 of the Insolvency Rules.

An explanatory note on the rights of creditors in relation to an administrator's remuneration and expenses and how to request further information can be found online at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

This guide is for appointments on or after 1 October 2015, or where information is provided by the administrator about fees, expenses or other payments after 6 April 2017 and whilst not all of the provisions apply to the LBIE Administration (which commenced on 15 September 2008) it is the most appropriate guide currently available following the changes made by the Insolvency (England and Wales) Rules 2016.

You can also get a copy free of charge by telephoning Kate McNerlin on +44 (0) 7566 771007.

Approvals by the Operating Committee

During the Reporting period, Category 2 disbursements were paid from 1 July 2018 to 31 March 2019 were £223,459.

In addition, Category 1 disbursements of £71,884 and Category 2 disbursements of £203,903 were incurred in the 6-month period to 30 June 2019.

In total, c.£70,154 of Category 1 disbursements and c.£233,965 of Category 2 disbursements were incurred in the 6-month Reporting period.

Appendix C:

Statutory and other information

Court details for the Administration:	High Court of Justice, Business and Property Courts of England and Wales Insolvency & Companies List (ChD) Court case number 7942 of 2008
Full name:	Lehman Brothers International (Europe)
Trading name:	Lehman Brothers International (Europe)
Registered number:	02538254
Registered address:	Level 23, 25 Canada Square, London E14 5LQ
Contact address:	Lehman Brothers International (Europe) – in Administration, Level 23, 25 Canada Square, London E14 5LQ
Contact telephone / email:	+44 (0)7566 771007 / Generalqueries@lbia-eu.com
Date of the Administration appointment:	15 September 2008
Administrators' names and addresses:	R Downs (appointed 2 November 2011), EJ Macnamara and GE Bruce (both appointed 16 July 2018) of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT MJA Jervis and DY Schwarzmann ceased to act on 2 November 2011. DA Howell ceased to act on 22 March 2013. PD Copley ceased to act on 24 June 2016. AV Lomas and SA Pearson ceased to act on 16 July 2018. JG Parr ceased to act on 8 March 2019
Appointor's name and address:	High Court of Justice, Chancery Division, Companies Court on the application of LBIE's directors
Objective being pursued by the Administrators:	Achieving a better result for LBIE's creditors as a whole than would be likely if LBIE were wound up (without first being in Administration)
Aims of the Administration:	Recover and/or realise all House assets, including cash, securities and in-the-money financial contracts, on a managed basis Admit unsecured creditors' claims and make distributions to creditors including any Surplus Recover Client Assets and Client Money, assess the claims to such property and return all such property to its rightful owners on a systematic basis
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) of Schedule B1 to the Insolvency Act, during the period for which the Administration is in force, any act required or authorised under any enactment to be done by either or all of the Administrators may be done by any one or more of the persons for the time being holding that office
Details of any extensions for the initial period of appointment:	The UK High Court on 4 November 2016 granted a further extension of the Administration to 30 November 2022
Proposed end of the Administration:	The Administrators have yet to determine the most appropriate exit
Estimated dividend for unsecured creditors:	Interim dividends paid to date at a cumulative rate of 100p/£1
Estimated values of the prescribed part and LBIE's net property:	The prescribed part is not considered to be relevant as all Senior admitted creditors have been paid or reserved for at a rate of 100p/£1
Whether and why the Administrators intend to apply to court under Section 176A(5) of the Insolvency Act:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings does not apply to this Administration as LBIE is an investment undertaking
Operating Committee members:	Lehman Brothers Holdings Inc., LB Holdings Intermediate 2 Limited, Elliot Management Corporation and King Street Capital Management L.P.

Appendix D:

Glossary of terms

Abbreviation	Term	Definition
Administration	Administration	UK corporate insolvency process governed by the Insolvency Act 1986 applicable to LBIE following the granting of an administration order dated 15 September 2008
Administrators	Joint Administrators	R Downs was appointed as Joint Administrator of LBIE on 2 November 2011. JG Parr (appointed on 22 March 2013 and resigned as Administrator effective on 8 March 2019), EJ Macnamara and GE Bruce (both appointed on 16 July 2018). All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales
Adjudicator	Adjudicator	A person appointed as an adjudicator to determine an appeal in accordance with clause 23 of the Surplus Scheme document
Affiliate	Affiliate entities	Various subsidiaries and affiliates of Lehman Brothers Holdings Inc.
AGR	AG Financial Products Inc.	A US-based affiliate of Assured Guaranty Corp. which provided credit protection to counterparties under credit default swaps
Category 1 disbursements	Administrators' Category 1 disbursements	Costs that are directly referable to the Administration supplied by and paid to external third parties
Category 2 disbursements	Administrators' Category 2 disbursements	Costs that are directly referable to the Administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the Administration on a proper and reasonable basis
Client Assets	Client Assets	Client securities which LBIE should have held as at 15 September 2008
Client Money	Client Money	Client cash balances held by LBIE as at 15 September 2008 or received thereafter by LBIE and which are, in each case, subject to the UK Financial Conduct Authority's client money rules and/or applicable client money distribution rules
Dispute Resolution Procedure	Dispute Resolution Procedure	An out of court dispute procedure pursuant to which an independent adjudicator will determine the applicable contractual interest rate and SI payable in respect of Higher Rate Claims
HMRC	HM Revenue & Customs	Organisation of the UK government primarily responsible for the collection of taxes
House Estate/House	House Estate	Dealings that relate to LBIE's general unsecured estate
Insolvency Act	Insolvency Act 1986	Statutory legislation that provides the legal platform for matters relating to personal and corporate insolvency in the UK
Insolvency Rules	Insolvency (England and Wales) Rules 2016	Statutory rules that provide the legal platform for matters relating to personal and corporate insolvency in England and Wales
ISA	Insolvency Service Account	Government body that deals with insolvencies in England and Wales. Any monies that are connected to a company insolvency in England and Wales must be passed through the bank account known as the Insolvency Services Account
LBHI	Lehman Brothers Holdings Inc.	Ultimate parent of the Lehman group, incorporated in the USA and formerly subject to Chapter 11 bankruptcy protection from 15 September 2008. LBHI's plan of reorganisation became effective on 6 March 2012
LBHI2	LB Holdings Intermediate 2 Limited	Affiliate entity subject to insolvency proceedings in the UK
LBIE	Lehman Brothers International (Europe) – In Administration	Private unlimited UK subsidiary of LBHI, acting as its main European broker dealer, subject to an administration order dated 15 September 2008
LBNL	Lehman Brothers Nominees Limited - in MVL	Private limited UK subsidiary of LBIE in members' voluntary liquidation
LBSF	Lehman Brothers Special Financing Inc.	Affiliate entity subject to insolvency proceedings in the USA
MCF	Mable Commercial Funding Limited	Affiliate entity subject to insolvency proceedings in the UK
Operating Committee	Operating Committee	A committee constituted pursuant to the terms of the Surplus Scheme which has assumed the roles and responsibilities of the former Creditors' Committee

Abbreviation	Term	Definition
Post-Administration Interest	Post-Administration Interest	Statutory interest payable pursuant to Rule 14.23(7) of the Insolvency Rules
Reporting period	Reporting period	15 March 2019 to 14 September 2019, the period covered by this report
Scheme Creditors	Scheme Creditors	Persons with provable claims against LBIE under the Scheme of Arrangement
Scheme	Scheme of Arrangement	Statutory procedure under Part 26 of the Companies Act 2006 for a court-approved agreement between a company and its creditors
Senior	Senior unsecured creditor	Unsecured, non-preferential, non-Shareholder, not subordinated creditor
SIP 9	Statement of Insolvency Practice 9	Rules issued by the Joint Insolvency Committee which provide guidance to insolvency practitioners and creditors' committees in relation to the remuneration of Administrators
Subordinated Creditor	Subordinated Creditor	Wentworth Sons Sub-Debt S.a.r.l
Subordinated Debt	Subordinated Debt	The subordinated liabilities arising pursuant to 3 intercompany loan agreements entered into between LBIE and LBHI2, each dated 1 November 2006, and which have been assigned by LBHI2 to the Subordinated Creditor
Surplus	Surplus	Assets remaining after the payment in full of Senior creditor claims and Shareholder claims but before Post-Administration Interest, non-provable claims, and the Subordinated Debt
Surplus Scheme	Surplus Scheme of Arrangement	A Scheme of Arrangement, pursuant to the UK Companies Act 2006, sanctioned by the UK High Court and which became effective on 20 June 2018, relating to the distribution of the Surplus
Trust Estate	Trust Estate	Client Assets and Client Money
UK High Court	High Court	Court of England and Wales which deals with all high value and high importance cases, and also has a supervisory jurisdiction over all subordinate courts
VAT	Value Added Tax	A consumption tax levied on the sale of goods and services in the UK

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