UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

JOINT DECLARATION OF DAVID STICKNEY AND DAVID KESSLER IN SUPPORT OF (A) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENTS WITH D&O DEFENDANTS AND SETTLING UNDERWRITER DEFENDANTS AND APPROVAL OF PLANS OF ALLOCATION AND (B) LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

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TABLE OF ABBREVIATIONS

ABBREVIATION	DEFINED TERM
"ACERA"	Alameda County Employees' Retirement Association
"Action"	*In re Lehman Brothers Equity/Debt Securities Litigation*, 08 Civ. 5523 (LAK)
"Bankruptcy Court"	The United States Bankruptcy Court for the Southern District of New York
"Bernstein Litowitz"	Bernstein Litowitz Berger & Grossmann LLP
"Claim Form" or "Proof of Claim Form"	Form that claimants must complete and submit in order to be potentially eligible to share in the distribution of the proceeds of the Settlements
"Complaint"	Third Amended Class Action Complaint
"Defendants"	The Settling Defendants and the non-settling defendants, E&Y and UBSFS, collectively
"Director Defendants"	Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber
"D&O Defendants"	Former Lehman officers Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, and Ian Lowitt; and former Lehman directors Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber
"D&O Notice"	Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
"D&O Plan"	Plan of Allocation for the D&O Net Settlement Fund, attached as Appendix C to the D&O Notice
"D&O Settlement"	The proposed settlement with the Lehman directors and officers for $90 million on behalf of the D&O Settlement Class
"D&O Settlement Amount"	$90 million
"D&O Settlement Class"	All persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A to the D&O Stipulation pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B to the D&O Stipulation pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options

ABBREVIATION	DEFINED TERM
	between June 12, 2007 and September 15, 2008, through and inclusive, and who were damaged thereby. Excluded from the D&O Settlement Class are (i) Defendants, (ii) Lehman, (iii) the executive officers and directors of each Defendant or Lehman, (iv) any entity in which Defendants or Lehman have or had a controlling interest, (v) members of Defendants' immediate families, and (vi) the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded from the D&O Settlement Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the D&O Notice.
"D&O Stipulation"	Stipulation of Settlement and Release dated October 14, 2011, between Lead Plaintiffs and the D&O Defendants
"E&Y"	Ernst & Young LLP, a non-settling defendant
"Eligible UW Security or Securities"	One or more of the following: 1. February 5, 2008 Offering of 7.95% Non-Cumulative Perpetual Preferred Stock, Series J (CUSIP 52520W317) 2. July 19, 2007 Offering of 6% Notes Due 2012 (CUSIP 52517P4C2) 3. July 19, 2007 Offering of 6.50% Subordinated Notes Due 2017 (CUSIP 524908R36) 4. July 19, 2007 Offering of 6.875% Subordinated Notes Due 2037 (CUSIP 524908R44) 5. September 26, 2007 Offering of 6.2% Notes Due 2014 (CUSIP 52517P5X5) 6. September 26, 2007 Offering of 7% Notes Due 2027 (CUSIP 52517P5Y3) 7. December 21, 2007 Offering of 6.75% Subordinated Notes Due 2017 (CUSIP 5249087M6) 8. January 22, 2008 Offering of 5.625% Notes Due 2013 (CUSIP 5252M0BZ9) 9. February 5, 2008 Offering of Lehman Notes, Series D (CUSIP 52519FFE6) 10. April 24, 2008 Offering of 6.875% Notes Due 2018 (CUSIP 5252M0FD4) 11. April 29, 2008 Offering of Lehman Notes, Series D (CUSIP 52519FFM8) 12. May 9, 2008 Offering of 7.50% Subordinated Notes Due 2038 (CUSIP 5249087N4)

ABBREVIATION	DEFINED TERM
"*Equity/Debt* Action" or "*Equity/Debt*"	*In re Lehman Brothers Equity/Debt Securities Litigation*, 08 Civ. 5523 (LAK)
"ERISA Action"	*In re Lehman Brothers ERISA Litigation*, 08 Civ. 5598 (LAK)
"Examiner"	Anton R. Valukas, Esq., the court-appointed examiner in Lehman's Chapter 11 bankruptcy proceedings, *In re Lehman Brothers Holdings Inc.*, 08-13555 (JMP) (Bankr. S.D.N.Y.)
"Examiner's Report"	Report of Anton R. Valukas, Examiner, dated March 11, 2010
"Exchange Act"	Securities Exchange Act of 1934
"Executive Committee Chair"	Max W. Berger of Bernstein Litowitz
"Fee and Expense Application"	Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses on behalf of all Plaintiffs' Counsel
"Fee Memorandum"	The Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
"First Group of Settling Underwriter Defendants"	A.G. Edwards & Sons, Inc. ("A.G. Edwards"); ABN AMRO Inc. ("ABN Amro"); ANZ Securities, Inc. ("ANZ"); Banc of America Securities LLC ("BOA"); BBVA Securities Inc. ("BBVA"); BNP Paribas; BNY Mellon Capital Markets, LLC ("BNY"); Caja de Ahorros y Monte de Piedad de Madrid ("Caja Madrid"); Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank) ("Calyon"); CIBC World Markets Corp. ("CIBC"); Citigroup Global Markets Inc. ("CGMI"); Commerzbank Capital Markets Corp. ("Commerzbank"); Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited) ("Daiwa"); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets) ("DnB NOR"); DZ Financial Markets LLC ("DZ Financial"); Edward D. Jones & Co., L.P. ("E.D. Jones"); Fidelity Capital Markets Services (a division of National Financial Services LLC) ("Fidelity Capital Markets"); Fortis Securities LLC ("Fortis"); BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.) ("Harris Nesbitt"); HSBC Securities (USA) Inc. ("HSBC"); ING Financial Markets LLC ("ING"); Loop Capital Markets, LLC ("Loop Capital"); Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC) ("Mellon"); Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch"); Mizuho Securities USA Inc. ("Mizuho"); Morgan Stanley & Co.

ABBREVIATION	DEFINED TERM
	Inc. ("Morgan Stanley"); nabCapital Securities, LLC (n/k/a nabSecurities, LLC) ("nabCapital"); National Australia Bank Ltd. ("NAB"); Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC) ("Natixis"); Raymond James & Associates, Inc. ("Raymond James"); RBC Capital Markets, LLC (f/k/a RBC Dain Rauscher Inc.) ("RBC Capital"); RBS Greenwich Capital (n/k/a RBS Securities Inc.) ("RBS Greenwich"); Santander Investment Securities Inc. ("Santander"); Scotia Capital (USA) Inc. ("Scotia"); SG Americas Securities LLC ("SG Americas"); Sovereign Securities Corporation, LLC ("Sovereign"); SunTrust Robinson Humphrey, Inc. ("SunTrust"); TD Securities (USA) LLC ("TD Securities"); UBS Securities LLC ("UBS Securities"); Utendahl Capital Partners, L.P. ("Utendahl"); Wachovia Capital Finance ("Wachovia Capital"); Wachovia Securities, LLC n/k/a Wells Fargo Securities, LLC ("Wachovia Securities"); and Wells Fargo Securities, LLC ("Wells Fargo")
"First Underwriter Stipulation" or "First UW Stipulation"	Stipulation of Settlement and Release dated December 2, 2011, between Lead Plaintiffs and the First Group of Settling Underwriter Defendants
"GCG"	The Garden City Group, Inc., the Court-approved claims administrator for the Settlements
"Girard Gibbs"	Girard Gibbs LLP (f/k/a Girard, Gibbs & De Bartolomeo, LLP)
"GGRF"	Government of Guam Retirement Fund
"Joint Declaration"	Joint Declaration of David Stickney and David Kessler in Support of (A) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
"Kessler Topaz"	Kessler Topaz Meltzer & Check, LLP
"Lead Counsel"	Bernstein Litowitz and Kessler Topaz
"Lead Plaintiffs"	ACERA, GGRF, NILGOSC, Lothian, and Operating Engineers
"Lehman" or "Company"	Lehman Brothers Holdings Inc.
"Lothian"	The City of Edinburgh Council as Administering Authority of the Lothian Pension Fund
"MBS Action"	*In re Lehman Brothers Mortgage-Backed Securities Litigation*, 08 Civ. 6762 (LAK)

ABBREVIATION	DEFINED TERM
"NILGOSC"	Northern Ireland Local Governmental Officers' Superannuation Committee
"Notice Orders"	Pretrial Order Nos. 27 & 28, collectively
"Notice Packet"	The D&O Notice, UW Notice, Claim Form and a cover letter, sent to potential members of the Settlement Classes
"Notices"	The D&O Notice and UW Notice
"Officer Defendants"	Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, and Ian Lowitt
"Operating Engineers"	Operating Engineers Local 3 Trust Fund
"Plaintiffs' Counsel"	Lead Counsel; Girard Gibbs; Grant & Eisenhofer P.A.; Kirby McInerney LLP; Labaton Sucharow LLP; Law Offices of Bernard M. Gross, P.C.; Law Offices of James V. Bashian, P.C.; Lowenstein Sandler PC; Murray Frank LLP; Pomerantz Haudek Grossman & Gross LLP; Saxena White P.A.; Spector Roseman Kodroff & Willis, P.C.; and Zwerling, Schachter & Zwerling, LLP
"Plaintiffs' Executive Committee" or "Executive Committee"	Bernstein Litowitz; Kessler Topaz; Gainey & McKenna LLP; Wolf Haldenstein Adler Freeman & Herz LLP; and Girard Gibbs LLP
"PPN"	The Lehman/UBS Structured Products that purported to offer full or partial principal protection
"Pretrial Order No. 27"	The Court's December 15, 2011 Order Concerning Proposed Settlement With The Director And Officer Defendants
"Pretrial Order No. 28"	The Court's December 15, 2011 Order Concerning Proposed Settlement With The Settling Underwriter Defendants
"PSLRA"	The Private Securities Litigation Reform Act of 1995
"Repo 105"	A repurchase agreement (*i.e.*, a "repo") that Lehman accounted for as a sale instead of a financing, which removed the assets from Lehman's balance sheet. In a second step, Lehman used the cash obtained in exchange for the assets to pay down other liabilities. The Repo 105 transactions reduced the size of Lehman's balance sheet and reduced its net leverage ratio. The transactions were called Repo 105 because Lehman provided 5% overcollateralization. Repo 105 and Repo 108 are referred to collectively as "Repo 105."
"Repo 108"	Similar to Repo 105 transactions, except Lehman provided 8% overcollateralization instead of 5%
"SEC"	Securities and Exchange Commission

ABBREVIATION	DEFINED TERM
"Second Group of Settling Underwriter Defendants"	Cabrera Capital Markets LLC ("Cabrera"); Charles Schwab & Co., Inc. ("Charles Schwab"); HVB Capital Markets, Inc. ("HVB"); Incapital LLC ("Incapital"); MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners) ("MRB Securities"); Muriel Siebert & Co., Inc. and Siebert Capital Markets ("Muriel Siebert"); and Williams Capital Group, L.P. ("Williams")
"Second Underwriter Stipulation" or "Second UW Stipulation"	Stipulation of Settlement and Release dated December 9, 2011, between Lead Plaintiffs and the Second Group of Settling Underwriter Defendants
"Securities Act"	Securities Act of 1933
"Settlement Amounts"	The D&O Settlement Amount and the Underwriter Settlement Amount
"Settlement Classes"	The D&O Settlement Class and the Underwriter Settlement Class
"Settlement Class Period"	The period between June 12, 2007 and September 15, 2008, through and inclusive
"Settlement Class Representatives"	The proposed Settlement Class Representatives for the D&O Settlement Class are Lead Plaintiffs and additional named plaintiffs Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Stacey Oyler; Montgomery County Retirement Board; Fred Telling; Stuart Bregman; Irwin and Phyllis Ingwer; Carla LaGrassa; Teamsters Allied Benefit Funds; Francisco Perez; Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer; Robert Feinerman; John Buzanowski; Steven Ratnow; Ann Lee; Sydney Ratnow; Michael Karfunkel; Mohan Ananda; Fred Mandell; Roy Wiegert; Lawrence Rose; Ronald Profili; Grace Wang; Stephen Gott; Juan Tolosa; Neel Duncan; Nick Fotinos; Arthur Simons; Richard Barrett; Shea-Edwards Limited Partnership; Miriam Wolf; Harry Pickle (trustee of Charles Brooks); Barbara Moskowitz; Rick Fleischman; Karim Kano; David Kotz; Ed Davis; and Joe Rottman. The proposed Settlement Class Representatives for the UW Settlement Class are Lead Plaintiffs ACERA and GGRF, and additional named plaintiffs Brockton Contributory Retirement System; Inter-Local Pension

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	Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Montgomery County Retirement Board; Teamsters Allied Benefit Funds; John Buzanowski; and Ann Lee.
"Settlement Fairness Hearing"	The hearing scheduled for April 12, 2012 at 4:00 p.m. at which the Court will consider, among other things, whether the Settlements and the Plans of Allocation are fair, reasonable and adequate
"Settlement Memorandum"	The Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Proposed Plans of Allocation
"Settlements"	The D&O Settlement ($90,000,000), the First Underwriter Settlement ($417,000,000), and the Second Underwriter Settlement ($9,218,000), collectively
"Settling Defendants"	The D&O Defendants and Settling Underwriter Defendants, collectively
"Settling Underwriter Defendants"	The First Group of Settling Underwriter Defendants and Second Group of Settling Underwriter Defendants, collectively
"Stipulations"	The D&O Stipulation, the First Underwriter Stipulation and the Second Underwriter Stipulation, collectively
"Summary Notice"	Summary Notice of Pendency of Class Action and Proposed Settlements with the Director and Officer Defendants and Settling Underwriter Defendants, Settlement Fairness Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses
"UBSFS"	UBS Financial Services, Inc., a non-settling defendant
"Underwriter Defendants"	The non-Lehman underwriters of Lehman securities named as defendants in the Action
"Underwriter Settlement"	The proposed settlement with the Settling Underwriter Defendants for $426,218,000 on behalf of the Underwriter Settlement Class
"Underwriter Settlement Class" or "UW Settlement Class"	All persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A to the First UW Stipulation pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and who were damaged thereby. The UW Settlement Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets

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	managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First UW Stipulation, who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Excluded from the UW Settlement Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the "Underwriter Settlement Class Period") owned, a majority interest; (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party; and (v) Lehman. Also excluded from the UW Settlement Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the UW Notice.
"Underwriter Settlement Class Period"	July 19, 2007 through September 15, 2008, inclusive
"Underwriter Stipulations"	The First Underwriter Stipulation and the Second Underwriter Stipulation, collectively
"UW Notice"	Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
"UW Plan"	Plan of Allocation for the Underwriter Net Settlement Fund, attached as Appendix B to the UW Notice
"UW Settlement Amount"	$426,218,000

We, David R. Stickney of Bernstein Litowitz Berger & Grossmann LLP ("Bernstein Litowitz"), and David Kessler of Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz") (the firms together, "Lead Counsel"), submit this joint declaration in support of (A) Lead Plaintiffs' Motion For Final Approval Of Class Action Settlements With D&O Defendants and Settling Underwriter Defendants And Approval Of Plans Of Allocation and (B) Lead Counsel's Motion For An Award Of Attorneys' Fees And Reimbursement Of Litigation Expenses.[1] We are partners in our respective law firms and have personal knowledge of all material matters related to the Action based upon our active supervision and participation in the prosecution of this Action since its inception. Unless otherwise indicated, the statements in this declaration are made based on our personal knowledge.

I. PRELIMINARY STATEMENT

1. The stakes in this litigation have been large, the risks enormous and the battles hard-fought with multiple law firms defending the more than 60 defendants. This Court, having overseen this MDL proceeding for nearly four years, is familiar with the underlying claims and defenses in the *Equity/Debt* action (the "Action") and the complex factual and legal issues surrounding the historic collapse of Lehman Brothers Holdings Inc. ("Lehman"). Accordingly, this declaration does not seek to detail each and every event that occurred during the litigation. Rather, it provides highlights of the events leading to the Settlements and the bases upon which Lead Plaintiffs and Lead Counsel recommend their approval.

[1] "Lead Plaintiffs" refers to Alameda County Employees' Retirement Association ("ACERA"), the Government of Guam Retirement Fund ("GGRF"), the Northern Ireland Local Governmental Officers' Superannuation Committee ("NILGOSC"), The City of Edinburgh Council as Administering Authority of the Lothian Pension Fund ("Lothian"), and the Operating Engineers Local 3 Trust Fund ("Operating Engineers").

2. There are two proposed settlements before the Court, one with certain of the underwriter defendants for $426,218,000 (the "Underwriter Settlement") on behalf of the Underwriter Settlement Class, and another with the Lehman directors and officers for $90 million (the "D&O Settlement") on behalf of the D&O Settlement Class, for a combined recovery of over $516 million. Notably, Lead Plaintiffs continue to prosecute the claims against the non-settling defendants – Ernst & Young LLP ("E&Y") and UBS Financial Services, Inc. ("UBSFS").

3. We respectfully submit that each of the proposed Settlements, for independent reasons detailed herein, represents an outstanding result for the Settlement Classes. As explained below, the Settlements benefit each Settlement Class by conferring a guaranteed and immediate recovery while avoiding the substantial risks and expense of continued litigation, including the risk of recovering less than the Settlement Amounts after substantial delay or of no recovery at all.

4. On November 7, 2011, the $90 million was deposited into an escrow account for the benefit of the D&O Settlement Class. While the amount of the D&O Settlement is not as substantial as the approximately $426 million recovered in the UW Settlement, limits on the ability of Lehman's former officers, the Officer Defendants, to pay a substantial judgment amply support the reasonableness of the settlement. As explained below, Lead Plaintiffs retained a highly-respected neutral, the Honorable John S. Martin (Ret.), to perform a confidential review of the liquid net worth of Lehman's former officers in order to assure Lead Plaintiffs that recovering $90 million from insurance now, which would otherwise be depleted by defense costs, was the best option to maximize the recovery for the D&O Settlement Class.

5. $426,093,000 has also been deposited into an escrow account for the benefit of the Underwriter Settlement Class.[2] To put this amount into context, it represents approximately 13% of the maximum statutory damages (before taking into account Defendants' arguments to reduce damages based on negative causation) that could have been recovered against the Underwriter Defendants pursuant to Section 11(e) of the Securities Act. Moreover, as explained below, the Underwriter Defendants asserted myriad defenses to liability, such as the "due diligence" defense, that, if successful, would have resulted in no recovery from these defendants.

6. The proposed Settlements are the result of Lead Plaintiffs' and Lead Counsel's extensive investigation into the claims, preparation of three detailed complaints, two rounds of dispositive motions, protracted settlement negotiations overseen by the Honorable Daniel J. Weinstein (Ret.) of JAMS, a review by Judge Martin of the liquid net worth of the former Lehman officers, extensive consultation with experts in areas requiring specialized knowledge, and the review and analysis of a substantial volume of internal Lehman and underwriter documents during confirmatory discovery for the Underwriter Settlement.

7. In addition to seeking final approval of the Settlements, Lead Plaintiffs seek approval of the proposed Plans of Allocation as fair and reasonable. To prepare the Plans of Allocation and to apportion the UW Settlement Amount among purchasers of the eligible securities, Lead Counsel consulted with an expert in the areas of economics and damages. Pursuant to the Plans of Allocation, the Settlement Amounts plus interest accrued (after deduction of Court-approved expenses and attorneys' fees) will be distributed on a *pro rata* basis to members of each Settlement Class who submit Claim Forms that are approved for payment by the Court.

[2] Lead Plaintiffs granted one of the Settling Underwriter Defendants a brief extension until April 2, 2012, to deposit its portion ($125,000.00) of the Underwriter Settlement Amount.

8. For their extensive efforts in the face of enormous risks, Lead Counsel, on behalf of all Plaintiffs' Counsel, are also applying for an award of attorneys' fees and reimbursement of expenses (the "Fee and Expense Application"). Specifically, Lead Counsel are applying for an attorneys' fee of 16% of each Settlement Amount and for reimbursement of litigation expenses, to be paid in *pro rata* amounts from the two separate Settlement Amounts, of $1,619,669.27. The requested fee is well within the range of reasonable fees approved by courts in this District and around the country, and is amply supported by each of the relevant factors set forth in *Goldberger v. Integrated Res., Inc*., 209 F.3d 43 (2d Cir. 2000). The reasonableness of the 16% fee request is confirmed with a lodestar cross-check resulting in a multiplier of 2.18, which is well within the range of multipliers awarded in many other securities class action settlements of a similar size.

9. For all of the reasons detailed herein, including the outstanding results obtained in the face of the significant litigation risks, we respectfully submit that both the D&O Settlement and the UW Settlement (as well as the Plans of Allocation) are each "fair, reasonable and adequate" in all respects, and that the Court should therefore approve them pursuant to Rule 23(e) of the Federal Rules of Civil Procedure. For similar reasons, as well as for the additional reasons set forth in § IV below, we respectfully submit that Lead Counsel's requests for (a) an award of attorneys' fees equal to 16% of the Settlement Amounts and (b) reimbursement of litigation expenses in the amount of $1,619,669.27, are also fair and reasonable, and should also be approved.

10. This Joint Declaration describes: (a) the efforts undertaken by Lead Counsel, and the additional firms performing work at the direction of Lead Counsel, to prosecute the Action (¶¶11-53); (b) the Settlements and the risks that Lead Plaintiffs and Lead Counsel considered in

determining that the Settlements provide an outstanding recovery for their respective Settlement Classes (¶¶54-88); (c) the Notices to the members of the Settlement Classes (¶¶89-96); (d) the proposed Plans of Allocation for the Settlements (¶¶98-104); and (e) the fee and expense application by Lead Counsel (¶¶105-40).

II. PROSECUTION OF THE ACTION

A. Appointment Of Lead Plaintiffs And Lead Counsel, Lehman's Bankruptcy And The Preparation Of The Consolidated Complaint

11. On June 18, 2008, plaintiffs filed the first class action in this Court, *Operative Plasterers and Cement Masons Int'l Ass'n Local 262 Annuity Fund v. Lehman Bros. Holdings Inc. et al.*, No. 08-05523 (LAK). ACERA, GGRF, NILGOSC, Lothian, and Operating Engineers timely moved for appointment as the lead plaintiffs. ECF Nos. 6-8.[3] Following full briefing, on July 30, 2008, the Court consolidated the pending class actions and appointed Lead Plaintiffs and approved Lead Plaintiffs' choice of the law firms of Bernstein Litowitz and Kessler Topaz as Lead Counsel. ECF No. 18.

12. Lead Counsel pursued an extensive investigation to prepare the first Consolidated Complaint. Lead Counsel utilized their investigators to locate and interview former employees of Lehman and others who might reasonably be expected to have relevant knowledge concerning matters at issue in the case. The investigation also included consultation with experts and analysis and review of a substantial volume of public information by and about Lehman, including Lehman's SEC filings; Lehman's annual and quarterly financial statements; Lehman's press releases; transcripts of Lehman's quarterly analyst conference calls; and a substantial

[3] Unless otherwise noted, all references to the docket are to the *Equity/Debt* Action, 08-CV-5523-LAK.

volume of news articles and wire service reports concerning Lehman and its real estate-related businesses.

13. While such investigation was underway, there was a flurry of material developments regarding Lehman. On September 10, 2008, for example, Lehman issued a press release and held a conference call announcing expected losses for the third quarter, as well as plans to spin off the vast majority of Lehman's commercial real estate assets. Given the new information, Lead Plaintiffs sought and obtained an extension to file their Consolidated Complaint in order to investigate the new, additional information for possible inclusion in the pleading. With Lead Counsel's work and investigation ongoing, Lehman petitioned for bankruptcy protection on September 15, 2008.

14. Lehman's bankruptcy, the largest in United States history, had an enormous impact on the case. Fundamentally, Lehman was no longer a viable named defendant due to the bankruptcy stay resulting from the Company's Chapter 11 proceeding. Moreover, the ability of the D&O Defendants to pay a substantial judgment was adversely affected by Lehman's demise, as their wealth reportedly was tied directly to the value of Lehman stock. In addition, the value of Lehman securities plunged due to the bankruptcy.

15. Following the bankruptcy, Lehman investors filed additional class actions. Lead Counsel requested in writing that such later-filed actions be transferred to the Honorable Lewis A. Kaplan, because of the overlapping subject matter and claims, pursuant to Local Rules 15(a) and (c) of the Rules for Division of Business Among District Judges. On September 24, 2008, plaintiff Fogel Capital Management filed a separate action, *Fogel Capital Mgmt., Inc. v. Richard S. Fuld, Jr. et al.*, No. 08-08225 (LAK). Additional actions followed. *See, e.g.*, *Stanley Tolin v. Richard S. Fuld, Jr. et al.*, No. 08-10008 (S.D.N.Y.) (filed on November 18, 2008), and *Brooks*

Family P'ship LLC v. Richard S. Fuld, Jr. et al., No. 08-10206 (S.D.N.Y.) (filed on November 24, 2008). In addition, counsel for plaintiffs in such actions issued press releases announcing the opportunity to move for appointment as lead plaintiffs in the *Fogel* action and additional cases.

16. Lead Counsel continued their vigorous investigation, including locating and interviewing witnesses, analyzing the torrent of publicly available information in the aftermath of Lehman's bankruptcy, consulting with experts and working with specially-retained bankruptcy counsel.

17. On October 27, 2008, Lead Counsel filed the Amended Class Action Complaint, which alleged additional claims against the Underwriter Defendants for offerings of Lehman securities they partially underwrote, including claims related to the Series J Preferred Stock and additional offerings. The Amended Class Action Complaint reflected Lead Counsel's intensive fact investigation up to that point, incorporating factual allegations based upon witness accounts.

B. Consolidation, Coordination, And Establishment Of The Plaintiffs' Executive Committee

18. On October 29, 2008, and thereafter, Lead Plaintiffs moved to consolidate *Fogel* and the additional securities class actions. ECF Nos. 57-58, 66-67. Lead Plaintiffs also opposed the separate motions for appointment of different lead plaintiffs. ECF Nos. 36-37 (08-CV-8225); ECF Nos. 11-12 (08-CV-10206).

19. Counsel for the parties appeared before the Court on January 8, 2009 for a scheduling conference and hearing on pending motions. During the conference, the Court heard argument from Lead Counsel and counsel representing various other plaintiffs regarding case management and organization of the related matters going forward, including consolidation and coordination. The Court consolidated all actions involving Lehman equity and debt securities

under the direction of Lead Plaintiffs and Lead Counsel. The Court separately consolidated the multiple mortgage-backed securities cases for all purposes, while the ERISA actions remained as a third stand-alone group. The Court further consolidated these three groups (equity/debt, mortgage-backed securities, and ERISA) for discovery purposes and appointed an executive committee.

20. On January 9, 2009, the Court entered Pretrial Order No. 1, consolidating the eight pending *Equity/Debt* class actions.[4] Pretrial Order No. 1 also consolidated, for discovery purposes only, the following three consolidated class actions: *In re Lehman Brothers Equity/Debt Securities Litigation* (08 Civ. 5523 (LAK)) (the "Equity/Debt Action"); *In re Lehman Brothers Mortgage-Backed Securities Litigation* (08 Civ. 6762 (LAK)) (the "MBS Action"); and *In re Lehman Brothers ERISA Litigation* (08 Civ. 5598 (LAK)) (the "ERISA Action").

21. Pretrial Order No. 1 also established the "Plaintiffs' Executive Committee" and the "Executive Committee Chair." The Plaintiffs' Executive Committee consisted of: (a) Bernstein Litowitz; (b) Kessler Topaz; (c) Gainey & McKenna LLP; (d) Wolf Haldenstein Adler Freeman & Herz LLP; and (e) Girard, Gibbs & De Bartolomeo LLP. The Plaintiffs' Executive Committee selected Sean Coffey of Bernstein Litowitz as Executive Committee Chair,

[4] The eight cases are: *Operative Plasterers and Cement Masons Int'l Ass'n Local 262 Annuity Fund v. Lehman Bros. Holdings Inc., et al.*, No. 08-05523 (LAK); *Fogel Capital Mgmt., Inc. v. Richard S. Fuld, Jr. et al.,* No. 08-08225 (LAK); *Stanley Tolin v. Richard S. Fuld, Jr. et al*., No. 08-10008 (S.D.N.Y.); *Brooks Family P'ship LLC v. Richard S. Fuld, Jr. et al*., No. 08-10206 (S.D.N.Y.); *Anthony Peyser v. Richard S. Fuld, Jr. et al.*, No. 08-09404 (LAK) (S.D.N.Y.) (filed on October 31, 2008); *Stephen P. Gott, et al. v. UBS Fin. Servs. et al.*, No. 08-09578 (LAK) (S.D.N.Y.) (filed on November 6, 2008); *Jeffrey Stark, et al. v. Erin Callan, et al.*, 08-09793 (LAK) (S.D.N.Y.) (removed to federal court on November 12, 2008, complaint filed in state court on October 28, 2008); and *Azpiazu v. UBS Fin. Servs., et al.*, No. 08-10058 (LAK) (S.D.N.Y.) (filed on November 19, 2008).

who was subsequently succeeded by Max W. Berger of Bernstein Litowitz as the Executive Committee Chair.[5]

C. The Second Amended Complaint And Defendants' Motions To Dismiss

22. Lead Counsel continued their intense investigation to prepare the Second Amended Complaint. Such investigation included additional efforts to locate and interview witnesses, further consultation with experts and continued analysis of publicly available information.

23. On February 23, 2009, Lead Plaintiffs filed the Second Amended Complaint. The Second Amended Complaint alleged negligence and strict liability claims under Sections 11, 12(a)(2) and/or 15 of the Securities Act against certain Lehman officers and directors and the underwriters of Lehman securities for alleged untrue statements and material omissions in the offering materials for Lehman securities. Separately, Lead Plaintiffs asserted securities fraud claims under Sections 10(b), 20(a), and/or 20A of the Exchange Act against certain Lehman officers.

24. The Second Amended Complaint further alleged Securities Act claims on behalf of purchasers of certain Structured Notes, including "principal protection notes," against certain Lehman officers and directors and UBSFS. The plaintiffs bringing claims on these Structured Notes alleged that the offering documents for "principal protection notes" were false and misleading because they failed to adequately disclose that "principal protection" depended upon the solvency of Lehman.

[5] The law firms of Gainey & McKenna LLP and Wolf Haldenstein Adler Freeman & Herz LLP were appointed Co-Lead Counsel for the ERISA Action.

25. On April 27, 2009, the director and officer defendants and the underwriter defendants filed three separate motions to dismiss the Second Amended Complaint consisting of over 170 pages of briefs (over 400 pages, including schedules/appendices) and well over 8,000 pages of exhibits. *See* ECF Nos. 134-45. These defendants argued, among other things, that the Second Amended Complaint should be dismissed in whole or in part because:

(a) Plaintiffs lacked standing with respect to the majority of Offerings at issue;

(b) The Second Amended Complaint "sounded in fraud" and was thus subject to the heightened pleading of Fed. R. Civ. P. 9(b);

(c) Many of the alleged misstatements are forward-looking statements;

(d) The statements of the confidential sources cited by Lead Plaintiffs were not pleaded with particularity;

(e) Many of the alleged misstatements concerning the Company's risk management practices were inactionable "puffery";

(f) Lead Plaintiffs failed to allege facts to create a strong inference that each of the officer defendants acted with scienter;

(g) Lead Plaintiffs failed to plead loss causation because: (i) the decline in stock price did not follow any corrective disclosure, (ii) losses in prices of securities were actually caused by unforeseen and unexpected market forces, and (iii) alleged losses were not apportioned between the disclosed and allegedly concealed information; and

(h) The offering supplements for the Lehman/UBS Structured Products that purported to offer full or partial principal protection disclosed the purportedly omitted information.

26. On June 29, 2009, Lead Plaintiffs filed two briefs in opposition to defendants' motions to dismiss the Action. *See* ECF Nos. 167-69. Among other things, Lead Plaintiffs' opposition briefs:

(a) Responded to defendants' arguments regarding lack of statutory standing as to the majority of the Offerings;

(b) Rebutted defendants' contentions that the Second Amended Complaint "sounded in fraud" (and that even if it did, it was still sufficient under the heightened pleading requirements of Rule 9);

(c) Responded that neither the "bespeaks caution" doctrine nor the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 ("PSLRA") apply and that defendants' supposed warnings were inadequate to apprise investors of the real risks;

(d) Refuted defendants' notion that the Court should somehow disregard Lead Plaintiffs' confidential witness statements;

(e) Cited relevant authority showing that all of the alleged misstatements were actionable and none were mere "puffery";

(f) Demonstrated how the offering documents confirmed that the assurances in the pricing supplements superseded any conflicting information;

(g) Responded to defendants' arguments of failure to allege scienter by showing strong direct and circumstantial evidence of conscious misbehavior or recklessness; and

(h) Responded to each of defendants' arguments pertaining to loss causation.

27. On July 31, 2009, defendants filed their respective reply papers, which consisted of a combined total of 88 pages of additional briefs, plus additional exhibits. *See* ECF Nos. 172-74. Thereafter, Lead Plaintiffs submitted recent authority further supporting their opposition to the motions to dismiss.

28. While defendants' motions to dismiss were pending, Lead Counsel moved to lift the automatic stay of discovery under the PSLRA in order to obtain material that had been produced to others. ECF Nos. 179-81. Lead Plaintiffs argued that lifting the discovery stay would not frustrate the purpose of the PSLRA, that the litigation landscape was shifting and that Lead Plaintiffs would be disadvantaged without access to material provided to others, and that such production would ensure that evidence is preserved. On December 11, 2009, the Court denied the motion. ECF No. 189.

29. On January 26, 2010, counsel appeared before the Court for argument on defendants' motions to dismiss in this action. The hearing coincided with arguments on motions to dismiss in the consolidated MBS Action and in the ERISA Action. After full argument in the *Equity/Debt* case, the Court took the matter under submission.

D. The Bankruptcy Examiner's Report, Lead Counsel's Continued Investigation And Preparation Of Third Amended Class Action Complaint

30. Anton R. Valukas was appointed as the examiner ("Examiner") in Lehman's Chapter 11 bankruptcy proceedings on January 29, 2009. On March 9, 2009, Lead Plaintiffs and the Examiner entered into a Stipulation and Order Relating to Chapter 11 Cases and Proceedings to promote cooperation and coordination with each other in an effort to assist the Examiner with the investigation. Approximately one month after Lead Plaintiffs filed their Second Amended Complaint, a senior representative of the Examiner's office and Lead Counsel, met in person to discuss the allegations in the Second Amended Complaint. Lead Counsel believe that the information provided to the Examiner was helpful in the course of his investigation.

31. On March 11, 2010, a little more than one year after his appointment and while Defendants' motions to dismiss in this Action were *sub judice*, the Examiner issued his report into potential claims of the bankruptcy estate (the "Examiner's Report"). The Examiner had collected in excess of five million documents comprising more than 40 million pages, and estimates that he reviewed approximately 34 million pages of documents in the course of his investigation. Additionally, the Examiner interviewed more than 250 individuals. The 2,200 page Examiner's Report described in detail the results of the investigation and included over 8,000 footnotes referencing thousands of documents, which were made available to the public.

32. In light of this report, the parties and the Court participated in a telephonic conference, and Lead Plaintiffs requested leave to amend their Second Amended Complaint. On

March 17, 2010, the Court denied the pending motions to dismiss without prejudice and granted Lead Plaintiffs leave to amend. *See* ECF No. 202.

33. Over the next four weeks, Lead Counsel thoroughly digested the Examiner's Report and its supporting documentation. During that process, Lead Counsel compared and confirmed many of the Examiner's findings with Lead Counsel's own prior conclusions based upon our own independent and ongoing investigation.

34. On April 23, 2010, four weeks after being granted leave to amend, Lead Plaintiffs filed the Third Amended Class Action Complaint (the "Complaint"), attached as Exhibit 1. The Complaint alleged that Defendants' public statements, including the offering materials, contained material misstatements, and omitted to state facts necessary to make the representations contained in the offering materials not materially misleading, concerning:

(a) Lehman's use of Repo 105 transactions as gimmicks to reduce Lehman's net leverage ratio and to create the appearance of balance sheet strength;

(b) Lehman's concealment of its true liquidity position and its liquidity risk;

(c) Lehman's risk management and its routine disregard and override of risk limits;

(d) Lehman's failure to record its commercial real estate assets at fair market value; and

(e) Lehman's failure to disclose material facts concerning its concentration of risky assets.

E. Defendants' Second Round Of Motions To Dismiss And Lead Plaintiffs' Responses

35. On June 4, 2010, the D&O and Underwriter Defendants and UBSFS filed a joint motion to dismiss the Complaint, which included 90 pages of briefing and appendices and over 2,800 pages of exhibits, ECF Nos. 224-26, arguing, among other things, that the Complaint should be dismissed because:

(a) The accounting treatment for Repo 105 transactions complied with Generally Accepted Accounting Principles ("GAAP");

(b) No disclosure was necessary for the Repo 105 transactions;

(c) The risk management allegations were "a mismanagement claim" and "puffery";

(d) Lehman adequately warned about liquidity risks in the offering materials;

(e) The commercial real estate valuations were truly held opinions and the alleged overvaluations were *de minimis*;

(f) The Exchange Act claims failed to plead any misstatements by Defendant Gregory or misstatements by any Officer Defendants relating to liquidity;

(g) The Complaint failed to allege facts giving rise to a "strong inference" of scienter;

(h) The 10(b) claims should be dismissed because the Examiner's Report should be read to exonerate certain Defendants;

(i) The Complaint failed to plead loss causation for, among other reasons, the fact that market-wide phenomena and not the alleged misstatements caused the losses; and

(j) The Repo 105 allegations could not have caused Plaintiffs' losses because they were not revealed until the Examiner's Report, almost 1.5 years after the close of the Class Period.

36. Additionally, the Director Defendants filed a separate motion to dismiss the Complaint. ECF Nos. 230-32. They argued, among other things, that their affirmative "due diligence" defense should apply to bar Lead Plaintiffs' Section 11 claims, relying primarily upon the Examiner's conclusion that the directors had not breached certain duties, which purportedly exonerated them from liability in this Action.

37. On June 30, 2010, Lead Plaintiffs filed their combined Opposition to Defendants' Motions to Dismiss the Third Amended Class Action Complaint. ECF No. 235. The Opposition explained the following, among other points:

(a) The Repo 105 transactions were indisputably material and violated GAAP, and were never disclosed to investors as required by GAAP;

(b) The Repo 105 transactions rendered other simultaneous statements made by Defendants regarding liquidity and liquidity ratios materially false and misleading when made;

(c) Defendants did not challenge the falsity of their risk management statements and that according to law, when the conduct involved misstatements related to mismanagement, the claims are actionable under the federal securities laws;

(d) According to case law, misstatements concerning the methodology used for valuing assets constitute representations of fact;

(e) The facts alleged in the Complaint give rise to a "strong inference" of scienter; and

(f) The risks concealed by the Repo 105 transactions, and Defendants' related false statements, materialized with the events leading up to Lehman's liquidity crisis and bankruptcy.

38. On July 13, 2010, Defendants filed their respective reply briefs (ECF Nos. 236-38), which consisted of a combined total of 48 pages of legal argument.

39. Lead Counsel continuously monitored the bankruptcy proceedings and the courts for any recent authority or new information supporting Lead Plaintiffs' case and the opposition to Defendants' motions to dismiss. In this regard, Lead Plaintiffs submitted supplemental authority supporting their opposition while the motions to dismiss were pending. Moreover, as explained, Lead Plaintiffs and counsel for the Settling Defendants commenced protracted settlement negotiations before resolution of Defendants' motions to dismiss.

40. On July 27, 2011, the Court entered its Opinion on the various motions to dismiss the Complaint. The Court's Opinion granted in part and denied in part Defendants' motions to dismiss the Complaint. *See* ECF No. 263. The Opinion also directed Defendants "to settle an order more fully setting forth the rulings in the Opinion, preferably with agreement from all parties." The parties negotiated and ultimately agreed to such a submission, setting forth each of the rulings in Pretrial Order No. 19. ECF No. 275.

F. Other Significant Actions Taken By Lead Counsel

1. Monitoring Of Bankruptcy Proceedings

41. In light of Lehman's Chapter 11 bankruptcy proceedings, litigation against Lehman (and affiliated debtors) was subject to the automatic stay provisions of the United States Bankruptcy Code, and, thus, Lead Plaintiffs were barred from prosecuting claims against Lehman. In order to further safeguard the interests of the class in the Lehman bankruptcy proceedings in general, Lead Plaintiffs immediately enlisted the law firm of Lowenstein Sandler PC to serve as bankruptcy counsel for the proposed class.

42. Lead Counsel monitored Lehman's Chapter 11 bankruptcy proceedings to ensure that the classes' interests were adequately protected. In that regard, individual and class proofs of claim were prepared. Lead Counsel also reviewed potentially relevant pleadings, commented on pertinent orders, and prepared objections where necessary. With the assistance of bankruptcy counsel, Lead Counsel reviewed multiple iterations of the proposed plan of reorganization and disclosure statement and numerous supporting pleadings and documents. In addition, we monitored the bankruptcy proceedings for information relevant to the D&O liability insurance policies. We also analyzed available transcripts and documents submitted in the bankruptcy proceedings for evidence relevant to the claims and defenses in this Action.

2. Coordination Among Plaintiffs' Counsel

43. In accordance with Pretrial Orders Nos. 1 and 3, Lead Plaintiffs and Lead Counsel have worked diligently to maintain order and coordination among the many Lehman-related cases that were transferred to this Court's docket. Pretrial Order No. 1 requires, among other things, that the Executive Committee prepare confidential periodic reports regarding the status of the three consolidated class actions (this Action, the MBS Action, and the ERISA Action). To date, the Executive Committee has prepared and disseminated nine such confidential reports.

44. The status reports have assisted in monitoring and coordinating the prosecution of the Action among Plaintiffs' Counsel. Moreover, such reports have helped Lead Counsel to promote efficiency and to ensure that the various firms did not duplicate efforts in prosecuting the various actions.

3. The Rule 26(f) Discovery Plan

45. Following denial of the motions to dismiss the Complaint in July 2011, Lead Counsel initiated the parties' Rule 26(f) conference. In advance of the September 7, 2011 conference, Lead Counsel prepared and circulated a draft discovery and case management plan. Counsel for the parties met in person to discuss the plan and additional case management issues, including a proposed schedule for the case and mechanisms for coordinating proceedings with the additional actions in these MDL proceedings. Lead Counsel met telephonically with defense counsel on several occasions to negotiate and finalize the discovery plan.

46. On November 1, 2011, the parties filed their Joint Rule 26(f) Discovery Plan Report with the Court in anticipation of the November 8, 2011 status and scheduling conference. Lead Counsel and counsel for the parties appeared before the Court for the conference to address various scheduling and case management issues. Following the conference, on November 9, 2011, the Court issued Pretrial Order No. 23, which provided that document production and class certification depositions could begin immediately in this Action.

47. Immediately after the Court lifted the PSLRA discovery stay, Lead Counsel served a subpoena on the Lehman estate for relevant documents. Through such discovery and additional efforts, and as a result of conditions in the settlement agreements that required production of documents, Lead Plaintiffs obtained a substantial volume of material for the prosecution of their claims and also to assess the fairness and reasonableness of the settlement with the Settling Underwriter Defendants as part of the confirmatory discovery process.

48. Lead Counsel utilized a sophisticated electronic database to host and manage the document productions in order to efficiently analyze the discovery material. Lead Counsel, with the assistance of Plaintiffs' Counsel, undertook a diligent and extensive process of reviewing and analyzing such documents. Lead Counsel and additional Plaintiffs' Counsel have obtained, reviewed, and/or analyzed more than 10 million pages of documents.

4. Establishing A Lehman Brothers Securities Litigation Website

49. Lead Counsel established a comprehensive website for the Action to provide an accessible place for class members, the parties to the case, and other interested non-parties to view Court rulings, Court-approved Notices, Lead Plaintiffs' pleadings, and other documents filed and submitted in this Action.

50. The website, found at www.LehmanSecuritiesLitigation.com, was created and established on December 8, 2008. Since that time, Lead Counsel have placed on the website relevant pleadings and announcements of developments in the Action. As noted by class members in communications with our two firms, the website has been a useful resource for keeping informed of developments in the case.

51. Lead Counsel have also established a second website concerning the proposed Settlements in the Action located at www.LehmanSecuritiesLitigationSettlement.com. This site posts all relevant settlement materials and lists the March 22, 2012 exclusion and objection deadline, the May 17, 2012 Claim Form submission deadline, as well as the April 12, 2012, 4:00 p.m. Settlement Fairness Hearing. Downloadable copies of the Notices and the Claim Form are also available on the website.

5. Lead Counsel's Use Of Experts And Consultants

52. Lead Plaintiffs and Lead Counsel consulted with several experts and consultants while investigating and prosecuting the Action, including experts and consultants in the fields of economics, finance, valuation, accounting and auditing principles, and financial analysis.

53. Lead Counsel are constrained from explaining in any great detail the scope of their work with experts while the case is continuing against the non-settling Defendants. Generally speaking, these experts and consultants were utilized for a multitude of tasks, including pre-suit investigation, preparation of initial and amended complaints, assessing damages and loss causation, preparing materials utilized in negotiating the Settlements, and developing the Plans of Allocation.

III. THE SETTLEMENTS

54. The combined recovery from the proposed Settlements is $516,218,000. As set forth more fully below, the D&O Settlement ($90,000,000), the First Underwriter Settlement ($417,000,000), and the Second Underwriter Settlement ($9,218,000) achieved in this case (collectively the "Settlements") were the result of arm's-length negotiations, by fully informed Lead Plaintiffs and Lead Counsel, overseen by Judge Weinstein.

55. The Settlements provide the members of the proposed Settlement Classes immediate benefits and eliminate the significant risks of continued litigation under circumstances where a favorable outcome could not be assured and where there are limits on the ability of Lehman's former officers to pay a substantial judgment. Lead Counsel believe that the Settlements are fair, reasonable, and excellent results for members of the Settlement Classes considering the risk of recovering nothing or less than the Settlement Amounts after substantial delay.

A. D&O Settlement

1. Negotiation Of The Settlement With The Directors And Officers

56. The process of achieving the D&O Settlement was long and arduous. Lead Plaintiffs and the D&O Defendants engaged in initial settlement discussions following the briefing of Defendants' motions to dismiss the Complaint. In November 2010, the parties submitted detailed mediation statements and additional materials setting forth their respective positions on liability and damages to Judge Weinstein.

57. On December 6-7, 2010, Lead Counsel, counsel for the D&O Defendants and their insurers, and counsel for the Lehman estate and additional plaintiffs participated in a face-to-face mediation session in New York City before Judge Weinstein. After two days, the parties remained far apart in their respective positions. Although a settlement was not reached at this mediation session, both sides remained in communication and met for another mediation session with Judge Weinstein on February 22-23, 2011. A settlement was still not reached after these two additional days of face-to-face negotiations and presentations. Lead Plaintiffs continued to prosecute the case, while negotiations continued with the assistance of Judge Weinstein.

58. As the Action progressed, Lead Plaintiffs monitored the rapidly-diminishing $250 million in insurance under the 2007-2008 D&O insurance policies applicable to Lead Plaintiffs' claims against the D&O Defendants. Beginning in 2009, Lehman and its former directors and officers moved several times in the Bankruptcy Court for comfort orders approving payment of defense costs and settlements in related matters out of the $250 million in total available insurance applicable to Lead Plaintiffs' claims. For example, just days after the February mediation, on February 28, 2011, an application sought Bankruptcy Court authorization to allow payment from the fifth excess layer of insurance, which provided coverage between $70

million and $80 million. By June 29, 2011, an application requested payment from the fifth or sixth excess layer, which covered $85 million to $110 million. Thus, as they continued to litigate the action against the D&O Defendants, Lead Plaintiffs remained cognizant of the status of the D&O insurance policies.

59. In a November 9, 2011 Bankruptcy Court filing, Lehman stated that, "taking into account settlement payments that have been or are contemplated to be made, as well as defense costs that have been or are contemplated to be paid by Lehman's third party insurers under the Debtor's 2007-08 D&O Policies, the Debtors anticipate that the limits of liability of the 2007-2008 D&O policies [the insurance policies that have been used to cover this Action] will be fully exhausted before the end of the year."

60. In August 2011, Lead Plaintiffs and the D&O Defendants finally reached an agreement in principle to settle for $90 million in cash pursuant to a mediator's proposal, subject to the satisfaction of certain conditions, including a confidential assessment of the liquid net worth of the Officer Defendants by a highly-respected neutral. Following the execution of the term sheet, Lead Counsel and the D&O Defendants negotiated the specific terms of the D&O Settlement, as set forth in the October 14, 2011 D&O Stipulation and related exhibits.

61. Additionally, as required by the D&O Stipulation, the D&O Defendants moved the Bankruptcy Court overseeing Lehman's bankruptcy for a comfort order approving the use of D&O insurance proceeds to fund the D&O Settlement. Individual officers and directors of a Lehman-related entity objected to the D&O Defendants' motion, noting that the D&O insurance proceeds were rapidly dwindling and requesting that the Court preserve the remaining coverage under the 2007-2008 policies for them and provide a means to distribute the proceeds to resolve

pending and future claims. On October 19, 2011, the Bankruptcy Court granted the D&O Defendants' motion.

2. D&O Stipulation

62. Pursuant to the D&O Stipulation dated October 14, 2011, in full and complete settlement of the Settled Claims (as that term is defined in ¶1.jj of the D&O Stipulation), the D&O Settling Defendants have paid into escrow $90 million in cash, subject to the terms and conditions of the D&O Stipulation.

63. The D&O Defendants are former Lehman officers Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, and Ian Lowitt; and former Lehman directors Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber.

64. The D&O Settlement Class is defined as follows:

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

65. The D&O Settlement will release the "Settled Claims," as defined in ¶1.jj of the D&O Stipulation, against the "Released Parties." The Released Parties, as defined in ¶1.hh of the D&O Stipulation, include Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory,

Erin Callan, Ian Lowitt, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, John D. Macomber, and Lehman and its subsidiaries and affiliates that are debtors in the Lehman Brothers Holdings Inc. bankruptcy proceedings.[6]

66. As described below in ¶70, the D&O Settlement was subject to a confidential review of the Officer Defendants' combined, liquid net worth by a highly-respected neutral. Moreover, the Lehman estate's inclusion as a "Released Party" in ¶1.hh of the D&O Stipulation was conditioned on the production of certain Lehman documents to Lead Counsel in accordance with the D&O Stipulation, a condition which has been satisfied.

3. Reasons For The Settlement With The Directors And Officers

67. Lead Plaintiffs and Lead Counsel endorse and support the D&O Settlement. Lead Plaintiffs have actively overseen each step in the prosecution of the Action. Lead Counsel specialize in complex securities litigation and are highly-experienced in such litigation. Based on their collective experience and close knowledge of the facts and applicable law, Lead Counsel recommended and Lead Plaintiffs determined that the D&O Settlement was in the best interest of the D&O Settlement Class.

68. Lead Counsel engaged a consultant to assist in estimating potentially recoverable damages for the Section 10(b) claims against the officers, as well as the Securities Act claims against the D&O Defendants for the debt and equity offerings of Lehman securities issued during the Settlement Class Period, as well as for the relevant structured notes. This estimate, before taking into account causation or other defenses to damages, amounts to many billions of dollars

[6] Released Parties also includes certain affiliates of Lehman, including past, present and future employees, officers and directors of Lehman, as well as other related parties as defined in ¶1.hh of the D&O Stipulation.

in the aggregate. The D&O Defendants, naturally, would have challenged Lead Plaintiffs' damage calculation and theory of causation.

69. Leaving aside (for now) the significant risk of proving the D&O Defendants' liability, there were obvious and substantial risks in collecting on any judgment for many billions of dollars that might be obtained through trial. While Defendant Fuld reportedly had enormous wealth before the Lehman bankruptcy, it was subsequently learned that most of it was in Lehman stock, and it is unlikely that Lead Plaintiffs could have collected a substantial judgment from him personally. Nevertheless, in order to assure that Lehman's former officers lacked sufficient available resources to satisfy a judgment or that such resources were sufficiently larger than $90 million to justify the risk of further litigation and many years of delay, the D&O Settlement was conditioned on Lead Plaintiffs obtaining assurances concerning the former officers' combined liquid net worth.

70. The liquid net worth assessment was conducted by Judge John S. Martin, Jr. (Ret.) of Martin & Obermaier, LLC. Judge Martin served as a United States District Judge and the United States Attorney for the Southern District of New York. The parties engaged Judge Martin to determine whether the current "combined liquid net worth" of Officer Defendants Gregory, Fuld, O'Meara, Callan, and Lowitt is less than $100 million. Lead Counsel provided Judge Martin with the relevant portion of the parties' agreement setting forth the scope of the neutral's review and the authority of the neutral to undertake such investigation as he viewed appropriate. Judge Martin agreed to serve as the neutral and conduct a review of the liquid net worth of the Officer Defendants. Judge Martin retained Guidepost Solutions, LLC, to assist him in reviewing the financial records of the Officer Defendants and conducting an appropriate investigation to determine that they did not possess liquid assets in addition to those disclosed to

Judge Martin and Guidepost. In order to enable Judge Martin to make the requested determination, he requested that each of the Officer Defendants complete a Net Worth Questionnaire (created with the help of Guidepost) listing all their assets (including, but not limited to, cash, bank accounts, personal property, real property, loans, trusts, and life insurance policies), a list of all liabilities, copies of bank statements and brokerage account statements, and copies of tax returns. The Officer Defendants each submitted a completed Net Worth Questionnaire and the requested documents. Judge Martin reviewed the completed questionnaires and the submitted documents with the assistance of Guidepost's analysts and forensic accountants, and requested clarification and additional documents from each of the Officer Defendants in an effort to determine the total "combined liquid net worth" of the Officer Defendants under the definition provided. Judge Martin reviewed and analyzed the following categories of documents and information produced by the Officer Defendants: (a) lists (including values) of bank accounts and brokerage accounts; (b) bank and brokerage account statements; (c) tax returns filed by the Officer Defendants for the tax years 2008, 2009 and 2010 (where such returns had been filed); (d) loan documents; (e) financial transaction records; and (f) explanations of individual financial transactions in instances in which Judge Martin asked for such explanations. In addition, Judge Martin prepared and required all of the Officer Defendants to execute affidavits expressly stating that they had identified in their submissions to Judge Martin: (a) all of their current bank and brokerage accounts and all of their bank and brokerage accounts that had existed between May 2008 and the present that had been closed in the interim and (b) all of their assets containing marketable securities wherever located in the world. Based upon the affidavits of the Officer Defendants, the information the Officer Defendants provided to Judge Martin and the independent investigation conducted by Guidepost, Judge Martin provided

his opinion that he was satisfied that the liquid worth of the Officer Defendants taken together is substantially less than $100 million.

71. If, therefore, Lead Plaintiffs passed on the definite $90 million recovery for the D&O Settlement Class and instead continued to pursue the claims against Lehman's former officers (the outcome of which is uncertain and years in the future), the policy would evaporate and the officers' combined liquid net worth likely would be an inadequate alternative source for recovery. In reaching this conclusion, Lead Counsel considered several factors, including balancing the amount of the certain recovery against the uncertain and risky potential recovery after trial and appeals, the ability to collect and convert a judgment in the event of success and the time-value of money.

72. Separate and apart from the ability to pay, the D&O Defendants contended that various defenses would substantially reduce or eliminate altogether the amount of damages for which they were liable. The D&O Settlement enables the D&O Settlement Class to immediately recover a substantial sum of money, while avoiding protracted litigation and the following risks, among others:

(a) The D&O Defendants raised numerous defenses to the Securities Act claims in this Action, including the "due diligence" defense and "expert-reliance" defense. The D&O Defendants argued that Lehman's public filings and the Examiner's Report conclusively demonstrate that Defendants Fuld, O'Meara, Callan, and the Directors each conducted a "reasonable investigation" and had a "reasonable ground to believe" that the offering materials were true and void of any materially misleading statements or omissions. 15 U.S.C. § 77k(b)(3)(A). The D&O Defendants argued that findings in the Examiner Report support their "due diligence" defense to Securities Act claims, pointing to discussion of active participation in

board meetings, receipt of management reports on various aspects of Lehman's plans and operations, and specifically reviewing financial and risk issues at both the Board and Board Committee levels. *See, e.g.*, Examiner's Report at 55, 148-49, 633, 803, 947 n.3653, 1460 n.5633, 1484-87, App. 8 at 22-23; *see also* 194 (the Director Defendants "plainly implemented a sufficient reporting system and controls"). This defense is an issue for trial necessitating expert testimony. Likewise, the D&O Defendants relied upon the findings in the Examiner's Report (*see, e.g.*, Examiner's Report at 56, 195, 945) to argue that they "had no reasonable ground to believe and did not believe" that the statements in the expertized portion of the registration statement were untrue or contained material omissions. 15 U.S.C. § 77k(b)(3)(C). According to the D&O Defendants, Lehman's public auditor, E&Y, knew about the Repo 105 transactions, issued an unqualified audit opinion certifying that financial statements included in Lehman's 2007 Form 10-K were prepared in accordance with GAAP and fairly presented Lehman's financial condition in all material respects, and issued statements in Lehman's quarterly reports stating that it was not aware of any material modifications that should be made to Lehman's financial statements for them to conform with GAAP. *See* ECF No. 263, July 27, 2011 Opinion at 63 ("They point to the fact that E&Y knew about Lehman's Repo 105 transactions and approved of their use and the accounting for them."). This "expert reliance" defense for the D&O Defendants is also an issue for trial requiring expert testimony.

(b) Under Section 11(e) of the Securities Act, damages may be reduced or eliminated if the defendant proves that a portion or all of the statutory damages are attributable to causes other than the alleged misstatements or omissions. Throughout the litigation, the D&O Defendants asserted – and were expected to continue to assert through summary judgment and trial – that causes other than the alleged untrue statements and omissions were to blame for the

decline in value of Lehman's securities. Moreover, the D&O Defendants have argued that the "materialization of the risk" theory of loss causation does not apply. While Lead Plaintiffs have strong responses to these causation defenses, Lead Counsel appreciate that a jury could have viewed it differently if the case was allowed to proceed to trial against these Defendants.

B. Underwriter Settlement

1. Negotiation Of The Settlements With The Settling Underwriter Defendants

73. While prosecuting the claims and negotiating with the officers and directors, Lead Plaintiffs concurrently negotiated with the Settling Underwriter Defendants. Over the course of many months, Lead Counsel and counsel for the Settling Underwriter Defendants held negotiation sessions, both in person and by telephone. The negotiations leading to the Underwriter Settlement also included mediation overseen by Judge Weinstein. In advance of the mediation, Lead Counsel consulted extensively with experts concerning estimated recoverable damages related to the Lehman offerings that these Defendants underwrote and the Settling Underwriter Defendants' negative causation defense.

74. When, after many months, the parties reached an impasse, the mediator ultimately recommended the settlement amount of $417 million based on his familiarity with the issues, the claims, defenses and arguments on both sides. Lead Plaintiffs agreed with the First Group of Settling Underwriters to the mediator's recommendation in early October 2011, subject to obtaining confirmation through discovery of the fairness and reasonableness of the Underwriter Settlement.

75. Negotiations continued with the remaining Settling Underwriting Defendants (the previously defined "Second Group of Settling Underwriter Defendants"), most of whom represented that they did not have the financial ability to participate in the First Underwriter

Settlement at the levels being required of those underwriters. After obtaining financial information supporting their contentions, Lead Plaintiffs entered into the Second Underwriter Stipulation with these defendants on or about December 9, 2011, agreeing to settle the claims for $9,218,000 under the identical terms of the First Underwriter Stipulation.

76. Throughout the course of the settlement process, the negotiations were undertaken in an arm's-length fashion, among experienced and senior counsel, on behalf of well-informed Lead Plaintiffs, and under the close supervision and guidance of the mediator.

2. The First And Second Underwriter Stipulations

77. Pursuant to the First Underwriter Stipulation, dated December 2, 2011, in full and complete settlement of the Settled Claims (as that term is defined in ¶1.ii of the First Underwriter Stipulation) which were or could have been asserted in the Action, the First Group of Settling Underwriter Defendants have paid into escrow on behalf of Lead Plaintiffs and the UW Settlement Class the sum of $417,000,000 in cash, subject to the terms and conditions of the First Underwriter Stipulation.

78. The Underwriter Settlement Class is a subset of the settlement class for the D&O Settlement, defined as follows:

> All persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A to the First UW Stipulation pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and who were damaged thereby. The UW Settlement Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First UW Stipulation, who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Excluded from the UW Settlement Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the "Underwriter Settlement Class Period") owned, a majority interest; (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party; and (v) Lehman. Also excluded from the UW Settlement Class are any persons or

entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the UW Notice.

79. The First Group of Settling Underwriter Defendants (referred to in the First Underwriter Stipulation as the "Settling Underwriter Defendants") consisted of A.G. Edwards, ABN Amro, ANZ, BOA, BBVA, BNP Paribas, BNY, Caja Madrid, Calyon, CIBC, CGMI, Commerzbank, Daiwa, DnB NOR, DZ Financial, E.D. Jones, Fidelity Capital Markets, Fortis, Harris Nesbitt, HSBC, ING, Loop Capital, Mellon, Merrill Lynch, Mizuho, Morgan Stanley, nabCapital, NAB, Natixis, Raymond James, RBC Capital, RBS Greenwich, Santander, Scotia, SG Americas, Sovereign, SunTrust, TD Securities, UBS Securities, Utendahl, Wachovia Capital, Wachovia Securities, and Wells Fargo.

80. After reaching settlement with the First Group of Settling Underwriter Defendants, Lead Plaintiffs reached agreement with the Second Group of Settling Underwriter Defendants. This group consisted of Cabrera, Charles Schwab, HVB, Incapital, MRB Securities, Muriel Siebert, and Williams.

81. By stipulation dated December 9, 2011, each defendant in the Second Group of Settling Underwriter Defendants agreed to otherwise adopt the identical terms of the agreement reached by Lead Plaintiffs and the First Group of Settling Underwriter Defendants for an aggregate settlement amount of $9,218,000 in cash.[7]

82. The Underwriter Settlement will release the "Settled Claims," as defined in ¶1.ii of the First and Second Underwriter Stipulations, against the "Released Underwriter Parties." The "Released Underwriter Parties," as defined in ¶1.gg of the First and Second Underwriter Stipulations, include all of the Settling Underwriter Defendants identified in ¶¶79-80 above, as

[7] As noted above, Lead Plaintiffs granted one of the Settling Underwriter Defendants a brief extension until April 2, 2012, to deposit its portion ($125,000.00) of the First Underwriter Settlement Amount into escrow. The remainder of the First Underwriter Settlement Amount has been deposited.

well as their respective current and former trustees, officers, directors, principals, predecessors, successors, assigns, attorneys, parents, affiliates, employers, employees, agents, and subsidiaries.

83. As part of the agreement with all of the Settling Underwriter Defendants, Lead Plaintiffs obtained the right to withdraw from the proposed Underwriter Settlement at any time prior to filing their motion for final approval of the proposed Underwriter Settlement if, in their good faith discretion, Lead Plaintiffs determine that the proposed Underwriter Settlement is unfair, unreasonable and/or inadequate based upon information obtained prior to moving for final approval. For the reasons set forth herein and in the memorandum in support of the motion for final approval of the Settlements, Lead Plaintiffs have determined that the Underwriter Settlement is fair, reasonable and adequate in all respects.

3. Reasons For The Settlement With The Settling Underwriter Defendants

84. The Securities Act claims against the Underwriter Defendants arise from twelve of Lehman's debt and equity offerings between July 2007 and May 2008. Lehman itself underwrote most of each offering. Of the approximate $20.2 billion sold in the twelve offerings that are the subject of the Securities Act claims in this Action, Lehman underwrote approximately 83% of the securities offered. The Underwriter Defendants underwrote approximately $3.5 billion. According to 15 U.S.C. § 77k(e), "In no event shall any underwriter . . . be liable in any suit or as a consequence of suits authorized under [§ 11(a)] for damages in excess of the total price at which the securities underwritten by him and distributed to the public were offered to the public." The Underwriter Defendants, therefore, contended throughout that their liability would be statutorily limited to the amounts that each underwrote.

85. Lead Counsel engaged a consultant to assist in estimating potentially recoverable damages. This estimate, before taking into account causation or other defenses to damages,

amounts to approximately $3.3 billion. We believe that the UW Settlement Amount of $426 million, even measured before taking into account the various defenses that have been raised by the Underwriter Defendants, represents an outstanding recovery considering the litigation risks.[8]

86. The risks involved in succeeding at trial against the Underwriter Defendants were significant. The Underwriter Defendants claim that there were no material misstatements in the offering documents, and no actionable omissions. Assuming that Lead Plaintiffs established the existence of an untrue statement or material omission in the offering documents, the Underwriter Defendants asserted due diligence defenses with respect to the twelve offerings by Lehman between June 2007 and May 2008. In this regard, the Underwriter Defendants would rely on Lehman's position as the senior underwriter and the audit opinions and quarterly review reports of E&Y.

87. Moreover, as noted above, damages under Section 11(e) of the Securities Act may be reduced or eliminated if the defendant proves that a portion or all of the statutory damages are attributable to causes other than the misstatements or omissions. The Underwriter Defendants asserted that the value of Lehman's securities declined for reasons other than the alleged untrue statements and omissions.

88. The Underwriter Settlement of approximately $426 million in cash provides a substantial, certain and immediate recovery to the Underwriter Settlement Class, eliminating the risks of receiving less or no recovery at all after substantial delays.

[8] For an analysis of settlement recoveries in recent cases asserting claims under Sections 11 or 12(a)(2) of the Securities Act, see Ellen M. Ryan & Laura E. Simmons, Securities Class Action Settlements: 2010 Review and Analysis, which is attached as Exhibit 3.

C. Notice To The Settlement Classes Meets The Requirements Of Due Process And Rule 23 Of The Federal Rules Of Civil Procedure

89. The Court's December 15, 2011 Order Concerning Proposed Settlement With The Director And Officer Defendants ("Pretrial Order No. 27") (a) directed that notice be disseminated to the D&O Settlement Class; (b) set March 22, 2012, as the deadline for D&O Settlement Class members to submit objections to the D&O Settlement, the D&O Plan of Allocation and the Fee and Expense Application; (c) set March 22, 2012, as the deadline for any putative D&O Settlement Class members to request exclusion from the D&O Settlement Class; and (d) set a final approval hearing date of April 12, 2012 at 4:00 p.m.

90. Similarly, the Court's December 15, 2011 Order Concerning Proposed Settlement With The Settling Underwriter Defendants ("Pretrial Order No. 28") (a) directed that notice be disseminated to the UW Settlement Class; (b) set March 22, 2012 as the deadline for the UW Settlement Class members to submit objections to the UW Settlement, the UW Plan of Allocation and the Fee and Expense Application; (c) set March 22, 2012 as the deadline for any putative UW Settlement Class members to request exclusion from the Underwriter Settlement Class; and (d) set a final approval hearing date of April 12, 2012 at 4:00 p.m.

91. Pretrial Order No. 27 and Pretrial Order No. 28 are collectively referred to herein as the "Notice Orders."

92. Pursuant to the Notice Orders, Lead Counsel instructed GCG, the Court-approved Claims Administrator for the Settlements, to begin disseminating copies of the D&O Notice, UW Notice and Claim Form by mail and to publish the Summary Notice in accordance with the Notice Orders. As set forth in the Affidavit of Stephen J. Cirami Regarding (a) Mailing of the Notices and Claim Form; (b) Publication of the Summary Notice; and (c) Report on Requests for Exclusion Received to Date, attached hereto as Exhibit 2 ("Cirami Aff."), as of March 6, 2012,

the Notice Packet was mailed to over 800,000 potential members of the Settlement Classes in accordance with the Notice Orders. The Notice Packet contains a description of the Settlements, the Plans of Allocation and the right of members of the Settlement Classes to: (a) participate in the relevant Settlement(s); (b) object to any aspect of the relevant Settlement(s), the relevant Plan(s) of Allocation and/or the Fee and Expense Application; or (c) exclude themselves from the D&O Settlement Class and/or UW Settlement Class. The Notice Packet also informs members of the Settlement Classes of Lead Counsel's intent to apply for an award of attorneys' fees in an amount not to exceed 17.5% of each Settlement Amount and for reimbursement of litigation expenses in an amount not to exceed $2,500,000. To disseminate the Notice Packet, pursuant to the terms of the Notice Orders, GCG obtained information from the Lehman estate, the Settling Underwriter Defendants, and from banks, brokers and other nominees regarding the names and addresses of potential members of the D&O Settlement Class and UW Settlement Class. *See* Cirami Aff. at ¶¶3-10.

93. On January 18 and 19, 2012, GCG disseminated over 53,000 copies of the Notice Packet by first-class mail to potential members of the D&O Settlement Class and UW Settlement Class. *Id*. at ¶¶3, 6-8. As of March 6, 2012, GCG had disseminated a total of 818,402 Notice Packets to potential members of the Settlement Classes. *Id.* at ¶11.

94. In accordance with the Notice Orders, on January 30, 2012, GCG caused the publication of the Summary Notice in the national edition of *The Wall Street Journal* and *Investor's Business Daily*. *Id.* at ¶12.

95. Lead Counsel also caused GCG to establish a dedicated settlement website, www.LehmanSecuritiesLitigationSettlement.com, to provide potential members of the D&O and UW Settlement Classes with information concerning the Settlements and access to downloadable

copies of the D&O Notice, UW Notice, and Claim Form, as well as copies of the Stipulations, Notice Orders, and the Complaint. *Id*. at ¶14.

96. As set forth above, the deadline for members of the Settlement Classes to file objections to the Settlements, the Plans of Allocation and/or the Fee and Expense Application is March 22, 2012. Despite the dissemination of over 800,000 Notice Packets, as of March 6 2012, only ten (10) requests for exclusion have been received (*see* Cirami Aff. at ¶15); and only two (2) objections have been received.[9]

97. Lead Plaintiffs, each of which is a large institutional investor, endorse both of the proposed Settlements. *See* the declarations submitted on behalf of Lead Plaintiffs attached hereto as Exhibits 4A, 4B, 4C, 4D and 4E, respectively.

D. Plans Of Allocation

98. As set forth in the Notices, Lead Plaintiffs have proposed plans to allocate the proceeds of the Settlements among members of the Settlement Classes who submit Proofs of Claim that are approved for payment by the Court. The objective of the proposed Plans of Allocation is to equitably distribute the net proceeds of the Settlements to those members of the Settlement Classes who suffered losses as a result of the alleged misrepresentations and omissions.

99. The proposed Plans of Allocation were prepared in consultation with an expert, and it is the opinion of Lead Counsel that each of the Plans of Allocation is fair, reasonable and adequate to the respective Settlement Classes.

[9] To date, Lead Counsel have received objections from Raymond Gao (attached as Exhibit 5) and from Jane Eisenberg (attached as Exhibit 6), which are discussed in Lead Counsel's Memorandum of Law in Support of Final Approval of the Settlements. Lead Counsel will address any additional issues resulting from objections and will discuss the requests for exclusion in reply papers to be submitted on April 5, 2012, as provided in the Notice Orders.

100. The D&O Plan of Allocation (the "D&O Plan"), set forth in Appendix C to the D&O Notice, allocates the D&O Net Settlement Fund among members of the D&O Settlement Class who submit Claim Forms that are approved for payment. Under the D&O Plan, a Recognized Loss or Recognized Gain will be calculated for (i) each share of common stock purchased or acquired during the Settlement Class Period; (ii) each share of Lehman common stock purchased or acquired in the June 9, 2008 Secondary Offering; (iii) each share of Lehman Preferred Stock (listed in Exhibit 2 to the D&O Plan) purchased or acquired on or before September 15, 2008; (iv) each unit of Lehman Senior Unsecured Notes (including "Principal Protected" Notes and other Structured Notes) and Subordinated Notes (listed in Exhibit 3 to the D&O Plan) purchased or acquired on or before September 15, 2008; (v) each exchange-traded call option on Lehman common stock purchased or acquired during the Settlement Class Period; and (vi) each exchange-traded put option on Lehman common stock sold or written during the Settlement Class Period. For transactions in common stock and options, the Recognized Losses (and Recognized Gains) are generally calculated pursuant to the D&O Plan based on differences in the amount of artificial inflation (or deflation) in the securities on the date of purchase and the date of sale (if any). For transactions in Lehman Preferred Stock, Lehman Senior Unsecured Notes and Subordinated Notes, and Lehman common stock purchased or acquired in the Secondary Offering, the Recognized Losses (and Recognized Gains) are calculated based on the Section 11 measure of damages and are generally based on the difference between the purchase price (not to exceed the issue price) of the security and either the sale price or the price on the date suit was filed (October 28, 2008).[10]

[10] There is no Recognized Loss or Recognized Gain if the Lehman common stock, Lehman Preferred Stock, or Lehman Senior Unsecured Notes and Subordinated Notes were sold before June 9, 2008 or if the call options were sold, exercised or expired (or put options are re-purchased, exercised or expired) before June 6, 2008.

101. Under the D&O Plan, each Claimant's Recognized Claim will be calculated by combining his, her, or its Recognized Losses in all eligible securities and offsetting all Recognized Gains. If a Claimant has an overall trading gain on his, her or its transactions in eligible securities during the relevant time period, that Claimant will not be eligible for a recovery from the D&O Settlement, and if a Claimant's overall trading loss is less than his, her or its Recognized Claim, then his, her or its Recognized Claim will be capped at the amount of the Claimant's overall trading loss. An Authorized Claimant's Distribution Amount under the D&O Plan will be his, her or its *pro rata* share of the Net D&O Settlement Fund based on the size of his, her or its Recognized Claim compared to the aggregate Recognized Claims of all Authorized Claimants.

102. The Plan of Allocation for the Underwriter Settlement Class allocates the Underwriter Net Settlement Fund among the twelve eligible securities, as set forth in Exhibit 2 of the UW Plan.[11] Such amounts will be further allocated solely to members of the UW Settlement Class who purchased or acquired that particular Eligible UW Security who submit Claim Forms that are approved for payment. This allocation within each Eligible UW Security is set forth in Appendix B to the UW Notice. Under the UW Plan, a Recognized Loss or Recognized Gain will be calculated for each Eligible UW Security that is purchased or acquired during the Underwriter

[11] The eligible securities pursuant to the UW Settlement ("Eligible UW Securities") are:

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

Settlement Class Period (July 19, 2007 through September 15, 2008, inclusive). The calculation of Recognized Losses and Recognized Gains under the UW Plan is, consistent with the Section 11 measure of damages, the difference between the purchase price (not to exceed the issue price) of the Eligible UW Security and either the sale price or the price on the date suit was filed (October 28, 2008), with no Recognized Loss or Gain for Eligible UW Securities sold before June 9, 2008.

103. Under the UW Plan, an Authorized Claimant's Distribution Amount will be the sum of his, her or its *pro rata* shares of the portion of the Underwriter Net Settlement Fund allocated to each particular Eligible UW Security, which will be calculated by comparing the Authorized Claimant's Net Recognized Losses for transactions in the particular Eligible UW Security with the aggregate Net Recognized Losses of all Authorized Claimants in that particular Eligible UW Security.

104. Under the D&O Plan, if a Claimant's Distribution Amount calculates to less than $50, then no distribution will be made to the Claimant with respect to the D&O Settlement and the disallowed amount will be reallocated to the remaining Authorized Claimants in the D&O Settlement with allocations greater than $50. Likewise, under the UW Plan, if a Claimant's Distribution Amount calculates to less than $50, then no distribution will be made to the Claimant and the disallowed amount will be reallocated to the remaining Authorized Claimants in the same Eligible UW Security with allocations greater than $50.

IV. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

A. Application For Attorneys' Fees

1. The Requested Fee Is Fair And Reasonable

105. The work undertaken by Lead Counsel in prosecuting this case and arriving at these Settlements in the face of substantial risks has been time-consuming and challenging. The

litigation against the D&O Defendants and the Settling Underwriter Defendants settled only after Lead Counsel overcame multiple legal and factual challenges. To do so, Lead Counsel conducted an extensive investigation into the underlying facts; researched and prepared detailed complaints; developed strong loss causation theories; successfully overcame Defendants' motions to dismiss; consulted extensively with experts and consultants; engaged in hard-fought settlement negotiations with experienced defense counsel; and obtained, organized and/or analyzed more than 10 million pages of documents using a sophisticated electronic system to confirm the adequacy of the UW Settlement.

106. For the extensive efforts expended on behalf of the D&O Settlement Class and the Underwriter Settlement Class, Lead Counsel are applying on behalf of all Plaintiffs' Counsel for compensation to be calculated on a percentage basis. As set forth in the accompanying Fee Memorandum, the percentage method is the appropriate method of fee recovery because, among other things, it aligns the lawyers' interest in being paid a fair fee with the interest of the Settlement Classes in achieving the maximum recovery in the shortest amount of time required under the circumstances. The percentage method is also supported by public policy, has been recognized as appropriate by the United States Supreme Court for cases of this nature, is the authorized method under the PSLRA and represents the overwhelming current trend in the Second Circuit and most other Circuits.

107. Based on the result achieved for the Settlement Classes, the extent and quality of work performed, the risks of the litigation and the contingent nature of the representation, Lead Counsel submit that a 16% fee award for the $90 million recovered for the D&O Settlement Class ($14.4 million) is justified and should be approved. Likewise, Lead Counsel submit that a

16% fee award for the $426,218,000 Underwriter Settlement Class ($68,194,880) is also fair and reasonable.

108. As discussed in Lead Counsel's Fee Memorandum, a 16% fee is well within the range of the percentages typically awarded in securities class actions in this Circuit, and is below the percentage often awarded in this Circuit in securities class actions with multi-hundred million dollar recoveries.

109. Moreover, as described in the Fee Memorandum, the requested fee is not only fair and reasonable under the percentage approach but a lodestar cross-check confirms the reasonableness of the fee. As set forth in Exhibit 7, Plaintiffs' Counsel have expended a total of 91,876 hours in the prosecution and investigation of this Action against the Settling Defendants, for a lodestar value of $37,819,510.[12]

110. Lead Counsel maintained daily control and monitoring of the work provided by lawyers on this case. While we personally devoted substantial time to this case, other experienced attorneys at our firms undertook particular tasks appropriate to their levels of expertise, skill and experience, and more junior attorneys and paralegals worked on matters appropriate to their experience levels. Throughout the Action, Lead Counsel allocated work assignments among the attorneys at our firms, and also among other Plaintiffs' Counsel, to avoid unnecessary duplication of effort.

111. Using contemporaneous time records for Lead Counsel's 64,786 hours devoted to the case against the Settling Defendants, Lead Counsel's lodestar is presented below by certain

[12] Lead Counsel has removed from its lodestar calculation any time incurred since the execution of the Settlement papers that was exclusively for the ongoing litigation against E&Y and UBSFS, including without limitation, the time devoted to Plaintiffs' Motion for Class Certification.

phases in the litigation, together with a summary description of the tasks performed during each such phase:

Phase 1. **The commencement of the action, investigation and prosecution before Lehman's bankruptcy.** This work is described above and was primarily performed by Lead Counsel. From commencement of the Action through and including September 14, 2008, Lead Counsel devoted a total of 5,314 hours, for a total lodestar of $2,148,750 in this phase.

Phase 2. **Further investigation; preparing the Amended Complaint; consolidation of related action and the leadership structure; working with bankruptcy counsel to monitor proceedings and safeguard the interests of the class**. This work is described above and was primarily performed by Lead Counsel. From September 15, 2008 through and including January 8, 2009, Lead Counsel devoted a total of 4,340 hours, for a total lodestar of $1,938,998 in this phase.

Phase 3. **Additional investigation and cooperation with the Examiner; preparing the Second Amended Complaint; opposing Defendants' Motions to Dismiss, including legal research and the hearing; continuing to analyze bankruptcy proceedings and work with experts**. This work is described above and was primarily performed by Lead Counsel. From January 9, 2009 through and including March 11, 2010, Lead Counsel devoted a total of 6,985 hours, for a total lodestar of $3,187,534 in this phase.

Phase 4 **Additional investigation; analysis of the Examiner's report and supporting material; preparing the Third Amended Complaint; opposing Defendants' Motions to Dismiss and analysis of Opinion on motions to dismiss**. This work is described above and was primarily performed by Lead Counsel. From March 12, 2010 through and including July 27, 2011, Lead Counsel devoted a total of 6,422 hours, for a total lodestar of $3,181,308 in this phase.

Phase 5 **Pursuit of discovery and case management schedule; negotiating the Settlements; mediations; obtaining assurance on the liquid net worth of Lehman's former officers; confirmatory discovery for the Underwriter Settlement; preparation of plans of allocations; securing the recoveries; and finalizing the Settlements**. This work is described above and was primarily performed by Lead Counsel. From July 28, 2011 through and including February 15, 2012, Lead Counsel devoted a total of 41,725 hours, for a total lodestar of $16,081,605 in this phase.

112. The biographies for attorneys who devoted substantial time to the prosecution of the action for Lead Counsel are included in their firm resumes, which are attached as Exhibits

7A-4 and 7B-3.[13] Lead Counsel's rates are based on their annual survey of the market rates for practitioners in the field using available sources, including rates charged by law firms that regularly defend securities class actions. Lead Counsel's rates are comparable to, or less than, the known hourly rates charged by defense counsel. For example, in recent fee applications submitted to the Bankruptcy Court in Lehman's Chapter 11 proceedings, the rates for partners and counsel ranged from $760 to $1,183 and the rates for associates ranged from $290 to $825.[14] The rates for the partners who worked on this case range from $600 to $975 per hour (with a median rate of $725), and the rates for the associates who worked on the case range from $345 to $550 per hour (with a median rate of $440). For personnel who are no longer employed, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment.

113. With regard to work performed by additional Plaintiffs' Counsel at the direction of Lead Counsel, we have attached as Exhibit 7 declarations from Plaintiffs' Counsel in support of an award of attorneys' fees and reimbursement of litigation expenses. Included with each firm's declaration is a schedule summarizing the lodestar of each firm, as well as the expenses incurred by category. As set forth in the individual firm declarations, the lodestar summaries were prepared from contemporaneous daily time records regularly prepared and maintained by Plaintiffs' Counsel, which are available at the request of the Court. In accordance with

[13] In order to ease the burden on the Court (and the environment), Lead Counsel has requested that Plaintiffs' Counsel exclude the firm biography from their submissions and instead make them available upon request of the Court.

[14] Specifically, the fee application submitted by Weil, Gotshal & Manges LLP on December 16, 2011 (seeking $38.9 million in fees for time billed from June 1, 2011 through September 30, 2011) included ranges of $760 to $1,000 for partners and counsel and $290 to $825 for associates. A January 3, 2012 application by Paul Hastings LLP included ranges of $810 to $1,183 for partners, $715 to $1,125 for counsel, and $395 to $719 for associates (as indicated in the filing, some rates converted to U.S. Dollars from Euros or Pounds).

paragraph 3.4 of Pretrial Order No. 1, Lead Counsel instructed the additional Plaintiffs' Counsel to submit only time for actions undertaken on behalf of any plaintiff at the direction or with the permission of the Chair and/or Executive Committee and advised them that any services provided by Plaintiffs' Counsel to their clients without the prior approval of the Chair and/or the Executive Committee would not be compensated. In this regard, Lead Counsel obtained lodestar information from Plaintiffs' Counsel that did not specifically represent a Court-appointed Lead Plaintiff from the date of Pretrial Order No. 1 (January 9, 2009) through February 15, 2012. The resulting lodestar for all of Plaintiffs' Counsel, which excludes all time incurred in connection with the Fee Memorandum and the Fee and Expense Application, is $37,819,510. The total requested fee, therefore, yields a 2.18 multiplier and is fair and reasonable based upon the significant risk of the litigation and the quality of representation by Plaintiffs' Counsel in achieving the exceptional Settlements before the Court. Indeed, as discussed in the Fee Memorandum, when using a lodestar cross-check, courts have regularly awarded fee requests with similar and larger lodestar multipliers in securities fraud class action.

114. Plaintiffs' Counsel prosecuted this case on a contingency basis, committed their resources and litigated it for nearly four years without any compensation or guarantee of success. Based on the excellent results achieved for the Settlement Classes, the quality of work performed, the risks of the Action and the contingent nature of the representation, Lead Counsel submit that the request for a 16% fee award from each Settlement Amount is fair and reasonable and consistent with other similar cases in the Second Circuit.

2. Standing And Expertise Of Lead Counsel

115. The expertise and experience of counsel are other important factors in setting a fair fee. As demonstrated by Lead Counsel's firm resumes, attached hereto as Exhibits 7A-4 and 7B-3, the attorneys at co-Lead Counsel Bernstein Litowitz and Kessler Topaz are experienced

and skilled class action securities litigators and have a successful track record in securities cases throughout the country – including within this Circuit.

3. Standing And Caliber Of Defendants' Counsel

116. The quality of the work performed by counsel in attaining the Settlements should also be evaluated in light of the quality of opposing counsel. Plaintiffs were opposed in this case by very skilled and highly-respected counsel. The D&O Defendants were represented by Allen & Overy, Wilkie Farr & Gallagher LLP, Proskauer Rose LLP, Fried, Frank, Harris, Shriver & Jacobson LLP, Simpson Thacher & Bartlett LLP, and Dechert LLP; the First Group of Settling Underwriter Defendants were represented by Cleary, Gottlieb, Steen & Hamilton LLP; and the Second Group of Settling Underwriter Defendants were represented by Katten Muchin Rosenman LLP, Fulbright & Jaworski L.L.P., Howard, Rice, Nemerovski, Canady, Falk & Rabkin PC, Boies Schiller & Flexner LLP, Kasowitz Benson Torres & Friedman LLP, and Pillsbury Winthrop Shaw Pittman LLP. These prominent defense firms spared no effort or expense in the defense of their clients. In the face of this knowledgeable and formidable defense, Lead Counsel were nonetheless able to develop a case that was sufficiently strong to persuade the Settling Defendants to settle on terms that are favorable to the Settlement Classes.

4. The Risks Of The Litigation And The Need To Ensure The Availability Of Competent Counsel In High-Risk, Contingent Securities Cases

117. As noted above, the Action was undertaken on a wholly contingent basis. From the beginning, Plaintiffs' Counsel understood that they were embarking on a complex and expensive litigation with no guarantee of compensation for the investment of time, money and effort that the case would require. At the outset of the Action, it was also unclear whether Lead Plaintiffs would overcome Defendants' anticipated motions to dismiss – much less survive summary judgment and prevail at trial and on any post-trial appeals.

118. In undertaking the responsibility for prosecuting the Action, Lead Counsel assured that sufficient attorney resources were dedicated to the investigation of the claims of all Classes against the Defendants and that sufficient funds were available to advance the expenses required to pursue and complete such complex litigation. Indeed, Plaintiffs' Counsel received no compensation and incurred $1,619,669 in expenses in prosecuting this Action for the benefit of the Settlement Classes.

119. Plaintiffs' Counsel also bore the risk that no recovery would be achieved. From the outset, Lead Counsel and Lead Plaintiffs appreciated the unique and significant risks inherent in this litigation. The risks were very real, as exemplified by Lehman's bankruptcy after the Action commenced. Moreover, the Settling Defendants asserted vigorous defenses throughout the litigation and attempted to support those defenses by all means available to them, including for example, by the absence of filed actions against them by either the Department of Justice or the SEC.

120. The Settling Defendants vigorously contended that they did not know, and could not have known, of the alleged fraud involving Lehman's financial statements, and that Lead Plaintiffs could not prove scienter against the D&O Defendants with respect to the Section 10(b) claims. Both the D&O Defendants and the Underwriter Defendants contended from the outset that they could not and would not be held liable for the alleged misstatements in the offering materials because they had conducted due diligence in accordance with the standard in the industry, and they were entitled to rely on the accuracy of the Company's financial statements as audited by Defendant E&Y.

121. As a general matter, it should also be observed that there are numerous cases where plaintiffs' counsel in contingent-fee cases such as this have expended thousands of hours,

only to receive no compensation whatsoever. Lead Counsel know from personal experience that despite the most vigorous and competent of efforts, a law firm's success in contingent litigation such as this is never assured – and that many able plaintiffs' law firms have suffered major defeats after years of litigation, and after expending tens of millions of dollars of time, without receiving any compensation at all for their efforts.

122. For example, late last year, Bernstein Litowitz suffered a total loss in a large securities class action in this District against a French company, Alstom S.A., as the class membership was severely reduced years into the case based on the Supreme Court's June 2010 decision in *Morrison v. National Bank of Australia*, 130 S. Ct. 2869 (2010), which held that only investors who purchase their shares on U.S. exchanges can bring claims for damages under the Exchange Act. *See In re Alstom S.A. Sec. Litig.*, Master File No. 03-CV-6595 (VM). The case ultimately settled for only $6.95 million – an amount so small that lead counsel's subsequent request for an award equal to roughly 30% of the settlement (or $1.95 million) was not even enough to cover plaintiffs' counsel's out-of-pocket litigation expenses (which exceeded $3 million), let alone *any* of the value of their more than 51,000 thousand hours of work on the case (which had a total lodestar value of more than $21 million). Countless other significant cases have been lost after the investment of tens of thousands of hours of attorney time and millions of dollars on expert and other litigation costs at summary judgment or after trial. In fact, as recently as last year, Kessler Topaz had achieved one of the first favorable jury verdicts related to the subprime scandal, only to see it thrown out by the court on a motion for judgment as a matter of law after a six week trial. *In re BankAtlantic Bancorp, Inc. Sec. Litig.*, No. 07–61542–CIV, 2011 WL 1585605, at *24 (S.D. Fla. Apr. 25, 2011).

123. Clearly, there is no truth to the argument that a large fee is guaranteed by virtue of the commencement of a class action. It takes hard and diligent work by skilled counsel to develop facts and theories that will succeed at trial or persuade defendants to enter into serious settlement negotiations. Similarly, because the fee to be awarded in this matter is entirely contingent, the only certainty from the outset was that there would be no fee without a successful result, and that such a result would be realized only after a lengthy and difficult effort.

124. Lawsuits such as those described above are exceedingly expensive to litigate successfully. Outsiders often focus on the gross fees awarded but ignore that those fees are used to fund enormous overhead expenses incurred during the course of many years of litigation, are taxed by federal, state, and local authorities, and, when reduced to a bottom line, are far less imposing to each individual firm involved than the gross fee awarded appears.

125. Moreover, for decades the United States Supreme Court (and countless lower courts) have repeatedly and consistently recognized that the public has a strong interest in having experienced and able counsel to enforce the federal securities laws and related regulations designed to protect investors from the pernicious effects of false and misleading statements made in connection with the issuance or subsequent purchase or sale of publicly-traded securities. *See, e.g.*, *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (private securities actions provide "'a most effective weapon in the enforcement' of the securities laws and are 'a necessary supplement to [SEC] action.'" (citation omitted)). Indeed, as Congress recognized in passing the PSLRA, private securities litigation is an indispensable tool with which defrauded investors can recover their losses without having to rely on government action. Such private lawsuits promote public and global confidence in our capital markets, deter future wrongdoing,

and help to guarantee that corporate officers, auditors, directors, lawyers, and others properly perform their jobs.

126. The importance of this public policy is particularly evident in this case. Government authorities (including the SEC) have brought only a handful of securities law enforcement actions against financial institutions and related entities in the wake of the 2008 financial collapse, notwithstanding that private lawsuits and investigative journalism have disclosed improper conduct (and misleading public statements) at various companies leading up to and continuing throughout the crisis. Here, the SEC has not yet filed a complaint against any of the Defendants – yet Lead Counsel has recovered $516 million on behalf of investors and continues to litigate against the remaining defendants. Such recoveries – and the complex and prolonged litigation necessary to achieve them – are only possible if plaintiffs' counsel are ultimately compensated with fees commensurate with the magnitude of their successes.

5. Awards In Similar Cases

127. Awards of attorneys' fees that have been approved in other large securities class action cases have been compiled in Exhibit 8 hereto and discussed in Lead Counsel's accompanying Fee Memorandum. For the reasons set forth therein, the 16% fee requested is well within the range of fee awards that have been approved in other large litigations. Here, we respectfully submit that a percentage-based award at the very top end of the percentage fee range would have been fully justified by the extraordinary results achieved by counsel in this Action; accordingly, we respectfully submit that Lead Counsel have earned a fee award that is comfortably *within* that range.

6. Lead Plaintiffs' Endorsement Of The Fee Application

128. Lead Plaintiffs, each of which is a sophisticated institutional investor, have evaluated the requested fee and believe it to be fair and reasonable. In coming to this conclusion,

each of the Lead Plaintiffs – which supervised and monitored both the prosecution and the settlement of the Action – has concluded that Lead Counsel have earned the requested fee based on the outstanding recoveries obtained for the Settlement Classes in a case that involved serious risks. *See* the declarations submitted on behalf of Lead Plaintiffs, attached hereto as Exhibits 4A, 4B, 4C, 4D and 4E, respectively.

7. The Reaction Of The Settlement Classes To Date

129. As set forth above, more than 800,000 Notice Packets have been mailed to potential members of the Settlement Classes. Cirami Aff., Ex. 2, ¶11. In addition, the Summary Notice was published in the national edition of *The Wall Street Journal* and *Investor's Business Daily*. *See id*. at ¶12. The Notices explain the Settlements and Lead Counsel's anticipated fee request, which has subsequently been reduced. The deadline to object to Lead Counsel's fee request is March 22, 2012. To date, no Settlement Class member has objected to any aspect of the Fee and Expense Application.

130. In sum, given the complexity and magnitude of the Action; the responsibility undertaken by Lead Counsel; the difficulty of proof on liability and damages; the experience of Lead Counsel and defense counsel; and the contingent nature of Plaintiffs' Counsel's agreement to prosecute this Action, Lead Counsel respectfully submit that the requested attorneys' fees are reasonable and should be approved.

B. Application For Reimbursement Of Expenses

131. Lead Counsel also request $1,619,669.27 in litigation expenses reasonably and necessarily incurred by Plaintiffs' Counsel in the prosecution of this Action with interest thereon. Lead Counsel respectfully submit that the expense application is appropriate, fair, and reasonable and should be approved in the amounts submitted herein.

132. From the beginning of the case, Plaintiffs' Counsel were aware that they might not recover any of their expenses, and, at the very least, would not recover anything until the Action was successfully resolved. Plaintiffs' Counsel also understood that, even assuming that the case was ultimately successful, an award of expenses would not compensate them for the lost use of the funds advanced to prosecute this Action. Thus, Lead Counsel were motivated to, and did, take significant steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the Action.

133. The application for expenses is within the upper limit of $2.5 million contained in the Notices mailed to the Settlement Classes. As noted above, in response to the mailing of over 800,000 Notice Packets, as of the date of this Joint Declaration, there are no objections to such expenses.

134. The expenses incurred by Plaintiffs' Counsel were necessary and appropriate for the prosecution of this Action. These expenses include charges for payments to experts and consultants; computer research devoted to the case; costs incurred in out-of-town travel; charges for photocopying; telephone, postal and express mail charges; and similar case-related costs. A chart reflecting all expenses by category for which reimbursement is sought is attached hereto as Exhibit 9. Courts have typically found that such expenses are reimbursable from a fund recovered by counsel for the benefit of the class.

135. Included in the amount of expenses is $691,280 paid or payable to Lead Plaintiffs' experts and consultants. This encompasses over 42% of Plaintiffs' Counsel's total expenses. As detailed above, Lead Plaintiffs worked extensively with experts and consultants at the different stages of the litigation. Experts were utilized to prepare the complaints, draft the

mediation briefs, and to prepare the Plans of Allocation. Experts were retained in the complex and specialized areas of finance and economics, accounting, and securities law damages.

136. In addition, Lead Counsel obtained, reviewed, and/or analyzed over 10 million pages of documents from public sources, the Lehman estate and the Settling Underwriter Defendants during the course of the Action and confirmatory discovery. In order to effectively and efficiently review and analyze the documents, a document management system was necessary. Lead Plaintiffs retained Epiq Systems to host the database. Duplication of many of these documents obtained in discovery was also necessary for the effective prosecution of the case. Included in the expense request above is $111,722 for reimbursement of expenses related to the document management system, and $100,531 for reimbursement of Plaintiffs' Counsel's internal and external copying costs.

137. The expenses also include the costs of online research in the amount of $212,655. These are the charges for computerized factual and legal research services such as Lexis-Nexis and Westlaw. It is standard practice for attorneys to use Lexis-Nexis and Westlaw to assist them in researching legal and factual issues, and, indeed, courts recognize that these tools create efficiencies in litigation and, ultimately, save clients and the class money.

138. In addition, Plaintiffs' Counsel were required to travel in connection with prosecuting and settling the Action, and thus incurred the related costs of airline tickets, meals and lodging. Included in the expense request above is $77,950 for travel expenses necessarily incurred for the prosecution of this litigation. No first class travel costs are included in the request.

139. Plaintiffs' Counsel also incurred $320,993, or approximately 20% of the total expenses, for mediator/neutral fees.

140. As the Notices described, approval of the Settlements is independent from approval of Lead Counsel's application for an award of attorneys' fees and expenses. Any determination with respect to Lead Counsel's application for an award of attorneys' fees and expenses will not affect the Settlements, if approved.

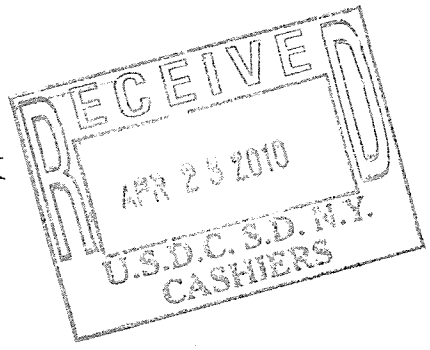
We declare under penalty of perjury that the foregoing facts are true and correct and that this declaration was executed this 8th day of March, 2012.

DAVID R. STICKNEY

DAVID KESSLER

Exhibit 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



In re:	
LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION	Civil Action 09 MD 2017
This Document Applies to:	ECF CASE
In re Lehman Brothers Equity/Debt Securities Litigation, 08 Civ. 5523 (LAK)	JURY TRIAL DEMANDED

THIRD AMENDED CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

TABLE OF CONTENTS

GLOSSARY OF TERMS

AICPA:	American Institute of Certified Public Accountants.
ALCO:	Asset Liability Committee.
Alt-A:	Alternative A-paper.
Aurora:	Aurora Loan Services LLC.
ASB:	Auditing Standards Board.
AU:	Statements on Auditing Standards issued by the ASB.
AU § 110:	Responsibilities and Functions of the Independent Auditor.
AU § 230:	Due Professional Care in the Performance of Work.
AU § 311:	Planning and Supervision.
AU § 312:	Audit Risk and Materiality in Conducting an Audit.
AU § 316:	Consideration of Fraud in a Financial Statement Audit.
AU § 336:	Using the Work of a Specialist.
AU § 411:	The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.
AU § 561:	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report.
AU § 722:	Interim Financial Information.
AU § 9336:	Interpretation of AU Section 336, *Using the Work of a Specialist*.
BNC:	BNC Mortgage LLC.
Cap * 105:	A method Lehman used to assign value to the collateral underlying its PTG assets.
Cash Capital Surplus:	A measure of the excess of long-term funding sources over long-term funding requirements.
CDO:	Collateralized Debt Obligation.

CEO:	Chief Executive Officer.
CFO:	Chief Financial Officer.
CLO:	Collateralized Loan Obligation.
CMBS:	Commercial Mortgage-Backed Securities.
Commercial Portfolio:	Comprised of debt instruments, such as commercial mortgage loans and CMBSs.
COO:	Chief Operating Officer.
Concentration Limits:	Exposure limits in a single, undiversified business or area.
CRE:	Commercial Real Estate.
CW:	Confidential Witness.
Examiner:	Anton R. Valukas, the examiner appointed by the court in Lehman's bankruptcy proceedings, *In re Lehman Brothers Holdings Inc.*, 08-13555 (JMP) (Bankr. S.D.N.Y.).
Exchange Act:	Securities Exchange Act of 1934.
FASB:	Financial Accounting Standards Board.
FASCON 1:	Financial Accounting Standards Board – Statement of Financial Accounting Concepts No. 1, *Objectives of Financial Reporting by Business Enterprises*.
FASCON 2:	Financial Accounting Standards Board – Statement of Financial Accounting Concepts No. 2, *Qualitative Characteristics of Accounting Information*.
FASCON 5:	Financial Accounting Standards Board – Statement of Financial Accounting Concepts No. 5, *Recognition and Measurement in Financial Statements of Business Enterprises*.
FID:	Lehman's Fixed Income Division.
GAAP:	Generally Accepted Accounting Principles.
GAAS:	Generally Accepted Auditing Standards.
GREG:	Lehman's Global Real Estate Group.

GRMG:	Lehman's Global Risk Management Group.
IRR:	Internal Rate of Return.
Leveraged Loans:	Loans extended to companies or individuals that already have high levels of debt.
Liquidity:	A measure of the extent to which a firm has cash (or has the ability to convert current assets to cash) to meet immediate and short-term obligations.
MBS:	Mortgage-Backed Securities.
MD&A:	Management Discussion and Analysis.
PCAOB:	Public Company Accounting Oversight Board.
PTG:	Principal Transactions Group.
REIT:	Real Estate Investment Trust.
Repo:	Secured financing transaction allowing a borrower to use securities as collateral for a short-term loan sold for cash to a counterparty with a simultaneous agreement to repurchase the same or equivalent securities at a specific price at a later date.
Repo 105:	Repo financing transactions accounted for as "sales" as opposed to financing transactions based upon their larger haircuts (or overcollateralization), which ranged from approximately 5% to 8%.
Risk Appetite:	A measure Lehman used to aggregate the market risk, credit risk, and event risk it faced and to represent the amount the firm was prepared to lose in one year.
SEC:	United States Securities and Exchange Commission.
Securities Act:	Securities Act of 1933.
SFAS 5:	Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*.
SFAS 107:	Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments*.

SFAS 133:	Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*.
SFAS 140:	Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.
SFAS 157:	Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 157, *Fair Value Measurement*.
Single Transaction Limit:	A limit designed to ensure that Lehman did not commit too much risk in a single transaction.
SOP 94-06:	AICPA Statement of Position No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties*.
Stress tests:	Analyses employed to evaluate how various market scenarios would affect its portfolio.
VaR:	Value at Risk, which measures the potential loss in the fair value of a portfolio.

Plaintiffs bring claims arising under the Securities Act individually and on behalf of all persons and entities, except Defendants and their affiliates, who purchased or otherwise acquired the Lehman Brothers Holdings Inc. ("Lehman" or the "Company") securities identified in Appendices A and B attached hereto and who were damaged thereby.[1] Separately, Plaintiffs bring claims arising under the Exchange Act individually and on behalf of all persons and entities, except Defendants and their affiliates, who purchased or otherwise acquired Lehman common stock, call options, and/or who sold put options between June 12, 2007 and September 15, 2008, inclusive (the "Class Period"), and who were damaged thereby.

Plaintiffs' allegations are based upon personal knowledge as to themselves and their actions, and upon lead counsel's investigation as to all other matters. Such investigation included interviews of Confidential Witnesses ("CWs"), review of press releases, analyst reports, media reports, conference call transcripts, documents and testimony provided to Congress, SEC filings, books, and the March 11, 2010 report and documents collected by the Bankruptcy Court-appointed examiner, Anton R. Valukas (the "Examiner").

I. NATURE OF ACTION

1. As alleged herein, the Offering Materials contained untrue statements and omitted materials facts concerning the following aspects of Lehman's financial results and operation, which allowed Lehman to raise over $31 billion through the Offerings set forth on Appendices A and B:

- **Repo 105**: Lehman used undisclosed repurchase and resale ("repo") transactions, known as "Repo 105" and "Repo 108" transactions (together, "Repo 105"), to temporarily remove tens of billions of dollars from its balance sheet at the end of financial reporting periods, usually for a period of seven to ten days. These transactions lacked any economic substance. While Lehman affirmatively represented throughout the Class Period that it used ordinary repo agreements and recorded these repos as short-term financings, *i.e.*, borrowings, Lehman failed to

[1] "Offerings" refers to the offerings set forth on Appendices A and B that occurred pursuant to a shelf registration statement dated May 30, 2006, filed with the SEC on Form S-3 (the "Shelf Registration Statement"). The Shelf Registration Statement, together with the prospectuses, prospectus supplements, product supplements and pricing supplements, as well as all SEC filings incorporated therein, are collectively referred to herein as the "Offering Materials."

disclose that (i) it simultaneously engaged in Repo 105 transactions for tens of billions of dollars in assets; (ii) it was recording the Repo 105 transactions as if the underlying assets had been permanently sold and removed from the books; and (iii) it had an obligation to repurchase these assets just days after the end of each quarter. This undisclosed practice had the effect of artificially and temporarily reducing Lehman's net leverage ratio each quarter during the Class Period – an important metric to securities analysts, credit agencies and investors – rendering Lehman's statements concerning net leverage and financial condition materially false and misleading when made and in violation of GAAP.

- **Risk Management**: Lehman publicly and consistently promoted its robust and sophisticated risk management system. In truth, however, Lehman regularly disregarded and exceeded its risk limits, or simply raised the limits, as Lehman accumulated illiquid assets, including the largest in its history – the $5.4 billion Archstone project discussed below.

- **Liquidity**: Defendants' statements concerning Lehman's liquidity failed to disclose that Repo 105 transactions had the effect of materially understating Lehman's liquidity risk as Lehman had tens of billions of dollars in immediate short term obligations that were unreported, and as the Class Period continued, Lehman's reported liquidity pool included large amounts of encumbered assets.

- **Commercial Real Estate Assets**: Defendants represented that all of Lehman's assets were presented at "fair value." Lehman, however, failed to consider market information when valuing certain of its commercial real estate assets, thereby materially overstating their value.

- **Concentration of Credit Risk**: GAAP requires disclosure of significant concentrations of credit risk. Lehman, however, failed to disclose material facts concerning its concentration of mortgage and real estate related assets, preventing investors from meaningfully assessing the Company's exposure to these risky assets.

2. In short, as the Examiner recently testified before the House Committee on Financial Services, "the public did not know there were holes in the reported liquidity pool, nor did it know that Lehman's risk controls were being ignored, or that reported leverage numbers were artificially deflated. Billions of Lehman shares traded on misinformation."

II. JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter of this action pursuant to Section 22 of the Securities Act, 15 U.S.C. § 77v; Section 27 of the Exchange Act, 15 U.S.C. § 78aa; and 28 U.S.C. § 1331.

4. Venue is proper in this District pursuant to Section 22 of the Securities Act, 15 U.S.C. § 77v; Section 27 of the Exchange Act, 15 U.S.C. § 78aa; and 28 U.S.C. § 1391(b), (c), and (d). Many of the acts and transactions described herein, including the preparation and dissemination of materially false and misleading public filings, occurred in this District. At all times relevant, Lehman's headquarters and principal offices were located in this District.

5. In connection with the acts alleged herein, Defendants used the means and instrumentalities of interstate commerce, including, but not limited to, the United States mails, interstate telephone communications, and the facilities of national securities exchanges.

III. PARTIES AND RELEVANT NON-PARTIES

A. Plaintiffs

6. Court-appointed Lead Plaintiffs Alameda County Employees' Retirement Association ("ACERA"), Government of Guam Retirement Fund ("GGRF"), Northern Ireland Local Government Officers' Superannuation Committee ("NILGOSC"), City of Edinburgh Council as Administering Authority of the Lothian Pension Fund ("Lothian"), and Operating Engineers Local 3 Trust Fund ("Operating Engineers"), along with the additional plaintiffs identified in Appendices A and B, purchased or otherwise acquired Lehman common stock during the Class Period, and/or various Lehman securities set forth in Appendices A and B, and were damaged thereby.

B. Relevant Non-Parties

7. Lehman, headquartered in New York, was a global investment bank. Lehman's common stock traded on the New York Stock Exchange. On September 15, 2008, Lehman filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code. For this reason, Lehman is not named as a defendant in this action.

C. Defendants

8. At all relevant times, Defendant Richard S. Fuld, Jr. ("Fuld") served as Lehman's Chairman and CEO, and chair of Lehman's Executive Committee and Lehman's Risk Committee. Fuld signed the Shelf Registration Statement.

9. Defendant Christopher M. O'Meara ("O'Meara") served as the Company's CFO, Controller, and Executive Vice President from 2004 until December 1, 2007, when he became Global Head of Risk Management. O'Meara was also a member of Lehman's Risk Committee at all relevant times. O'Meara signed the Shelf Registration Statement.

10. Defendant Joseph M. Gregory ("Gregory") was, at all relevant times, the Company's President and COO and a member of Lehman's Executive Committee, until he resigned on or about June 12, 2008.

11. Defendant Erin Callan ("Callan") became the Company's CFO and Executive Vice President on December 1, 2007, and served in that position and as a member of Lehman's Executive Committee and Lehman's Risk Committee until she resigned on or about June 12, 2008.

12. Defendant Ian Lowitt ("Lowitt") replaced Callan as CFO in June 2008. He also served as the Co-Chief Administrative Officer and was a member of Lehman's Executive Committee and Lehman's Risk Committee from June 2008 through the date of Lehman's bankruptcy filing.

13. Defendants Fuld, O'Meara, Gregory, Callan and Lowitt are referred to collectively as the "Insider Defendants."

14. Director Defendants Michael L. Ainslie ("Ainslie"), John F. Akers ("Akers"), Roger S. Berlind ("Berlind"), Thomas H. Cruikshank ("Cruikshank"), Marsha Johnson Evans ("Evans"), Sir Christopher Gent ("Gent"), Roland A. Hernandez ("Hernandez"), Henry Kaufman ("Kaufman"), and John D. Macomber ("Macomber") (collectively, the "Director Defendants") were at all relevant times members of Lehman's Board of Directors. Each director signed the Shelf Registration Statement in his or her capacity as a director of Lehman.

15. Auditor Defendant Ernst & Young LLP ("E&Y") served as the Company's purportedly independent auditor at all times relevant to the Class Period. E&Y audited Lehman's fiscal 2007 financial statements, falsely certified that those financial statements were prepared in accordance with GAAP, and falsely represented that it conducted its audits or reviews in accordance with GAAS, set forth by the PCAOB. E&Y also reviewed Lehman's interim financial statements during the Class Period and falsely represented that no material modifications needed to be made for them to conform with GAAP.

16. The Underwriter Defendants, who underwrote the Offerings which were sold pursuant to materially false and misleading Offering Materials, are being charged with violations of Section 11 of the Securities Act, as set forth in Appendix A (identifying the underwriters, the offerings and amounts underwritten). UBS, which underwrote certain offerings in Appendix A and all of the offerings in Appendix B, is being charged with violations of Section 11 and 12(a)(2) of the Securities Act.

IV. CLASS ACTION ALLEGATIONS APPLICABLE TO ALL CLAIMS

17. Plaintiffs bring this Action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of themselves and all other persons and entities, except Defendants and their affiliates, who (1) purchased or acquired Lehman securities identified in Appendix A pursuant or traceable to the Shelf Registration Statement, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B pursuant or traceable to the Shelf Registration Statement, and (3) purchased or acquired Lehman common stock, call options, and/or who sold Lehman put options between June 12, 2007 and September 15, 2008. Excluded from the Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity in which Defendants have or had a controlling interest, and (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party.

18. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time and

can only be ascertained through appropriate discovery, Plaintiffs believe that there are thousands of members of the Class located throughout the United States. Throughout the Class Period, the Lehman securities at issue traded on an efficient market. Record owners and other members of the Class may be identified from records maintained by Lehman and/or its transfer agents and may be notified of the pendency of this action by mail, using a form of notice similar to that customarily used in securities class actions.

19. Plaintiffs' claims are typical of the claims of the other members of the Class as all members of the Class were similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

20. Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

21. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are: (a) whether the federal securities laws were violated by Defendants' acts and omissions as alleged herein; (b) whether documents, press releases, and other statements disseminated to the investing public and the Company's shareholders misrepresented material facts about the business and financial condition of Lehman; (c) whether statements made by Defendants to the investing public misrepresented and/or omitted material facts about the business and financial condition of Lehman; (d) whether the market price of Lehman's securities was artificially inflated due to the material misrepresentations and failures to disclose material facts complained of herein; and (e) the extent to which the members of the Class have sustained damages and the proper measure of damages.

22. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of

individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this suit as a class action.

V. VIOLATIONS OF THE SECURITIES ACT

23. The Securities Act claims are based on strict liability and negligence. The Securities Act claims are not based on any allegation that any Defendant engaged in fraud or any other deliberate and intentional misconduct, and Plaintiffs specifically disclaim any reference to or reliance upon fraud allegations.

24. The Securities Act claims are brought on behalf of investors who purchased or otherwise acquired Lehman securities in or traceable to the Offering Materials issued in connection with the Offerings set forth in Appendices A and B.[2] Each of the Offerings was conducted pursuant to the Shelf Registration Statement, a prospectus dated May 30, 2006 (the "2006 Prospectus"), and either a prospectus supplement or pricing supplement issued in connection with that Offering. The 2006 Prospectus stated that it was part of the Shelf Registration Statement. The date of each offering – and not the prior date of the Shelf Registration Statement – was the "effective date" of the Shelf Registration Statement for purposes of Section 11 liability under 17 C.F.R. § 230.415 and 17 C.F.R. § 229.512(a)(2).

25. The 2006 Prospectus expressly incorporated by reference Lehman's Forms 10-K, 10-Q and 8-K that were filed with the SEC subsequent to the 2006 Prospectus and prior to the date of each Offering conducted pursuant to the 2006 Prospectus. As to each Offering, certain documents contained untrue statements and material omissions that were incorporated in the Shelf Registration Statement and 2006 Prospectus, as set forth in Appendices A and B.

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[2] Lead Plaintiffs reserve the right to assert claims for additional offerings that occurred pursuant to Lehman's May 30, 2006 Shelf Registration Statement, should investors who purchased such additional securities indicate their willingness to serve as named plaintiffs.

A. The Offering Materials Were Materially False And Misleading

1. The Offering Materials Failed To Disclose Lehman's Repo 105 Transactions

26. Throughout the Class Period, Lehman consistently described the importance of net leverage to its business as follows: "The relationship of assets to equity is one measure of a company's capital adequacy. Generally, this leverage ratio is computed by dividing assets by stockholders' equity. We believe that a more meaningful, comparative ratio for companies in the securities industry is net leverage, which is the result of net assets divided by tangible equity capital." *See, e.g.*, 2007 10-K at 63.

27. In calculating the numerator for its net leverage ratio, Lehman defined "net assets" in its 2007 10-K as total assets less: (i) cash and securities segregated and on deposit for regulatory and other purposes; (ii) collateralized lending agreements; and (iii) identifiable intangible assets and goodwill. For the denominator, Lehman included stockholders' equity and junior subordinated notes in "tangible equity capital," but excluded identifiable intangible assets and goodwill. Lehman's publicly reported net leverage ratio, therefore, supposedly compared the Company's riskiest assets to its available stockholders equity to absorb losses sustained by such assets.

28. In fact, net leverage was so meaningful that E&Y's audit workpapers stated that "Materiality is usually defined as any item individually, or in the aggregate, that moves net leverage by 0.1 or more (typically $1.8 billion)." According to E&Y's engagement partner, William Schlich, this was Lehman's own definition for materiality with respect to net leverage. Accordingly, a "one-tenth" of a point adjustment in net leverage, which during the Class Period meant either an increase or decrease in net assets or tangible equity capital of $1.8 billion, was material to Lehman.

29. Lehman, along with the majority of investment banking firms on Wall Street, routinely entered ordinary sale and repurchase agreements to satisfy short-term cash needs, borrowing cash from counterparties at fixed interest rates and putting up collateral, typically in the form of financial instruments, to secure financing (referred to herein as "Ordinary Repo"

transactions). Upon maturity of the Ordinary Repo transactions, Lehman would repay the cash to the counterparty, plus interest, and reclaim its collateral, ending the arrangement.

30. Lehman accounted for Ordinary Repos as financings – *i.e.*, debt – recording both an asset (the cash proceeds of the Ordinary Repo loan) and a liability (an obligation to repay the Ordinary Repo loan). Significantly, the collateral that securitized the Ordinary Repo remained on Lehman's balance sheet, and the incoming cash and corresponding liability had the effect of ***increasing*** Lehman's net leverage ratio as the numerator (net assets) increased, while the denominator (tangible equity capital) remained the same.

31. Unbeknownst to investors, however, Lehman entered into tens of billions of dollars worth of undisclosed Repo 105 transactions, which resembled Ordinary Repo transactions in all material respects, but Lehman recorded the transaction on its books as though the asset collateralizing the loan had actually been ***sold*** and removed from its balance sheet. Lehman would then use the cash received from the Repo 105 loan to pay down other existing liabilities, which had the effect of ***reducing*** Lehman's net leverage ratio, because it reduced the numerator in the net leverage ratio (net assets) (through the "sale" of the collateralizing asset and the use of cash to pay down other short-term debt), while having no impact on the denominator in the net leverage ratio (tangible equity ratio). As a result, the Repo 105 accounting treatment had the effect of reducing Lehman's reported net leverage ratio as of the end of each reporting period during the Class Period.

32. Significantly, the "reduction" in the net leverage ratio was only temporary, and wholly illusory. Pursuant to the terms of these Repo 105 transactions, just days after the Company's quarter ended, Lehman would repay the Repo 105 counterparty, and the collateralized assets would return to Lehman's balance sheet, thereby immediately and materially increasing the net leverage ratio by highly material amounts shortly after the quarter had closed.

33. In his prepared testimony before Congress, the Examiner explained that Lehman's public disclosures were misleading by its failure to disclose its use of Repo 105 transactions: Lehman did not disclose that it had only temporarily reduced its net leverage ratio through Repo

105 transactions, "[c]onsequently, Lehman's statement that the net leverage ratio was a 'more meaningful' measurement of leverage was rendered misleading because that ratio – as reported by Lehman – was not an accurate indicator of Lehman's actual leverage, and in fact, understated Lehman's leverage significantly."

34. In addition, Lehman's public statements regarding its liquidity (the immediate ability to access funds to pay down short-term obligations) was rendered materially misleading because its financial statements and related footnote disclosures failed to disclose Lehman's immediate obligation to repay tens of billions of dollars in Repo 105 transactions just days after the end of each fiscal quarter. Thus, Lehman's reported that short-term or current liabilities were similarly understated by a material amount. As a result, Lehman did not have nearly as much in available liquidity or in its liquidity pool as it represented.

35. Lehman also issued materially false and misleading explanations in the Management's Discussion and Analysis ("MD&A") section of its periodic reports relating to the rationale behind the reported decreases to its net leverage ratio (either quarter-on-quarter or comparing to the prior year's same quarter to the reported quarter). Regardless of the appropriateness of Lehman's accounting for its Repo 105 transactions under GAAP, these representations were materially false and misleading because Lehman was contractually obligated to repurchase the Repo 105 assets.

36. Significantly, a Repo 105 transaction was a more expensive form of short-term financing than an Ordinary Repo. Lehman had the ability to conduct an Ordinary Repo transaction using the same securities and with substantially the same counterparties, at a lower cost, but instead engaged in Repo 105 transactions that had the effect of temporarily "removing" tens of billions of dollars of assets off Lehman's balance sheet at the end of each quarter.

37. At bottom, Lehman's Repo 105 transactions lacked economic substance, and Lehman's reported de-leveraging failed to reflect its true financial condition. The quarterly cycle of temporarily "removing" as much as $50 billion of assets off its balance sheet (as reflected in Table 1

below) for only days at quarter-end created the false impression that Lehman had reduced its balance sheet exposure and net leverage, and fostered the appearance of increased liquidity, and thereby made Lehman's financial health appear significantly more sound than it actually was.

Table 1 – Undisclosed Repo 105/108 Usage *(in billions)*

	2Q07	3Q07	4Q07	1Q08	2Q08
Repo 105	$23.1	$29.1	$29.7	$42.2	$44.5
Repo 108	$8.6	$6.9	$8.9	$6.9	$5.8
Total	**$31.9**	**$36.4**	**$38.6**	**$49.1**	**$50.3**

38. Notably, throughout the Class Period, Repo 105 transactions decreased Lehman's net leverage between 15 and 19 times its own materiality threshold (0.1), as set forth in Table 2 below.

Table 2 – Repo 105 and 108 Transactions and Reported Net Leverage

Reporting Period	Repo 105 (*billions*)	Reported Net Leverage Ratio	Actual Net Leverage Ratio	Difference As Multiple of Lehman's 0.1 Materiality Threshold
2Q07	$31.9	15.4x	16.9x	15 times
3Q07	$36.4	16.1x	17.8x	17 times
4Q07	$38.6	16.1x	17.8x	17 times
1Q08	$49.1	15.4x	17.3x	19 times
2Q08	$50.4	12.1x	13.9x	18 times

39. In addition, throughout the Class Period, the Repo 105 transactions also caused Lehman's short term and total liabilities to be materially understated, as reflected in Table 3 below:

Table 3 – Repo 105 Transactions and Total and Short Term Liabilities *(in billions)*

	2Q07	3Q07	2007 Year End	1Q08	2Q08
Total Reported Liabilities	$584.73	$637.48	$668.57	$761.20	$613.16
Reported Short Term Liabilities	$483.91	$517.15	$545.42	$632.92	$484.97
Repo 105's	$31.90	$36.40	$38.60	$49.10	$50.40
% of Repo 105's to Total Liabilities	5.45%	5.71%	5.77%	6.45%	8.22%
% of Repo 105's to Short-Term Liabilities	6.59%	7.04%	7.08%	7.76%	10.39%

40. The failure to disclose the tens of billions of dollars in Repo 105 transactions consistently rendered statements in Lehman's quarterly and annual filings throughout the Class Period materially false and misleading, including the following:

(a) Each Form 10-Q and Lehman's 2007 10-K represented that securities sold under agreements to repurchase, are "treated as collateralized agreements and financings for financial reporting purposes." This statement was untrue and materially misleading because it failed to disclose that, through Lehman's Repo 105 program, tens of billions of dollars in securities sold each quarter pursuant to agreements to repurchase were not treated as "financings for financial reporting purposes" but were treated as sales by Lehman;

(b) Each Form 10-Q and the 2007 10-K purported to describe all of Lehman's material off-balance sheet arrangements. In fact, each filing expressly included a discussion and table purportedly summarizing all "Off-Balance Sheet Arrangements" in the MD&A section. Such descriptions were materially false and misleading because they failed to list or discuss the material fact that Lehman had agreed to tens of billions of dollars in off-balance sheet commitments that were not included in these descriptions;

(c) Each Form 10-Q contained a statement that the "Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles," and included

certifications from Fuld and either Callan or O'Meara stating that "this report does not contain any untrue statements of a material fact or omit to state a material fact" and that "the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant." These statements were materially false and misleading for, among other reasons described herein, failing to disclose the Repo 105 transactions, which falsely reduced net leverage and understated liabilities and violated GAAP.

(d) Each Form 10-Q contained a "Report of Independent Registered Public Accounting Firm" signed by E&Y (the "Interim Reports"), stating that, based on its review of Lehman's consolidated financial statements and in accordance with the standards of the PCAOB, "we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles." This statement was materially false for, among other reasons described herein, failing to disclose the Repo 105 transactions, which falsely reduced net leverage and understated liabilities, and violated GAAP.

(e) The 2007 10-K represented that Lehman's "Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles," and included certifications from Defendants Fuld and Callan stating that "this report does not contain any untrue statements of a material fact or omit to state a material fact" and that "the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant." These statements were false and misleading for, among other reasons described herein, failing to disclose the Repo 105 transactions, which falsely reduced net leverage and understated liabilities, and violated GAAP.

(f) The 2007 10-K included E&Y's "Report of Independent Registered Public Accounting Firm," signed January 28, 2008, certifying that: (1) Lehman's FY07 financial results: (a) were prepared in accordance with GAAP; and (b) in all material respects, fairly presented the

financial condition and operations of Lehman as of November 30, 2007; and (2) E&Y conducted its audit of Lehman's FY07 financial results in accordance with GAAS (the "2007 Audit Report"). E&Y consented to the inclusion of its 2007 Audit Report in Lehman's 2007 Form 10-K, and consented to the incorporation of the 2007 Audit Report by reference in registration statements, including Lehman's May 30, 2006 S-3 Shelf Registration Statement (No. 333−134553), and post effective amendments. These statements in E&Y's 2007 Audit Report were false and misleading because, contrary to E&Y's representation, Lehman's FY07 financial results were not prepared in accordance with GAAP because the Company's net leverage was understated through the use of Repo 105 transactions, and E&Y's audit of Lehman's FY07 financial results was not performed in accordance with GAAS.

41. As further discussed in ¶¶61-69, the failure to disclose Lehman's use and accounting treatment of Repo 105 transactions in its financial statements and related footnotes incorporated into the Offering Materials violated numerous GAAP provisions and SEC regulations. This material omission caused Lehman's financial reports to present an unrealistic and unreliable picture of the Company's business realities by misrepresenting its net leverage and liquidity, in violation of, *inter alia*, Accounting Release 173 ("[I]t is important that the overall impression created by the financial statements be consistent with the business realities of the company's financial position and operations") and FASCON 1 (specifically ¶¶32, 34 & 42) and FASCON 2 (specifically ¶¶15, 33, Figure 1, ¶¶58, 79-80, 91-97, 160).

42. Moreover, the SEC requires that certain information be disclosed in the MD&A section of periodic reports. Specifically, Item 303 of SEC Regulation S-K states that the registrant's MD&A section of its SEC filings should provide users of financial statements with relevant information in assessing the registrant's financial condition and results of operations, including trends and uncertainties that would cause reported financial information to not be indicative of its future financial condition or future operating results. By omitting any mention of Repo 105, the Offering Materials violated Item 303's disclosure requirements. Nowhere did the Offering

Materials report, *inter alia*, the material effect Repo 105 transactions had on the Company's balance sheet, net leverage, liquidity and capital resources, and their nature or business purpose.

43. In addition to the false and misleading statements referenced above at ¶¶26-40, which appear in the Forms 10-Q and 10-K filed by Lehman during the Class Period and which were incorporated by reference into the Offerings Materials issued in connection with the challenged Offerings, additional false and misleading statements regarding Repo 105 are set forth below in chronological order.

a. Additional Material Misstatements And Omissions Relating To Repo 105

44. **2Q07:** On July 10, 2007, Lehman filed with the SEC its quarterly report on Form 10-Q for the quarter ended May 31, 2007 ("2Q07 10-Q") (which largely repeated information in its June 12, 2007 Form 8-K) signed by O'Meara.

45. The 2Q07 10-Q reported that Lehman's net leverage ratio was 15.4, which was materially false and misleading because it failed to take into account $31.943 billion in Repo 105 assets that were temporarily removed from Lehman's financial statements. Had the assets that were subject to the Repo 105 transactions been included, Lehman's net leverage ratio would have been 16.9, representing an increase 15 times greater than Lehman's own materiality threshold of a change in net leverage of 0.1.

46. In addition, the 2Q07 10-Q reported $137.948 billion in securities sold under agreements to repurchase. This statement was materially false and misleading because it excluded almost $32 billion in Repo 105 assets that Lehman had temporarily removed from its balance sheet, which Lehman had agreed to repurchase days after the end of the quarter.

47. **3Q07:** On October 10, 2007, Lehman filed with the SEC its quarterly report on Form 10-Q for the quarter ended August 31, 2007 ("3Q07 10-Q") (which largely repeated information in its September 18, 2007 Form 8-K), signed by O'Meara.

48. The 3Q07 10-Q reported that Lehman's net leverage ratio was 16.1, which was materially misleading because it failed to take into account $36.407 billion in Repo 105 assets that

were temporarily removed from Lehman's financial statements. Had the Repo 105 transactions been included, Lehman's net leverage ratio would have been 17.8, representing an increase 17 times greater than Lehman's own materiality threshold of a change in net leverage of 0.1.

49. In addition, the 3Q07 10-Q reported $169.302 billion in securities sold under agreements to repurchase. This statement was materially false and misleading because it excluded over $36 billion in Repo 105 assets that Lehman had temporarily removed from its balance sheet, which Lehman had agreed to repurchase days after the end of the quarter.

50. **FY2007:** On January 29, 2008, Lehman filed with the SEC its annual report on Form 10-K for the fiscal year ended November 30, 2007 ("2007 10-K") (which largely repeated information in its December 13, 2007 Form 8-K), signed by Fuld, Callan, Ainslie, Akers, Berlind, Cruikshank, Evans, Gent, Hernandez, Kaufman, and Macomber.

51. The 2007 10-K reported that Lehman's net leverage ratio was 16.1, which was materially misleading because it failed to take into account $38.634 billion in Repo 105 assets that were temporarily removed from Lehman's financial statements. Had the Repo 105 transactions been included, Lehman's net leverage ratio would have been 17.8, representing an increase 17 times greater than Lehman's own materiality threshold of a change in net leverage of 0.1.

52. In addition, the 2007 10-K reported $181.732 billion in securities sold under agreements to repurchase. This statement was materially false and misleading because it excluded almost $39 billion in Repo 105 assets that Lehman had temporarily removed from its balance sheet, which Lehman had agreed to repurchase days after the end of the quarter.

53. **1Q08:** On April 8, 2008, Lehman filed with the SEC its quarterly report on Form 10-Q for the first quarter ended February 29, 2008 ("1Q08 10-Q") (which largely repeated information in its March 18, 2008 Form 8-K), signed by Callan and incorporated by reference into the offerings, as set forth in Appendix A.

54. The 1Q08 10-Q reported that Lehman's net leverage ratio was 15.4, which was materially misleading because it failed to take into account $49.102 billion in Repo 105 assets that

were temporarily removed from Lehman's financial statements. Had the Repo 105 transactions been included, Lehman's net leverage ratio would have been 17.3, representing an increase 19 times greater than Lehman's own materiality threshold of a change in net leverage of 0.1.

55. In addition, the 1Q08 10-Q reported $197.128 billion in securities sold under agreements to repurchase. This statement was materially false and misleading because it excluded over $49 billion in Repo 105 assets that Lehman had temporarily removed from its balance sheet, which Lehman had agreed to repurchase days after the end of the quarter.

56. **2Q08:** On June 9, 2008, Lehman issued a press release, filed with the SEC on Form 8-K, pre-announcing its financial results for the second quarter ended May 31, 2008 ("6/9/08 8-K").

57. The 6/9/08 8-K claimed that Lehman had reduced its net leverage ratio to below 12.5. This statement was materially misleading because the 6/9/08 8-K failed to take into account $50.383 billion in Repo 105 assets that were temporarily removed from Lehman's financial statements. The 6/9/08 8-K was incorporated by reference into the offerings, as set forth in Appendix A.

58. The 6/9/08 8-K also stated that the Company "further strengthened its liquidity and capital position" by growing its "liquidity pool to an estimated $45 billion" and decreasing gross assets and net assets by approximately $130 billion and $60 billion, respectively. This statement was false and misleading for reasons set forth below in ¶¶85-88.

59. On June 16, 2008, the Company issued another press release, filed with the SEC on Form 8-K, announcing its results for the second quarter of 2008 (the "6/16/08 8-K").

60. The 6/16/08 8-K reported a net leverage ratio of 12.0, and also announced that the firm reduced its gross assets and net assets by $147 billion and $70 billion, respectively, during the second quarter. These statements were materially misleading because the 6/16/08 8-K failed to disclose $50.383 billion in Repo 105 assets that had been removed only temporarily from Lehman's balance sheet at quarter end. Had the assets been included, Lehman's net leverage ratio would have been 13.9, representing an increase of 18 times Lehman's own materiality threshold of a change in

net leverage of 0.1. The 6/16/08 8-K was incorporated by reference into the offerings, as set forth in Appendix A.

b. GAAP Violations Relating To Repo 105

61. Lehman's financial statements for fiscal year 2007, as well as its quarterly financial statements from the second quarter of 2007 through its bankruptcy filing, violated GAAP and SEC disclosure requirements. Lehman represented in its public filings that all transactions containing short-term repurchase commitments were recorded as "secured financing transactions," which effectively had no net impact on Lehman's balance sheet. In truth, however, Lehman accounted for its Repo 105 transactions as "sales" under FAS 140, which had a profound impact on Lehman's balance sheet. By categorizing its Repo 105 transactions as "sales," the transferred securities were removed from the balance sheet, replaced by cash, and a liability was never recorded. Lehman then used this cash to pay down existing, short-term liabilities, effectively reducing its balance sheet.

62. Guidance in FAS 140 itself states that categorizing a repurchase agreement as a sale is unusual. Indeed, unlike Lehman, similar investment banks did not record such repurchase transactions as "sales." To qualify as a sale under FAS 140, the company transferring the asset must divest itself of the asset and relinquish all control over the assets. The retention of any portion of control over the assets precludes treatment of a transfer of financial assets as a "sale." Only when the transferor has divested itself of the assets from a control perspective, such that the asset is effectively "isolated from the transferor – put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership," and "the transferor does not maintain effective control over the transferred assets through" for example "an agreement that both entitles and obligates the transferor to repurchase or redeem them before their maturity" can the transaction be deemed a "sale."

63. Lehman's Repo 105 transactions were not "sales" for a number of reasons, not least of which was that they lacked the necessary business purpose and economic substance to be recorded as legitimate sales under GAAP. Unlike a true sale, there was no legitimate business

purpose to the transactions. Indeed, as explained above, the Repo 105 transactions were a more expensive, form of short-term financing for Lehman than an Ordinary Repo transaction.

64. Moreover, unlike an actual sale, Lehman's repurchase agreements ***required*** Lehman to repurchase the collateral after a fixed period of time; they did not merely grant Lehman the right to do so. While characterizing the short-term financing as a "sale" on its financials, Lehman in fact was obligated to repurchase these assets within days after the close of the reporting period.

65. Furthermore, FAS 140 specifically notes that the determination of whether a transfer of assets qualifies as a sale might depend upon a legal determination of whether such arrangement represents a "true sale at law." Lehman, however, was unable to obtain a true sale opinion from any United States law firm. Lehman did not disclose its inability to obtain such an opinion or its decision to nevertheless treat its Repo 105 transactions as sales. That Lehman attempted to satisfy the requirements of FAS 140 through an opinion from Linklaters, a law firm, in the United Kingdom within the context of English Law (and then channel Repo 105 transactions through a Lehman subsidiary in the United Kingdom) cannot justify the accounting treatment. Because no U.S. firm would provide the opinion under U.S. law, there was no basis in FAS 140 for recording the transactions as sales, nor was there legitimate business or economic substance behind channeling the Repo 105 transactions through the United Kingdom.

66. Lehman's accounting for its Repo 105 transactions also failed fundamental tenets of financial reporting under GAAP. GAAP requires that the overall impression created by financial statements be consistent with the business realities of the company's financial position and operations, such that the financial statements are ***useful*** and comprehensible to users in making rational business and investment decisions. *See, e.g.*, FASCON 1, ¶¶9, 16, 33-34; FASCON 5, ¶5. FASCON 1 states that "Financial reporting should include explanations and interpretations to help users understand financial information." ¶54. Under GAAP, "***nothing material is left out of the information*** that may be necessary to [ensure] that [the report] validly represents the underlying events and conditions." FASCON 2, ¶¶79-80. FASCON 5 explains that footnotes are an integral

part of financial statements and are read in conjunction with the notes to the financial statements. Here, Lehman's accounting treatment for its Repo 105 transactions, and the total absence of any disclosures about Repo 105 in footnotes, the MD&A section of the SEC filings or elsewhere created a false impression of Lehman's business condition, violating GAAP. An analyst or a member of the investing public reading Lehman's SEC filings from cover to cover, with unlimited time, would not have learned about the Repo 105 program or Lehman's true net leverage. To the contrary, Lehman affirmatively told readers that its repurchase agreements were treated as financial arrangements, not sales, under FAS 140.

67. In addition, GAAP requires that financial statements place substance over form. FASCON 2, for example, states in relevant part:

> . . . The quality of reliability and, in particular, of representational faithfulness leaves no room for accounting representations that subordinate substance to form . . . (FASCON 2, ¶59)

68. Additionally, AU § 411 states, in relevant part:

> Generally accepted accounting principles recognize the importance of reporting transactions and events in accordance with their substance. (AU § 411.06)

69. Lehman's Repo 105 transactions lacked substance as "sales." Whereas ordinary repo transactions provide financing but do not impact the balance sheet, Lehman's Repo 105 transactions did. Elevating form over substance, Lehman engaged in tens of billions of Repo 105 transactions at the end of its quarters for the purpose of improving the appearance of its balance sheet and net leverage ratio.

2. The Offering Materials Misrepresented Lehman's Risk Management Practices

70. Throughout the Class Period, the Offering Materials included false and misleading statements concerning Lehman's risk management, including, *inter alia*, statements about Lehman's adherence to risk policies, compliance with risk limits, stress testing, risk appetite, and use of risk mitigants. Lehman's statements were highly material to investors because, as an investment bank, risk management was critical to loss prevention. In particular, Lehman's overriding of its risk

management policies and systems enabled Lehman to amass billions of dollars of illiquid, risky assets that it could not monetize to maintain its reported liquidity and net leverage ratio.

71. Prior to 2006, Lehman focused primarily on the "moving business" – a business strategy of originating assets for securitization or syndication and distribution to others. In this regard, Lehman's wholly-owned subsidiaries, BNC, a California-based subprime mortgage originator, and Aurora, a leading Alt-A mortgage originator based in Colorado, originated subprime and other non-prime mortgages for Lehman's securitization business, which were then sold to investors.

72. However, in 2006 and the outset of 2007, Lehman's management began to pursue an aggressive growth strategy that caused the Company to assume significantly greater risk. This growth strategy depended on Lehman's ability to increase substantially the leverage on its capital. As a result, Lehman shifted from the "moving business" to the "storage" business, making longer-term investments using Lehman's own balance sheet. This expansion strategy focused heavily on acquiring and holding commercial real estate, leveraged loans and private equity assets – areas that entailed far greater risk and less liquidity than Lehman's traditional lines of business. From 2007 through the first quarter of 2008, as the real estate markets were collapsing, Lehman continued this strategy, which was considered "counter-cyclical" in that Lehman sought to acquire assets priced at the bottom of the economic cycle. Thus, as other institutions reduced their risk exposure, Lehman increased its exposure to commercial and residential real estate.

73. Although Lehman increased its net assets through this growth strategy (by almost $128 billion, or 48%, from the fourth quarter of 2006 through the first quarter of 2008), the market was unaware that the Company had become saddled with an enormous volume of illiquid assets that it could not readily sell in a downturn. For example, BNC and Aurora continued to originate subprime and other non-prime mortgages to a greater extent than other mortgage originators, many of whom had gone out of business, that could not be securitized and sold off to investors, but rather remained on Lehman's books. At the same time, during the first two quarters of 2007, Lehman

continued to grow its leveraged loans, commercial real estate and principal investment business, culminating with the acquisition of the Archstone REIT in May 2007, the largest transaction in Lehman's history.

74. In its SEC filings during the Class Period, Lehman repeatedly assured investors that it had appropriate risk management policies in place and, significantly, that Lehman monitored and enforced strict adherence to those policies. Lehman stated that it "monitor[ed] and enforce[ed] adherence to [its] risk policies" (included in the 2007 10-K and 1Q08 10-Q) and that "[m]anagement's Finance Committee oversees compliance with policies and limits" (included in the 2Q07 10-Q, 3Q07 10-Q, 2007 10-K, and 1Q08 10-Q). Lehman also stated that "[w]e . . . ensure that appropriate risk mitigants are in place" (included in the 2Q07 10-Q and 3Q07 10-Q), and that "[d]ecisions on approving transactions . . . take into account . . . importantly, the impact any particular transaction under consideration would have on our overall risk appetite" (included in the 2Q07 10-Q and 3Q07 10-Q). These statements were materially false and misleading because Lehman's risk management framework and risk mitigants, including its risk appetite limits, were routinely overruled, disregarded and violated throughout the Class Period.

75. Lehman's "risk appetite" was a measure that aggregated market risk, credit risk and event risk faced by Lehman. According to Lehman's risk management policies, the firm-wide risk appetite limit was supposed to be the "hardest" of all Lehman's risk limits such that a breach of this limit required a determination by the Risk Committee – comprised of the Executive Committee (which included Defendants Fuld, Gregory, Callan and Lowitt), the Chief Risk Officer, and the Chief Financial Officer – of the proper action to take. In reality, however, risk appetite was treated as a "soft" limit that was routinely exceeded during the Class Period. As the Examiner testified to Congress, "Lehman was in breach of its established risk appetite limits on a persistent basis during the second half of 2007." All of the Insider Defendants served on the Risk Committee at varying times during the Class Period.

76. Indeed, in order to engage in riskier transactions, Lehman raised its risk appetite limit four times between December 2006 and December 2007, from $2.3 to $3.3 billion, then to $3.5 billion, then to $4.0 billion, and then regularly exceeded even these increased limits by hundreds of millions of dollars. Furthermore, between May and August 2007, Lehman excluded its $2.3 billion bridge equity position in Archstone (as well as other large bridge equity positions) from its risk appetite usage calculations which, if included, would have caused Lehman to further exceed its risk limits. In May 2007, when Lehman committed to Archstone, "[i]t was clear," according to the Examiner, "that the Archstone transaction would put Lehman over its then existing risk limits, but the deal was committed anyway." Lehman exceeded its risk appetite limit by $41 million in July 2007 and $62 million in August 2007, and after the Archstone and other bridge equity positions were added, Lehman exceeded its risk appetite limits by $608 million in September 2007, $670 million in October 2007, $508 million in November 2007, $562 million in December 2007, $708 million in January 2008, and $578 million in February 2008. As the Examiner found, Lehman's disregard for this "hard" limit facilitated a dramatic expansion of the firm's risk profile between 2006 and 2007.

77. Lehman also had "concentration limits," which were designed to ensure that the Company did not take too much risk in a single, undiversified business or area. However, Lehman routinely and consistently disregarded the concentration limits with respect to its leveraged loan and commercial real estate business, including by failing to enforce the Company's "single transaction limits," which were meant to ensure that its investments were properly limited and diversified by business line and by counterparty. The single transaction limit was composed of two limits: (1) a limit applicable to the notional amount of the expected leveraged loan (*i.e.*, the total value of a leveraged position's assets); and (2) a limit applicable to the amount that Lehman was at risk of losing on the leveraged loan. The Examiner testified that, in late 2006, Lehman decided "to disregard the single transaction limit." By July 2007, Lehman had committed to approximately 30 deals that exceeded its $250 million loss threshold, and five deals that violated the notional limit of

$3.6 billion. Lehman also committed approximately $10 billion more than the single transaction limit allowed with respect to 24 of its largest high yield deals. Moreover, the Company did not impose a limit on its leveraged loan bridge equity commitments, in which Lehman took on riskier equity pieces of real estate investments and which could directly affect its balance sheet and liquidity position if not sold. Lehman ultimately exceeded its risk limits by margins of 70% for commercial real estate and by 100% for its leveraged loans.

78. Lehman also exceeded its balance sheet limits which were designed to contain its overall risk and maintain net leverage ratio within the range required by ratings agencies. For example, Lehman's Fixed Income Division ("FID") exceeded its balance sheet limit by almost $20 billion at the end of 2Q07; by $11.17 billion at the end of 4Q07; and by $18 billion at the end of 1Q08; with overages concentrated in securitized products and real estate. Furthermore, despite the fact that Lehman almost doubled its Global Real Estate Group's ("GREG") balance sheet limit for commercial real estate transactions from $36.5 billion in 1Q07 to $60.5 billion in 1Q08, GREG still exceeded its balance sheet limit by approximately $600 million in 3Q07; by approximately $3.8 billion in 4Q07; and by approximately $5.2 billion in 1Q08.

79. During the Class Period, Lehman's Offering Materials also included false and misleading statements concerning its "stress tests," one of Lehman's publicized risk controls. Lehman's stress tests were supposed to be used to determine the potential financial consequences of an economic shock to its portfolio of real estate assets and investments, and Lehman was required by the SEC to conduct some form of regular stress testing. Indeed, in its Class Period SEC filings, Lehman publicly represented that "[w]e use stress testing to evaluate risks associated with our real estate portfolios . . . ." Contrary to this statement, however, Lehman excluded some of its most risky principal investments – including commercial real estate investments, private equity investments, and leveraged loan commitments – from its stress tests.

80. Lehman's failure to conduct stress testing of its real estate investments had a material adverse effect on the Company. Indeed, as the Examiner found, the failure to do so rendered

Lehman's stress tests "meaningless," and "Lehman's management did not have a regular and systematic means of analyzing the amount of catastrophic loss that the firm could suffer from those increasingly large and illiquid investments." In fact, experimental stress tests conducted in 2008 indicated that a large proportion of Lehman's risk lay with real estate and private equity positions that had not been included in the stress tests. For example, one stress test showed maximum potential losses of $9.4 billion, which included $7.4 billion in losses on real estate and private equity positions excluded from the stress tests. Another stress test showed potential total losses of $13.4 billion, of which $10.9 billion was attributable to the previously excluded real estate and private equity positions, and only $2.5 billion to previously included trading positions.

81. Lehman's Offering Materials, by incorporating the 2Q07 10-Q and 3Q07 10-Q, also represented that "[w]e apply analytical procedures overlaid with sound practical judgment and work proactively with business areas before transactions occur to ensure appropriate risk mitigants are in place." Contrary to this statement, however, while Lehman's mortgage-related risks had significantly increased as it accumulated illiquid assets, Lehman failed to ensure that appropriate risk mitigants were in place. These illiquid assets included residential Alt-A assets that Lehman could not directly hedge. In addition, Lehman did not increase the magnitude of its "macro hedges" – a technique used to eliminate the risks of a portfolio of assets – on its leveraged loan and commercial real estate portfolios.

82. The statement that Lehman "work[s] proactively with business areas before transactions occur to ensure appropriate risk mitigants are in place" was also false and misleading because, unbeknownst to investors, by the start of the Class Period, Lehman had relaxed risk controls to accommodate growth of its commercial real estate business, including its bridge equity positions in the United States, which increased more than ten-fold from $116 million in 2Q06 to $1.33 billion in 2Q07, and then more than doubled to exceed $3 billion by the end of 2Q08. Lehman's real estate bridge equity deals were particularly risky because declining values of the underlying real estate prevented Lehman from selling bridge equity positions as planned, such as

with Archstone. There, in addition to funding $8.5 billion in debt tranches, Lehman made an equity investment of $250 million and purchased bridge equity of approximately $2.3 billion. Had the Archstone transaction been properly included in Lehman's risk controls, it would have caused Lehman to exceed its risk appetite limits and the limits on its real estate business. As the Examiner stated in his Congressional testimony, "[w]ith the inclusion of Archstone, Lehman was clearly in excess of its established risk limits."

83. Lehman also routinely violated its Value at Risk ("VaR") limits. VaR is a statistical measure of the potential loss in the fair value of a portfolio due to adverse movement in the underlying risk factors, and is watched by the SEC and the market to assess a company's risks. For example, GREG was in breach of its VaR limits ***every day*** for nearly one full year, from early October 2007 through September 15, 2008 – the day Lehman declared bankruptcy. Similarly, Lehman's High Yield business repeatedly breached its VaR limits throughout the Class Period, including every day from mid-August 2007 through mid-May 2008. Likewise, Lehman's FID repeatedly breached its VaR limits from the beginning of the Class Period through May 2008, including every day from mid-October 2007 through mid-May 2008. As a consequence, Lehman breached its firm-wide VaR limit no less than 44 times during the Class Period. Because Lehman routinely exceeded its VaR limits, the representation that "[a]s part of our risk management control processes, we monitor daily trading net revenues compared to reported historical simulation VaR" – included in each of the Forms 10-Q and 2007 10-K during the Class Period – was materially false and misleading when made.

84. As the Examiner found, Lehman's persistent and repeated failure to adhere to its risk management policies rendered those policies "meaningless," and enabled Lehman to acquire billions of dollars of risky investments – and become exposed to billions of dollars of losses – that it would not have been exposed to had it adhered to its risk management limits.

3. The Offering Materials Contained Untrue Statements Regarding Lehman's Liquidity Risk And Risk Of Bankruptcy

85. Liquidity was the lifeblood of Lehman. As Lehman described in its 2007 Form 10-K, "liquidity, that is ready access to funds, is essential to our businesses." The 2007 10-K also stated that companies like Lehman "rely on external borrowings for the vast majority of their funding, and failures in our industry are typically the result of insufficient liquidity."

86. Regulation S-K required Lehman to disclose, in its MD&A, any known commitments "that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way," and any off-balance sheet arrangements "that have or are reasonably likely to have a current or future effect on the registrant's financial condition . . . results of operations, liquidity, capital expenditures or capital resources that is material to investors." Lehman's requirement to repurchase the assets covered by the Repo 105 transactions within days of every quarter's end was a known event to Lehman that greatly exceeded the "reasonably likely to occur" standard, as Lehman was in fact, obligated to repurchase the assets, and it was certain to have a material effect on Lehman's financial condition and results of operation. However, Lehman's statements in the Liquidity, Funding and Capital Resources sections of the MD&A failed to disclose Lehman's obligation to repay the Repo 105 cash borrowings and to repurchase the underlying assets collateralizing the loans immediately after the quarter closed, even though such obligations directly and materially impacted its liquidity. Lehman's disclosures should have included a discussion of the timing and amounts of the cash flow issues accompanying the repayment of the Repo 105 borrowing, including (1) the amount of cash available after the repayment; (2) the ability to borrow more capital in light of a reduction in debt rating or deterioration in leverage ratio due to the repayment of the Repo 105 borrowing; (3) the effect of the repayment on Lehman's cost of capital/credit rating; and (4) the economic substance and purpose of the Repo 105 arrangements.

87. Lehman's SEC filings throughout the Class Period omitted and misrepresented the foregoing material facts about its repayment of Repo 105 cash borrowings. Instead, Lehman's 2007

10-K simply claimed that the Company had a "very strong liquidity position" and represented that "we maintain a liquidity pool . . . that covers expected cash outflows for twelve months in a stressed liquidity environment." Moreover, the 2007 10-K and the Forms 10-Q during the Class Period stated that Lehman's liquidity pool was sized to cover expected cash outflows associated with certain enumerated items – none of which were Repo 105. These statements were false and misleading for failing to disclose Lehman's obligation to repay Repo 105 cash borrowings, which impacted the Company's liquidity pool.

88. Lehman's statements concerning its liquidity were also false and misleading because, as a result of the failure to abide by its risk limits, Lehman had accumulated a heavy concentration of illiquid assets with deteriorating values, such as residential and commercial real estate. Much of Lehman's balance sheet growth (37% during 2007) was attributable to illiquid assets that Lehman was unable to sell without incurring significant losses. Thus, while Lehman publicly stated that "we maintain a liquidity pool . . . that covers expected cash outflows for twelve months in a stressed liquidity environment," by the start of the Class Period in July 2007, Lehman had already internally determined that its liquidity pool was short $400 million to meet commitments looking out one year forward.

4. The Offering Materials Overstated The Value Of Lehman's Commercial Real Estate Holdings

89. During the Class Period, Lehman represented that it had marked its commercial real estate assets to fair value, including, for example, its Archstone position and its Principal Transactions Group ("PTG") assets.

90. SFAS 157 establishes a three-part hierarchy for inputs used to report "fair value." SFAS 157 gives the highest priority – Level 1 – to valuing assets at quoted market prices of similar assets. Observed market data other than quoted prices are given a lower priority – Level 2. Finally, the lowest priority inputs are designated as Level 3 and consist of non-observable, internal, model-driven inputs. Regardless of the level, the objective is to determine the exit price from the perspective of a market participant that holds the asset (or owes the liability). Accordingly, even

with regard to Level 3 inputs, SFAS 157 requires that unobservable inputs reflect the reporting entity's view as to the assumptions market participants would use in pricing the asset.

a. Archstone Valuations

91. In May 2007, Lehman, along with Tishman Speyer, agreed to acquire Archstone, a publicly traded REIT involved in the acquisition, operation and development of apartment buildings. The deal closed on October 5, 2007. Lehman funded roughly $5.4 billion ($3 billion in debt and $2.4 billion of equity) of the $23.6 billion purchase price, making it Lehman's single largest commercial real estate investment. Lehman intended to syndicate, or sell, large portions of its debt and equity interests after the closing, but was ultimately unable to do so. By the time the Archstone deal closed on October 5, 2007, the stock prices of Archstone's publicly traded peers had declined over the summer and early fall of 2007, indicating that Archstone's enterprise value had declined as well.

92. To value its Archstone positions, Lehman primarily used a discounted cash flow model that determined value by reducing future expected cash flows to their present value by applying a discount. The cash flow was based on various assumptions, including rent growth, exit capitalization rates, and exit platform value. Lehman, however, failed to consider market information in these assumptions. For example, Lehman used a rental growth rate that was 1.9% to 3.5% higher than third-party projections for apartments within Archstone's primary markets, used net operating income growth rates that were 100% higher than the average growth rate for apartment REITs over a 15 year period, and failed to consider the higher capitalization rates that were being used for other comparable publicly traded REITs.

93. Because Lehman failed to consider market-based information in assessing Archstone's value, the statements that (i) "[f]inancial instruments and other inventory positions owned . . . are presented at fair value" and (ii) "private equity investments are measured at fair value" – both of which were included in Lehman's 2007 10-K, 1Q08 10-Q, 6/9/08 8-K and 6/16/08 8-K – were materially false and misleading when made with respect to Archstone. In addition,

because Lehman did not consider available data from comparable publicly traded REITs, it violated the policy set forth in its Accounting Policy Manual, which stated that under SFAS 157, a range of factors, including the "trading value on public exchanges for comparable securities," should be considered to determine fair value.

94. Rather than use ***current*** market information, Lehman employed the assumptions from when it first committed to participate in the Archstone acquisition in May 2007. As a result, Lehman's assumptions were unreasonably optimistic. Lehman's valuation of Archstone was overstated by $200 million to $450 million as of the end of 1Q08, and by $200 to $500 million as of the end of 2Q08. The overstatement was material because, had Lehman taken a write-down of at least $200 million in 1Q08 of its Archstone assets, (1) Lehman's mark-to-market adjustments for commercial mortgages and related real estate would have increased from $1 billion to $1.2 billion, or 20%, and (2) the Company's pretax income would have decreased from $489 million to $289 million, or 40%. Similarly, had Lehman taken a write-down of at least $200 million in 2Q08 relating to Archstone, (1) Lehman's mark-to-market adjustments for commercial assets for that quarter would have increased from $1.3 billion to at least $1.5 billion, or 15%, and (2) the Company's net losses would have increased from $2.8 billion to $3.0 billion, or 7%.

95. By overvaluing Archstone, Lehman overstated its 1Q08 income and understated its 2Q08 loss. As such, the statements in Lehman's 3/18/08 8-K, 1Q08 10-Q, 6/9/08 8-K and 6/16/08 8-K concerning Lehman's reported income were materially false and misleading when made.

b. PTG Asset Valuations

96. Lehman's PTG assets were generally highly leveraged debt or equity investments in real estate assets that Lehman intended to hold for its own account while a developer improved or developed the underlying assets, with the intent to monetize the investment through a sale after the development or improvement was completed. Between 2005 and 2007, Lehman's PTG balance sheet grew from $6.1 billion in 2005 to $9.6 billion in fiscal year 2007. During the same period, Lehman's PTG portfolio became riskier, as real estate investments were concentrated in California

and other boom markets, focused on land development projects, and included a higher proportion of equity investments.

97. Until 2007, Lehman primarily valued its PTG assets using a method called "Cap * 105" that calculated the current capitalization of the property multiplied by 105%, with the additional 5% representing the presumed appreciation of the collateral. This method overvalues collateral significantly when real estate prices are in decline – as was occurring by mid 2007.

98. In 2007, Lehman began to implement a different method ("IRR") to take the place of the Cap * 105 method. The implementation was significantly delayed, however, and the Cap * 105 method was still used to value at least a third of Lehman's PTG assets in 2Q08. Moreover, Lehman used a yield for its IRR method that did not correspond to market-based interest rates. To reflect fair value, the discount rate should have reflected the yield an investor would require to purchase the property. However, to the contrary, Anthony Barsanti, who was responsible for determining PTG to market adjustments, acknowledged to the Examiner that Lehman was "probably not marking to yield" but more on "gut feeling" about the position. Moreover, Aristides Koutouvides, who reported to Barsanti, confirmed that the PTG business desk valuations did not reflect what a buyer would pay on the open market in 2Q08, contrary to FAS 157. Jonathan Cohen, the Lehman Senior Vice President responsible for overseeing valuation of assets in GREG, also said that in the 2Q08 the PTG portfolio was generally not marked to prices at which the assets could be sold.

99. Because neither of the methods Lehman used to value PTG assets employed market-based assumptions to reflect fair value, the statements concerning Lehman's fair value measurements in the Offering Materials were materially false and misleading when made.

100. Additionally, a review by the Examiner of certain PTG positions valued using the Cap * 105 method at the end of 2Q08 – positions making up approximately 36% of Lehman's entire PTG portfolio by value – showed that the value of the collateral underlying these positions declined by 20% when transitioned to new valuation methods in July 2008. Further, when the Examiner reviewed 105 positions that specifically switched from Cap * 105 to IRR models, the results

showed that the marks for these positions were overvalued by $298 million as of July 31, 2008, and $90 million as of August 31, 2008. The Examiner's analysis of certain positions valued using IRR indicated that the collateral underlying these positions was still overvalued by 15-20%, as the IRR models did not use appropriate market-based information. Thus, Lehman's PTG assets were overvalued by tens or hundreds of millions of dollars as of 2Q08 and material write-downs were required for a significant number of PTG assets.

101. Because Lehman's PTG assets were overvalued, the statements in Lehman's 6/9/08 8-K and its 6/16/08 8-K regarding its reported income were false and misleading.

c. Additional Facts Showing That Lehman's Commercial Real Estate Holdings Were Overvalued

102. Days before filing for bankruptcy, Lehman tried to sell its commercial real estate assets to various banks. Kenneth D. Lewis, CEO of Bank of America, told the Examiner that its due diligence regarding a potential transaction with Lehman in September 2008 revealed that Lehman's commercial real estate marks were too high. In particular, Lewis described a massive "$66 billion hole" in Lehman's valuation of its assets. An October 7, 2008 *The Wall Street Journal* article similarly reported that the executives from the firms which declined to buy Lehman's portfolio said that they believed Lehman's commercial portfolio was overvalued by as much as 35%. Further, as reported by *The New York Times* on October 31, 2008, Treasury Secretary Henry Paulson later explained that the absence of a federal bailout of Lehman was due to its impaired assets, stating: "We didn't have the powers, because by law the Federal Reserve could bailout Lehman with a loan only if the bank had enough good assets to serve as collateral, which it did not."

103. After Lehman's bankruptcy, certain of Lehman's assets were acquired by Barclay's for $1.54 billion. Barclay's acquisition excluded Lehman's commercial real estate holdings precisely because they were overvalued. As Robert E. Diamond, Jr., Barclay's President, recalled: "Our proposal was to buy everything out of Lehman, but leave the commercial real estate. We did not feel the valuations [of the commercial real estate] were supportable . . . ." Indeed, Barclay's

specifically carved out "all [of Lehman's] Archstone debt and equity positions" from the purchase agreement.

5. The Offering Materials Failed To Disclose Lehman's Risk Concentrations

104. GAAP requires disclosure of risk concentrations. AICPA Statement of Position ("SOP") No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties* ("SOP 94-6"), requires disclosures specifically relating to risks and uncertainties that could significantly affect the amounts reported in the financial statements in the near term (*i.e.*, one year), particularly from current vulnerability as a result of significant concentrations in certain aspects of the entity's operations. FAS No. 107, *Disclosures about Fair Value of Financial Instruments* ("FAS 107"), as amended by FAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("FAS 133"), requires disclosure of significant concentrations of credit risk for financial instruments such as loans. FASB Staff Position ("FSP") SOP 94-6-1, *Terms of Loan Products That May Give Rise to a Concentration of Credit Risk* ("FSP SOP 94-6-1"), addresses disclosure requirements for entities that originate, hold, guarantee, service, or invest in loan products whose terms may give rise to a concentration of credit risk.

105. Until the filing of its 2Q08 10-Q on July 10, 2008, when Lehman belatedly began to provide information concerning its commercial mortgage and real estate investment related portfolios, the required disclosures relating to significant concentrations of credit risk from Lehman's mortgage and real estate related assets were omitted. Throughout the Class Period, Lehman's Offering Materials failed to disclose adequately or meaningfully the Company's risk concentrations in, among other things, highly risky Alt-A loans, illiquid commercial real estate assets, and leveraged loan commitments. In addition, the Offering Materials failed to disclose that Lehman had heavy concentrations of illiquid assets, such as residential and commercial real estate with deteriorating values. These disclosures were especially important because the market for mortgage-backed securities and the real estate market had declined. In fact, an internal Lehman audit report dated February 26, 2007, advised that Lehman "address the main risks in the Firm's

portfolio," including "illiquidity" and "concentration of risk." By failing to disclose material facts about Lehman's concentration of mortgage and real estate related risks, investors could not meaningfully assess the Company's exposure to the mortgage and real estate markets and the increasing riskiness of Lehman's portfolio of mortgage and real estate assets.

106. **Alt-A Concentration**: Lehman was a leading originator of Alternative A-paper, or Alt-A loans – a type of mortgage that is typically associated with borrowers who purportedly have the creditworthiness of "prime" quality, but have traits that prevent the loans from qualifying as "prime." Lehman's Offering Materials did not even include the term "Alt-A" until Lehman filed its 1Q08 Form 10-Q on April 9, 2008 and even that filing was materially misleading. When Lehman finally began to identify Alt-A holdings on its balance sheet in its 2Q08 Form 10-Q, Lehman consolidated its Alt-A holdings with prime holdings into a single category labeled "Alt-A/Prime," even though less than 7% ($1 billion of the reported $14.6 billion "Alt-A/Prime" exposure) actually consisted of "prime" loans. By initially omitting Alt-A holdings altogether, and later grouping "Alt-A" with "Prime" mortgage-related assets, the Offering Materials did not adequately disclose Lehman's true exposure to the riskier Alt-A loans that were experiencing rising delinquencies and defaults throughout the Class Period. Moreover, Lehman did not disclose that it had loosened its lending standards for Alt-A loans such that they were actually more akin to subprime than to prime. As noted in an internal Lehman email on March 17, 2007: "I have pointed out in the past that Aurora's product is far from Alt-A anymore. The traditional Alt-A program is only 40% of Aurora's production . . . the rest 60% of production has 100% [] financing in lower FICOs with non-full documentation, and/or investment properties."

107. **Commercial Real Estate Concentration**: From the end of Lehman's 2006 fiscal year to the end of its 2007 fiscal year, Lehman increased its global CRE assets by more than 90%, from $28.9 billion to $55.2 billion. However, by the start of the Class Period in July 2007, Lehman personnel had already recognized that the market for placing investments backed by commercial real estate was "virtually closed" and that the leveraged loan market had shut down. Nevertheless,

Lehman had already committed to financing several large CRE deals that closed in October and November 2007, including Archstone. Indeed, the Company's involvement in Archstone and several other real estate bridge equity deals was so enormous that it dwarfed Lehman's entire pre-existing real estate book. On November 6, 2007, GREG made a presentation to Lehman's Executive Committee that recognized the significant risks inherent in the over-concentration of its global commercial real estate portfolio, stating that "under any circumstance an estimated $15 billion reduction in global balance sheet is warranted," and recommended reducing the global GREG balance sheet from $58 billion to $43.7 billion by March 31, 2008. Notwithstanding this instruction, however, by May 31, 2008, GREG's global commercial real estate portfolio remained over-concentrated at $49.3 billion. Furthermore, Lehman's commercial real estate portfolio included high risk PTG investments involving property development projects whose value could be materially affected if the developer failed to perform in accordance with the business plan. Lehman's PTG portfolio was especially risky because it focused on land development projects, which carried more risk than other property types; was concentrated in California and other boom markets; and because Lehman took equity stakes in the developments (approximately 30% as of fiscal 2007 year-end). The PTG balance sheet grew from $6.1 billion in fiscal 2005 to $6.9 billion in fiscal 2006, and then to $9.6 billion in fiscal 2007. These concentrated risks, however, were not disclosed. Due to Lehman's over-concentration of CRE assets, the Company ultimately had to write down its CRE positions by approximately $4 billion from 1Q08 to 3Q08.

108. **Leveraged Loan Concentration**: Between December 2006 and June 2007, Lehman participated in at least 11 leveraged buyout deals that each exceeded $5 billion; by April 2007, Lehman had a record (approximately 70) high yield contingent commitments; and in June 2007, Lehman's lending pace by dollar amount had already doubled its 2006 record-setting year for high grade and high yield combined. These concentrations were so large that Lehman's high yield book showed a risk appetite usage that was almost double the limit for these exposures. When the market slowed by the second quarter of 2007, Lehman had approximately $36 billion of contingent

commitments on its books, and FID was almost $20 billion over its net balance sheet limit. The Offering Materials failed to disclose this material concentration of risk in leveraged loan deals.

109. As a result of the misrepresentations and/or omissions set forth above regarding Lehman's Repo 105 transactions, risk management overrides, liquidity, commercial real estate valuations and its failure to adequately disclose its concentration of credit risk, the Offering Materials were each materially false and misleading when issued.

B. The Lehman/UBS Structured Product Offerings

110. The plaintiffs identified in Appendix B purchased certain structured products issued by Lehman and underwritten by UBS (the "Lehman/UBS Structured Products"), and hereby bring claims arising under the Securities Act, individually and on behalf of all persons and entities, except Defendants and their affiliates, who purchased or otherwise acquired any of the Lehman/UBS Structured Products from March 30, 2007 through September 15, 2008 (the "Lehman/UBS Structured Product Class Period") and who were damaged thereby.

111. These Securities Act claims are brought against the Insider Defendants, Director Defendants, E&Y and UBS based on the sale of Lehman/UBS Structured Products pursuant to materially false or misleading offering materials.

112. Plaintiffs specifically and intentionally incorporate by reference all of the allegations preceding this Section of the Complaint and additionally allege as follows.

113. In 2007, UBS implemented an initiative to increase sales of "structured products" through its wealth management unit. Structured products, also known as "structured investments," traditionally consisted of two components—a fixed income security and a derivative. The derivative component was often an option linked to the performance of a single security, a basket of securities, an index, a commodity, a debt issuance, a foreign currency or the difference between currency swap rates. The fixed income component was customarily a U.S. Treasury security or other highly rated debt instrument. Because the purchaser of a structured product could look to the underlying fixed income security for repayment of principle, even if the performance of the

derivative component of the investment proved unfavorable, and the investor was not dependent on the fortunes of the sponsor of the investment for repayment, structured products were said to offer "principal protection."

114. UBS conducted an auction process each month in which investment banks competed to be selected to issue structured products in accordance with UBS's specifications. Unlike traditional structured products, the investments offered by UBS were not based on the purchase of a fixed income security and a derivative. UBS structured products consisted, instead, of a note issued by an investment bank. The terms of the note specified the conditions upon which investors could expect to receive the return of their principal and any additional amount at maturity. Even though UBS did not purchase any debt instrument or other security to protect the investor's principal, UBS described these securities as offering "principal protection."

115. Lehman was a major issuer of UBS structured products. During the Lehman/UBS Structured Product Class Period, Lehman issued at least $1.24 billion of Lehman/UBS Structured Products. The Lehman/UBS Structured Products that purported to offer full or partial principal protection (the "PPNs") appear in bold print in Appendix B.

116. The Lehman/UBS Structured Product Offering Materials uniformly included, at all times throughout the Lehman/UBS Structured Products Class Period, untrue statements of material fact or omitted to state material facts necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading. These untrue statements of material fact and omitted material facts, which are set forth at ¶¶ 26-108 above, are repeated and realleged as if set forth fully here.

117. On April 9, 2007, Lehman filed with the SEC its quarterly report on Form 10-Q for the quarter ended February 28, 2007 ("1Q07 10-Q") (which largely repeated information that first appeared in Lehman's March 14, 2007 press release that was filed as a Form 8-K ("1Q07 8-K")). In addition to the untrue statements of material fact and omitted material facts set forth at ¶¶ 26-108,

the 1Q07 10-Q and 1Q07 8-K, which were signed by O'Meara, contained untrue statements of material fact or omissions of material fact and were materially misleading as follows:

a. The 1Q07 10-Q and 1Q07 8-K reported Lehman's net leverage ratio of 15.4, which was materially misleading because it failed to disclose at least $22 billion in Repo 105 assets that were temporarily removed from Lehman's financial statements. Had the assets that were the subject of the Repo 105 transactions been included, Lehman's net leverage ratio would have been 16.4, representing an increase 10 times greater than Lehman's own materiality threshold of a change in net leverage of 0.1.

b. The 1Q07 10-Q reported $153.332 billion in securities sold under agreements to repurchase. This statement was materially false and misleading because it excluded at least $22 billion in Repo 105 assets that Lehman had temporarily removed from its balance sheet, which Lehman had agreed to repurchase days after the end of the quarter.

c. In the 1Q07 10-Q, Lehman represented that "[m]anagement's Finance Committee oversees compliance with policies and limits," that "[w]e … ensure that appropriate risk mitigants are in place," and that "[d]ecisions on approving transactions . . . take into account . . . importantly, the impact any particular transactions under consideration would have on our overall risk appetite." These statements were materially false and misleading for the reasons set forth at ¶¶ 70-80.

d. The 1Q07 10-Q also represented that "[w]e apply analytical procedures overlaid with sound practical judgment and work proactively with business areas before transactions occur to ensure appropriate risk mitigants are in place." This statement was materially false and misleading for the reasons set forth at ¶¶ 81-84.

e. The 1Q07 10-Q contained an Interim Report signed by E&Y stating that based on its review of Lehman's consolidated financial statements and in accordance with the standards of the PCAOB, "we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S.

generally accepted accounting principles." This statement was materially false and misleading because Lehman's 1Q07 financial statements did not conform with GAAP.

118. In addition to the untrue statements and omitted facts that are common to all of the Lehman/UBS Structured Products, the Offering Materials for the PPNs contained other untrue statements of material fact or omissions of material fact and were materially misleading as follows:

a. Each PPN pricing supplement included "100% Principal Protection" or "Partial Protection" in the title of the security offered thereby. Each of the "100% Principal Protection" pricing supplements also stated that the PPN offered "100% Principal Protection [if /when] the Notes are held to maturity," and included one or more of the following statements: "At maturity, you will receive a cash payment equal to at least 100% of your principal"; "You will receive at least the minimum payment of 100% of the principal amount of your Notes if you hold your Notes to maturity"; and "Although the Notes are principal-protected if held to maturity, selling this or any other fixed income security prior to maturity may result in a dollar price less than 100% of the applicable principal amount of Notes sold." Each of the "Partial Protection" pricing supplements contained the phrase "partial principal protection," as well as one or more of the following statements: "partial principal protection when the Notes are held to maturity," "protection, at maturity of the Notes, of a percentage of your principal," "At maturity, [investors / you] will receive a cash payment equal to at least [percentage]% of [their / your] invested principal"; and "At maturity, investors will receive a cash payment equal to at least the applicable Protection Percentage multiplied by the principal amount." These and other similar statements about principal protection contained in each PPN pricing supplement were false or misleading because:

i. Investors in the PPNs had no interest in any instruments used by Lehman to hedge its obligations under the PPNs;

ii. There was no security interest or collateral supporting the PPNs; and

iii. The PPNs did not offer "principal protection," and were actually no different from traditional bonds.

b. PPN pricing supplements disseminated before October 2007 identified a number of "Key Risks," but failed to state that investors were lending money to Lehman and depended on Lehman's solvency for repayment of their principal. The omission of any disclosure in each of these pricing supplements that investors were dependent on Lehman's ability to repay the principal rendered each pricing supplement misleading.

c. PPN pricing supplements disseminated in or after October 2007 identified a number of "Key Risks," including a statement that the investments were subject to Lehman's "credit risk" (or "creditworthiness") and that Lehman's creditworthiness "may affect the market value of the Notes." Only two of the PPN pricing supplements, with settlement dates of May 12, 2008 and June 30, 2008, included the additional statement that "The Notes are debt securities that are direct obligations of Lehman Brothers Holdings Inc." Under all of the relevant circumstances, including Lehman's financial condition and business strategy at all relevant times (as alleged in ¶¶ 26-108), the Key Risk disclosure that an investment in the PPNs was subject to Lehman's credit risk or Lehman's creditworthiness was not sufficiently specific, prominent or complete, or conveyed with sufficient intensity and proximity, to counteract the misleading impression created by the repeated references to principal protection.

d. For the reasons alleged in ¶¶ 26-108, including Lehman's change in business strategy from "moving" to "storage," Lehman's business strategy of accumulating illiquid, high risk assets in the face of a deteriorating economy, Lehman's business strategy of disregarding its own risk management policies, as well as Lehman's manipulation of its balance sheet to disguise its actual leverage ratios, the PPNs were incapable of providing full or partial principal protection, whether or not held to maturity, and were not suitable for persons who sought full or partial principal protection.

119. After Lehman's bankruptcy, in response to questions from UBS financial advisors and their clients who had purchased Lehman/UBS Structured Products, UBS issued a 3-page "Structured Products Lehman Q&A." In this September 23, 2008 document, UBS informed investors that they had no interest in any instruments used by Lehman to hedge its obligations under the PPNs, that the PPNs were not supported by any security interest or collateral, that investors would not receive principal protection, and that the PPNs were no different from traditional bonds.

VI. CAUSES OF ACTION UNDER THE SECURITIES ACT

COUNT I

Violations Of Section 11 Of The Securities Act Against The Securities Act Defendants

120. Plaintiffs repeat and reallege each and every allegation contained above as if set forth fully herein and further allege as follows. This Count is based on negligence and strict liability and does not sound in fraud. Any allegations of fraud or fraudulent conduct and/or motive are specifically excluded from this Count.

121. This Count is asserted against Defendants Fuld, O'Meara, Callan, the Director Defendants, E&Y, and the Underwriter Defendants (together, the "Securities Act Defendants") for violations of Section 11 of the Securities Act, 15 U.S.C. § 77k, on behalf of Plaintiffs and all members of the Class who purchased or otherwise acquired the Lehman securities set forth in Appendices A and B pursuant or traceable to the materially false and misleading Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement.

122. The Shelf Registration Statement, including the Offering Materials and Structured Note Offering Materials incorporated by reference therein at the time of each Offering, contained untrue statements of material fact and omitted to state other material facts necessary to make the statements made therein not misleading. The specific documents containing such untrue statements and omissions that were incorporated by reference in the Shelf Registration Statement with regard to each Offering and Structured Note Offering are identified in Appendices A and B.

123. Defendants Fuld, O'Meara and Callan were executive officers and representatives of the Company responsible for the contents and dissemination of the Shelf Registration Statement. Each of the Director Defendants was a director of Lehman at the time the Shelf Registration Statement became effective as to each Offering and Structured Note Offering. Defendants Fuld, O'Meara and Callan signed the Shelf Registration Statement, or documents incorporated by reference, in their capacities as officers or directors of Lehman, and caused and participated in the issuance of the Shelf Registration Statement. By reasons of the conduct alleged herein, each of these Defendants violated Section 11 of the Securities Act.

124. E&Y was the auditor for Lehman. E&Y's audit report, included in Lehman's 2007 10-K and incorporated by reference into the Offering Materials and the Structured Note Offering Materials, falsely certified that Lehman's financial statements were prepared in accordance with GAAP and falsely represented that it conducted its audits or reviews in accordance with GAAS. In addition, E&Y's certifications of Lehman's quarterly financials, included within the Offering Materials and Structured Note Offering Materials, falsely stated that no material modifications of Lehman's financial statements were required for those statements to comply with GAAP, and that E&Y complied with GAAS in conducting its quarterly reviews.

125. The Underwriter Defendants were underwriters of certain of the Offerings set forth in Appendices A and B. The Underwriter Defendants acted negligently and are liable to members of the Class who purchased or otherwise acquired Lehman securities sold pursuant or traceable to the Offering Materials and Lehman Structured Note Offering Materials for the respective Offerings in which each Underwriter Defendant participated.

126. The Defendants named in this count owed to the purchasers of the securities identified on Appendices A and B the duty to make a reasonable and diligent investigation of the statements contained in the Shelf Registration Statement, and any incorporated documents, at the time each such Offering became effective to ensure that said statements were true and that there were no omissions of material fact which rendered the statements therein materially untrue or

misleading. The Securities Act Defendants did not make a reasonable investigation or possess reasonable grounds to believe that the statements contained in the Shelf Registration Statement were true, were without omissions of any material facts, and were not misleading. Accordingly, the Securities Act Defendants acted negligently and are therefore liable to Plaintiffs and members of the Class who purchased or otherwise acquired the securities sold pursuant or traceable to the materially false and misleading Offering Materials and Structured Note Offering Materials for the Offerings set forth on Appendices A and B.

127. Plaintiffs and all members of the Class who purchased or otherwise acquired Lehman securities sold in or traceable to these Offerings did not know of the negligent conduct alleged herein or of the facts concerning the untrue statements of material fact and omissions alleged herein, and by the reasonable exercise of care could not have reasonably discovered such facts or conduct.

128. None of the untrue statements or omissions alleged herein was a forward-looking statement but, rather, each concerned existing facts. Moreover, the Defendants named in this Count did not properly identify any of these untrue statements as forward-looking statements and did not disclose information that undermined the validity of those statements.

129. Less than one year elapsed from the time that Plaintiffs discovered or reasonably could have discovered the facts upon which this Count is based from the time that the initial complaint was filed asserting claims arising out of the Shelf Registration Statement. Less than three years elapsed from the time that the securities upon which this Count is brought were offered in good faith to the public to the time that the initial complaint was filed.

130. Plaintiffs and all members of the Class have sustained damages. The value of the securities sold pursuant or traceable to the Offerings set forth in Appendices A and B has declined substantially due to the Securities Act Defendants' violations of Section 11 of the Securities Act.

131. By reason of the foregoing, the Securities Act Defendants are liable for violations of Section 11 of the Securities Act to Plaintiffs and all members of the Class.

COUNT II

Violations Of Section 12(a)(2) Of The Securities Act Against Defendant UBS

132. Plaintiffs repeat and reallege each and every allegation contained above as if set forth fully herein and further allege as follows.

133. This Count is asserted against UBS for violations of Section 12(a)(2) of the Securities Act, 15 U.S.C. § 77l(a)(2), on behalf of all persons and entities who purchased or otherwise acquired the Lehman/UBS Structured Products set forth in Appendix B and were damaged thereby.

134. UBS was a seller, offeror, and/or solicitor of sales of Lehman/UBS Structured Products issued in connection with the offerings set forth in Appendix B within the meaning of the Securities Act. UBS used means and instrumentalities of interstate commerce and the United States mail.

135. The Lehman/UBS Structured Product prospectuses, including the pricing supplements, contained untrue statements of material fact and omitted other material facts necessary to make the statements, in light of the circumstances under which they were made, not misleading.

136. Plaintiffs and other members of the Class purchased or otherwise acquired Lehman/UBS Structured Products pursuant to the materially untrue and misleading Structured Note Offering Materials and did not know, or in the exercise of reasonable diligence could not have known, of the untruths and omissions contained in the pricing supplements.

137. Less than one year elapsed from the time that Plaintiffs discovered or reasonably could have discovered the facts upon which this Count is based to the time that the initial complaint was filed asserting claims arising out of the falsity of the Lehman/UBS Structured Product prospectuses. Less than three years elapsed from the time that the Lehman/UBS Structured Products upon which this Count is brought were offered to the public that the initial complaint was filed.

138. Plaintiffs and other members of the Class offer to tender to UBS those Lehman/UBS Structured Products that Plaintiffs and other members of the Class purchased and continue to own in return for the consideration paid for those securities, together with interest.

139. By virtue of the conduct alleged herein, UBS violated Section 12(a)(2) of the Securities Act. Accordingly, Plaintiffs and other members of the Class who purchased Lehman/ UBS Structured Products pursuant to the prospectuses have the right to rescind and recover the consideration paid for their securities, and hereby elect to rescind and tender their securities to UBS. Plaintiffs and the members of the Class who have sold their Lehman/UBS Structured Products are entitled to rescissory damages.

COUNT III

Violations Of Section 15 Of The Securities Act
Against Defendants Fuld, O'Meara, Callan, Gregory And Lowitt

140. Plaintiffs repeat and reallege each and every allegation contained above as if set forth fully herein and further allege as follows.

141. This Count is asserted against Defendants Fuld, O'Meara, Callan, Gregory and Lowitt (collectively, the "Securities Act Control Person Defendants") for violations of Section 15 of the Securities Act, 15 U.S.C. § 77o, on behalf of Plaintiffs and the other members of the Class who purchased or otherwise acquired Lehman securities set forth in Appendices A and B pursuant or traceable to the Offering Materials and were damaged thereby.

142. At all relevant times, the Securities Act Control Person Defendants were controlling persons of the Company within the meaning of Section 15 of the Securities Act. Each of the Securities Act Control Person Defendants served as an executive officer or director of Lehman prior to and at the time of the Offerings.

143. The Securities Act Control Person Defendants at all relevant times participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of Lehman's business affairs. As officers and directors of a publicly owned company, the Securities Act Control Person Defendants had a duty to disseminate accurate and

truthful information with respect to Lehman's financial condition and results of operations. Because of their positions of control and authority as officers or directors of Lehman, the Securities Act Control Person Defendants were able to, and did, control the contents of the Offering Materials and Lehman Structured Note Offering Materials, which contained materially untrue financial information.

144. By reason of the aforementioned conduct, each of the Securities Act Control Person Defendants is liable under Section 15 of the Securities Act, jointly and severally, to Plaintiffs and the other members of the Class. As a direct and proximate result of the conduct of Lehman and the Securities Act Control Person Defendants, Plaintiffs and the other members of the Class suffered damages in connection with their purchase or acquisition of the Lehman securities identified in Appendices A and B.

VII. VIOLATIONS OF THE EXCHANGE ACT

145. By June of 2007, Lehman had amassed an enormous and concentrated exposure to illiquid assets, including commercial real estate and risky subprime and Alt-A mortgage-related assets. Facing increasing concerns over the rapidly deteriorating real estate market, the Insider Defendants publicly emphasized Lehman's comprehensive risk management framework as a mitigant against losses, and publicly announced the Company's goal to deleverage its balance sheet.

146. In reality, however, the Insider Defendants knew that Lehman entered into Repo 105 transactions covering tens of billions of dollars in assets at the end of each quarter to manipulate Lehman's balance sheet, a contrivance having the purpose of appearing to reduce Lehman's net leverage ratio, improve its balance sheet, increase its liquidity, and deleverage its risk exposures. According to the Examiner, who conducted an investigation involving more than 250 interviews and collected in excess of five million documents estimated to comprise more than 40 million pages, "Lehman's approach to risk ultimately created the conditions that led Lehman's top managers to use Repo 105 transactions . . . ."

A. Repo 105 Transactions

1. Lehman Utilized Repo 105 For A Fraudulent Purpose

147. The undisclosed Repo 105 transactions were sham transactions with no legitimate business purpose or economic substance. They were undertaken solely to artificially reduce Lehman's net leverage and overstate Lehman's liquidity at the end of reporting periods. As the Examiner found:

> The Examiner has investigated Lehman's use of Repo 105 transactions and has concluded that the balance sheet manipulation was intentional, for deceptive appearances, had a material impact on Lehman's net leverage ratio, and, because Lehman did not disclose the accounting treatment of these transactions, rendered Lehman's Forms 10-K and 10-Q (financial statements and MD&A) deceptive and misleading.

148. Numerous members of Lehman's senior management have admitted as much, including the following:

(a) Martin Kelly, Lehman's Global Financial Controller:

> "[T]he only purpose or motive for the [Repo 105] transactions was reduction in balance sheet," and "there was no substance to the transactions."
>
> [I]f an analyst or a member of the investing public were to read Lehman's Forms 10-Q and 10-K from cover to cover, taking as much time as she or he needed, "they would have no transparency into [Lehman's] Repo 105 program."
>
> "[I]f there were more transparency to people outside the firm around the transactions, it would present a dim picture" of Lehman.

(b) Joseph Gentile ("Gentile"), a FID executive who reported to Gerard Reilly, Lehman's Global Product Controller:

> stated "unequivocally that no business purpose for Lehman's Repo 105 transactions existed other than obtaining balance sheet relief." Gentile explained that Repo 105 transactions filled the gap between what Lehman could sell through normal business practices and the assets that Lehman needed to move off its balance sheet in order to meet balance sheet targets.

(c) Edward Grieb ("Grieb"), Lehman's former Global Financial Controller who reported directly to O'Meara:

Repo 105 transactions were a balance sheet management mechanism; "a tool that could be used to reduce Lehman's net balance sheet."

(d) Matthew Lee ("Lee"), a former Lehman Senior Vice President, Finance Division, in charge of Global Balance Sheet and Legal Entity Accounting through at least June 2008:

Lehman would "sell" assets through Repo 105 transactions approximately four or five days before the close of a quarter and then repurchase them approximately four or five days after the beginning of the next quarter in order to "reverse engineer" its net leverage ratio for its publicly filed financial statements.

(e) Kaushik Amin ("Amin"), former Head of Liquid Markets:

Lehman reduced its net balance sheet at quarter-end by engaging in tens of billions of dollars of Repo 105 transactions and the Repo 105 inventory would return to Lehman's balance sheet a number of days after the opening of the new quarter. Amin e-mailed Kieran Higgins regarding the group's balance sheet at quarter-end on February 28, 2008, stating, "We have a desperate situation and I need another 2 billion from you, either through Repo 105 or outright sales. Cost is irrelevant, we need to do it."

(f) Jerry Rizzieri ("Rizzieri"), a member of Lehman's Fixed Income Division:

E-mailed Mitchell King, the Head of Lehman's United States Agencies trading desk, just four days prior to the close of Lehman's 2007 fiscal year: "Can you imagine what this would be like without Repo 105?," in reference to meeting a balance sheet target.

Following the announcement of "new balance sheet targets for quarter end," Rizzieri wrote in an April 22, 2008 email to Kieran Higgins: "We will need to be focused very early in the process in order to meet these targets . . . [there is] no room for error this quarter," and "we also need to have a coordinated approach to repo 105 allocation."

(g) Mitchell King, former Head of Lehman's United States Agencies trading desk, who on a weekly basis compiled lists of collateral available for Repo 105, told the Examiner:

[N]o business purpose existed for Repo 105 transactions other than to reduce Lehman's net balance sheet.

(h) On April 12, 2008, Bart McDade ("McDade"), Lehman's Head of Equities from 2005-08 and COO from June to September 2008, received an email from Hyung Lee stating, "Not sure you are familiar with Repo 105 but it is used to reduce net balance sheet in

our governments businesses around the world." McDade replied, "I am very aware . . . it is another drug we r on."

149. Additional accounts by Lehman employees and contemporaneous e-mails during the Class Period confirm that there was no legitimate business purpose to the Repo 105 program. For example:

- In July 2008, Michael McGarvey, a former senior vice president in FID, emailed a Lehman colleague, "[Repo 105] *is basically window-dressing. We are calling repos true sales based on legal technicalities*. The exec committee wanted the number cut in half."

- Paolo Tonucci, Lehman's former Treasurer, recalled that near the end of reporting periods, Lehman would deploy Repo 105 transactions to reduce its balance sheet. He also acknowledged that Lehman's use of Repo 105 transactions impacted Lehman's net leverage ratio.

- Defendant Lowitt admitted to the Examiner that Lehman established a "regime of limits," meaning balance sheet targets, for each business unit to manage to and that Repo 105 was one way to "sell down assets" to meet the targets.

- Marie Stewart, Lehman's Global Head of Accounting Policy, called Repo 105 "a lazy way of managing the balance sheet as opposed to legitimately meeting balance sheet targets at quarter end."

- John Feraca, who ran the Secured Funding Desk in Lehman's Prime Services Group, stated: "Senior people felt urgency only in the sense of trying to get to their targets because the Finance Division wanted to report as healthy a balance sheet and leverage ratio as possible for investors, creditors, rating agencies and analysts." He added, "[i]t was universally accepted throughout the entire institution that Repo 105 was used for balance sheet relief at quarter end."

150. That Lehman employed Repo 105 transactions for quarter-end balance sheet reduction is further confirmed by the fact that Lehman's use of Repo 105 transactions followed a conspicuous, cyclical pattern for each reporting period; they spiked significantly at each quarter end during the Class Period. For example, as the close of the first quarter of 2008 approached, Lehman's Repo 105 usage increased from $24.217 billion on February 15, 2008; to $31.029 billion on February 22, 2008; to $40.003 billion on February 28, 2009; and then jumped to $49.102 billion on February 29, 2008 (quarter-end). Similarly, at the end of the second quarter of 2008, Repo 105

transactions exceeded $50 billion, whereas the intra-quarter dip as of April 30, 2008, was approximately $24.7 billion, and had been as low as $12.75 billion on March 14, 2008.

151. The dollar values of Lehman's monthly outstanding Repo 105 transactions during the Company's fiscal quarters during the Class Period are shown in Table 4, below:

Table 4

08/31/07	$36.4 billion (end of 3Q07)
09/30/07	$24.4 billion
10/31/07	$29.9 billion
11/30/07	$38.6 billion (end of 4Q07)
12/31/07	n.a.
01/31/08	$28.9 billion
02/28/08	$49.1 billion (end of 1Q08)
03/31/08	$24.6 billion
04/31/08	$24.7 billion
05/31/08	$50.4 billion (end of 2Q08)

2. Lehman Utilized Repo 105 To Avoid Recording Losses On Illiquid Or "Sticky" Assets While Creating The False Appearance Of Deleveraging

152. Throughout the Class Period, ratings agencies, analysts and other market participants focused on leverage ratios of investment banks, particularly those like Lehman with large exposures to commercial real estate and mortgage-related assets. In mid-2007, ratings agencies began calling on investment banks to deleverage or risk ratings downgrades.

153. However, deleveraging by selling real estate and mortgage-related assets proved difficult because many of Lehman's positions were illiquid and could not be sold without incurring substantial losses. In addition, selling illiquid assets at discounted prices would have had a negative impact on Lehman's earnings, and would have led to a loss of market confidence in the valuations Lehman ascribed to its remaining assets. As then head of the Federal Reserve Bank of New York, Timothy Geithner described, discounted sales would have revealed that Lehman had "a lot of air in [its] marks," which would have eroded investor confidence in Lehman's remaining assets.

154. As the Examiner stated with respect to Lehman's inventory,

> Lehman's expansion of its Repo 105 program mitigated, in part, the adverse impact its increasingly "sticky"/illiquid inventory – comprised mostly of the leveraged loans and residential and commercial real estate positions Fuld wanted to exit – was having on the firm's publicly reported net leverage and net balance sheet.
>
> Many of Lehman's inventory positions had by then become increasingly "sticky" or difficult to sell without incurring substantial losses. It is against this backdrop of increased market focus on leverage that Lehman significantly increased its quarter-end use of Repo 105 transactions.

155. Indeed, a February 10, 2007 Lehman document titled "Proposed Repo 105/108 Target Increase for 2007," recognized that "Repo 105 offers a low cost way to offset the balance sheet and leverage impact of current market conditions," and further stated that "[e]xiting large CMBS positions in Real Estate and sub prime loans in Mortgages before quarter end would incur large losses due to the steep discounts that they would have to be offered at and carry substantial reputation risk in the market. . . . A Repo 105 increase would help avoid this without negatively impacting our leverage ratios."

156. In other words, finding itself unable to unload some of its most illiquid assets, and seeking to avoid reporting losses through writedowns, Lehman turned to Repo 105 transactions to create the illusion that it was delivering on its promise to the market to deleverage by selling assets when, in reality, Lehman was only able to achieve the appearance of deleveraging through undisclosed Repo 105 transactions that had no true economic substance.

157. That Lehman turned to Repo 105 transactions as a sham to create the illusion of deleveraging is exemplified in a May 2008 written presentation to Moody's Investor Service, representing that Lehman had strengthened its capital position through "active deleveraging" including "approximately $50 billion reduction in net assets," and thus no negative rating action for the firm was justified. The presentation claimed that net leverage was expected to decrease from 15.4x to 12.6x, and that the $50 billion reductions in the second quarter 2008 included key FID high-risk assets, such as commercial and residential mortgages. Lehman made a similar presentation to Fitch on June 3, 2008, noting that "[c]apital position is stronger than ever with

delevering bringing both net and gross leverage to multi-year lows." Nowhere did the presentations disclose Lehman's use of Repo 105 transactions to manage its balance sheet, reducing net assets by over $49 billion in 1Q08 and $50 billion in 2Q08.

B. Liquidity Risk And Overstated Liquidity Pool

158. As set forth above at ¶¶85-88, during the Class Period Lehman fundamentally misrepresented its liquidity risk and its liquidity pool – the amount supposedly available to Lehman to satisfy its short-term obligations.

159. Further, as explained by the Examiner in his Congressional testimony:

> In June 2008, one of Lehman's clearing banks, Citibank, required that Lehman post $2 billion as a "comfort deposit" as a condition for Citi's continued willingness to clear Lehman's trades. Lehman was technically free to withdraw the deposit, but it could not do so as a practical matter without shutting down or disrupting the business it ran through Citi. Later in June, Lehman posted $5 billion of collateral to JPMorgan, Lehman's main clearing bank, in response to an earlier demand by JPMorgan. Lehman continued to count virtually all of these deposits in its reported liquidity pool – ***nearly $7 billion of a reported $40 billion, 17.5% of the total.*** (emphasis added).

160. On September 10, 2008, Lehman further publicly announced that its liquidity pool was $41 billion, even though at least $15 billion had been pledged to various banks, including JPMorgan, and was in fact not liquid at all. By doing so, Lehman materially overstated its liquidity pool by as much as 38% during the Class Period.

C. Risk Management

161. As discussed above (¶¶70-84), by the start of the Class Period, Lehman had decided to take on more principal risk, a strategy that led directly to explosive balance sheet growth in fiscal 2007 of nearly 50% (from net assets of $269 billion in Q406 to $397 billion in Q108), including increased leverage exposure to residential mortgage-related and commercial real estate assets. In so doing, however, and while the Company relaxed and exceeded its risk controls Defendants continued to misrepresent the Company's robust risk management to the investing public.

162. The Insider Defendants knew and systematically disregarded that the resulting risk profile far exceeded Lehman's publicly stated risk policies and safeguards – particularly its risk limits, stress testing and hedging. As the Examiner testified before Congress:

> Lehman was significantly and persistently in excess of its own risk limits. ***Lehman management decided to disregard the guidance provided by Lehman's risk management systems.*** Rather than adjust business decisions to adapt to risk limit excesses, management decided to adjust the risk limits to adapt to business goals.

163. Based on his investigation, the Examiner found that Lehman's management:

- Chose to disregard or overrule the firm's risk controls on a regular basis.
- Decided to exceed risk limits with respect to Lehman's principal investments, namely the "concentration limits" on Lehman's leveraged loan and commercial real estate businesses, including the "single transaction limits" on the leveraged loans.
- Excluded certain risky principal investments from its stress tests.
- Decided to treat primary firm-wide risk limit – the risk appetite limit – as a "soft" guideline.
- Did not recalibrate the firm's pre-existing risk controls to ensure that its new investments were properly evaluated, monitored and limited.

164. In fact, by the commencement of the Class Period, members of the Executive Committee had decided to ignore the "single transaction limit" that was designed to ensure that Lehman's investments were properly limited and diversified by business line and by counterparty. This allowed Lehman to engage in approximately 30 leveraged finance deals exceeding the single transaction limit policy during the Class Period. For example, as the Examiner described to Congress, "Lehman committed to what was its largest single investment – Archstone – in May 2007, with closing to occur later. It was clear prior to the commitment that the Archstone transaction would put Lehman over its then existing risk limits, but the deal was committed anyway. With the inclusion of Archstone, Lehman was clearly in excess of its established risk limits. But in the face of exceeding its risk limits, Lehman did not take steps to reduce risk; rather, it simply raised the risk limits." Moreover, several commitments exceeded Lehman's internal loss threshold by a

factor of six, and with respect to 24 of the largest high yield deals in which Lehman participated, Lehman committed over $10 billion more than the single transaction limit would have allowed.

165. The Examiner further concluded that Lehman's stress tests – conducted on a monthly basis and reported to regulators and the Board of Directors – were "meaningless" because they excluded Lehman's commercial real estate investments, its private equity investments, and, for a time, its leveraged loan commitments. According to the Examiner's Report,

> An internal audit advised that Lehman "address the main risks in the Firm's portfolio," including "illiquidity" and "concentration risk." But Lehman did not take significant steps to include these private equity positions in the stress testing until 2008, even though these investments became an increasingly large portion of Lehman's risk profile.

166. On May 31, 2007, just weeks prior to the commencement of the Class Period, an internal stress scenario identified a possible $3.2 billion loss for the Company, resulting in recommendations that Lehman reduce its forward commitments by nearly half, impose rules on leverage, and develop a framework for limiting and evaluating the leveraged lending business. Nevertheless, by the end of July 2007, Lehman entered into an additional $25.4 billion of leveraged loan commitments because of its unwillingness to terminate deals that were in the pipeline or under negotiation.

167. Nor did Lehman hedge against its large exposures. Lehman decided – ***but did not disclose*** – that it would not hedge its growing principal investment risks to the same extent as its other exposures. The Company's large volume of unhedged illiquid assets ultimately contributed to Lehman's significant losses.

168. The disregard for risk management policies and increased limits adversely impacted Lehman by mid-summer, 2007. According to internal emails, the Company's overly taxed liquidity condition created difficulties in obtaining funding to finance commitments. For example, although the investment community was unaware, liquidity concerns caused Lehman to delay the closing of its multi-billion dollar Archstone transaction from August 2007 to October 2007.

169. Rather than disclose to the investing public its true liquidity condition, Lehman internally set up an Asset-Liability Committee ("ALCO") to "manage [the firm's] liquidity on a daily basis." ALCO promptly found that Lehman was well below its cash surplus policies and projected large deficits of cash capital. Specifically, by July 30, 2007, an ALCO study projected Lehman's month end cash capital for September, October, and November 2007 to be -$11.4 billion, -$14.5 billion, and -$9.4 billion, respectively. In September 2007, ALCO projected Lehman's average ending cash capital positions for September, October and November 2007 to be $0.05 billion, -$2.15 billion and -$1.75 billion respectively.

D. The Insider Defendants' False And Misleading Statements During The Class Period

170. During the Class Period, the Insider Defendants made a series of materially false and misleading statements and omissions in Lehman's SEC filings. These untrue statements or material omissions are contained in Lehman's SEC filings identified above in ¶¶26-88, 104-09, and are also actionable under the Exchange Act.

171. In addition to the untrue statements made in Lehman's Class Period SEC filings, the Insider Defendants made a series of materially false and misleading statements during Lehman's quarterly earnings conference calls and investor conferences as detailed below.

172. **2Q07:** On June 12, 2007, Lehman held a conference call to discuss its financial results for the second quarter of 2007. During the conference call, Defendant O'Meara represented that Lehman's "net leverage ratio of 15.5 times is right in line with the 15.4 times we had at the end of the first quarter." O'Meara's statement was false and misleading because Lehman's net leverage ratio had been artificially reduced to 15.5 by Lehman's temporary removal of $31.943 billion of assets through Repo 105 transactions at quarter-end, and Lehman's actual net leverage ratio for the quarter was 16.9.

173. During the conference call, O'Meara also reassured investors that "the subprime market challenges are . . . reasonably contained to this asset class" and that the "lion's share" of Lehman's originations were not in subprime, but rather in Alt-A, stating, "we actually had terrific

performance on the origination side around the Alt-A business." O'Meara's statement was false and misleading because market challenges were not contained to subprime, but had extended to other asset classes, including Alt-A. Indeed, a March 2007 internal Lehman analysis entitled "Risk Review: Aurora and BNC February 2007" concluded that "[t]he credit deterioration [in Alt-A] has been almost parallel to the one of the subprime market." Moreover, Lehman's "Alt-A" originations were particularly risky because Lehman had loosened its lending criteria to reach riskier borrowers. The Examiner found that Lehman's Alt-A lending reached borrowers of lesser credit quality than those who historically had been considered Alt-A borrowers, and that the Alt-A risk profile increased in much the same way as the risk in subprime mortgages. This is corroborated by the first-hand account of percipient witnesses (*see* Appendix C), and internal communications. In fact, Lehman Senior Vice President in Risk Management, Dimitrios Kritikos ("Kritikos"), stated in an internal January 30, 2007 email, that during the "last 4 months Aurora has originated the riskiest loans ever, with every month been riskier than the one before." Kritikos further made clear that the majority of Lehman's loan originations were, in fact, not truly Alt-A, stating in an internal March 12, 2007 email that "Aurora's product is far from Alt-A anymore. The traditional Alt-A program is only 40% of Aurora's production, . . . My concern is the rest 60% of the production, that has 100% financing in lower FICOs with non-full documentation and/or investment properties." Indeed, Lehman's Alt-A lending standards had so deteriorated that loans made pursuant to Aurora's Mortgage Maker were internally referred to as "Alt-B" rather than Alt-A.

174. **3Q07:** On September 18, 2007, Lehman hosted a conference call with analysts and investors to discuss the Company's third quarter financial results. During the conference call, Defendant O'Meara stated that Lehman's net leverage ratio was 16.0, without disclosing that management had artificially reduced this ratio from its true level of 17.8, through $36.407 billion in Repo 105 transactions.

175. In the conference call, O'Meara also repeatedly stressed the Company's "strong risk [] management," emphasizing particularly its "strong risk management culture with regard to the

setting of risk limits." These statements were false and misleading because, as set forth above at ¶¶70-84, 161-69, Lehman disregarded its risk limits and policies on a regular basis. For example, Lehman (a) exceeded its risk appetite limit by $41 million in July 2007 and $62 million in August 2007; (b) committed to over 30 deals that exceeded its $250 million loss threshold and $3.6 billion notional limit for single transactions; (c) exceeded the balance sheet limit by almost $20 billion for its Fixed Income Division; and (d) breached its VaR limits.

176. With respect to the Company's liquidity, O'Meara represented that Lehman had a "strong liquidity framework," that it had "strong [] liquidity management," that Lehman's liquidity position "is now stronger than ever," that Lehman had a "conservative liquidity framework," and that "[w]e consider our liquidity framework to be a competitive advantage." These statements were false and misleading. As of the date O'Meara made these statements, an internal Lehman analysis by ALCO – of which O'Meara was a member – projected that Lehman would have a large cash capital deficit at month-end ($1.3 billion), and even larger cash capital deficits for the end of October ($6.4 billion) and November ($4.4 billion). Indeed, O'Meara had helped set up ALCO precisely because of liquidity concerns, which were so great that they caused Lehman to refrain from entering into new high yield deals in August 2007 and to delay the closing of the Archstone transaction. In addition, O'Meara – who actively managed Lehman's Repo 105 transactions – masked Lehman's true liquidity position by failing to disclose that the Company was required to repurchase $32 billion of assets from the Repo 105 transactions.

177. Based upon the false information provided in Lehman's financial results and following the September 18, 2007 conference call, analysts David Trone and Ivy De Dianous from Fox-Pitt Kelton "urge[d] investors to buy LEH now"; Wachovia analyst Douglas Sipkin commented on Lehman's "strong liquidity position"; and Citi analyst Prashant Bhatia noted Lehman's "excellent risk management."

178. On November 14, 2007, Lehman management presented at the Merrill Lynch Banking & Financial Services Investor Conference (the "Merrill Conference"). During the Merrill

Conference, Defendant Lowitt represented that Lehman continued to show very substantial growth despite challenging market conditions by, among other things, having an "extremely deep risk culture which is embedded through the firm," being "very conservative around risk," and "running a business where we could distribute all the risk." In particular, Lowitt repeatedly stressed that Lehman had "stay[ed] true to the principle . . . of our strategy of being in the moving rather than the storage business. So essentially originating to distribute, not holding stuff on our balance sheet, not storing risk but moving it on." These statements were false and misleading. Contrary to these statements, Lehman's strategy was not to be in the "moving business," but the "storage business," which greatly increased Lehman's risk profile as it accumulated vast amounts of highly-leveraged, concentrated and illiquid assets. In fact, a July 20, 2007 email from Lowitt to O'Meara acknowledged that Lehman's liquidity concerns stemmed from its failure to abide by risk limits, stating: "In case we ever forget; this is why one has concentration limits and overall portfolio limits. Markets do seize up."

179. **4Q07:** On December 13, 2007, Lehman hosted a conference call to discuss the Company's fourth quarter and record fiscal 2007 financial results.

180. During the conference call, Defendant O'Meara stated that "[w]e ended the quarter with a net leverage ratio of approximately 16.1 times, in line with last quarter." This statement was false and misleading because in reality Lehman's net leverage ratio was 17.8, an overstatement of 17 basis points, as net assets had been reduced by Lehman's temporary removal of $38.634 billion of assets through Repo 105 transactions that were without economic substance.

181. During the conference call, O'Meara also stated that the fourth quarter results "reflects the strength of our risk management culture in terms of managing our overall risk appetite, seeking appropriate risk reward dynamics and exercising diligence around risk mitigation." Defendant Callan also represented that the Company's success was attributable to "our strong risk and liquidity management." These statements were false and misleading because, as set forth above at ¶¶70-84, 161-69, Lehman disregarded its risk limits and policies on a regular basis. Lehman

exceeded its risk appetite limits by $508 million in November, even after having increased the limit; Lehman disregarded the Company's single transaction limit, including committing $10 billion more than the limit had allowed with respect to 24 of its largest high yield deals; the balance sheet limit for Lehman's divisions were exceeded by tens of billions – for example, GREG exceeded its balance sheet limit by approximately $3.8 billion in 4Q07, and FID exceeded it by $11.17 billion at the end of 4Q07; and VaR limits were breached almost everyday for some of Lehman's divisions, including GREG and High Yield.

182. Additionally, O'Meara stated that the fourth quarter results "reinforce[ed] the importance of our disciplined liquidity and capital management framework which sets us up to operate our business through periods of market stress"; that Lehman's liquidity position "continues to be very strong"; that the Company had "structured [its] liquidity framework to cover our funding commitment and cash outflows for a 12 month period without raising new cash in the unsecured markets or selling assets outside our liquidity pool"; and that "[w]e consider our liquidity framework to be a competitive advantage in today's markets." Callan similarly echoed that "we currently have ample liquidity and capital in place." These statements were false and misleading. The Company had significant liquidity concerns due to the illiquid assets it had accumulated as part of its countercyclical growth strategy. In addition, Lehman's true liquidity position was overstated through the use of Repo 105 transactions that were without economic substance.

183. Following the December 13, 2007 press release and conference call, analysts James Mitchell and John Grassano from Buckingham continued to rate Lehman a "Strong Buy," stating: "We continue to emphasize LEH's strong risk management abilities (which is enabling them to grab market share)."

184. **1Q08:** On March 18, 2008, shortly after Bear Stearns collapsed, Lehman hosted a conference call to discuss its first quarter 2008 financial results. During the conference call, Defendant Callan stated: "We did, very deliberately, take leverage down for the quarter. We ended with a net leverage ratio of 15.4 times down from 16.1 at year end." This statement was materially

false and misleading because Lehman's net leverage ratio for the quarter was actually 17.3, and had only been artificially reduced to 15.4 because Lehman engaged in $49.1 billion of Repo 105 transactions at quarter-end. Moreover, as set forth in ¶180 above, the net leverage ratio for the fourth quarter was really 17.8, and had only been artificially reduced to 16.1 at year end because the figure was similarly manipulated through the use of almost $40 billion in Repo 105 transactions.

185. During the call, Defendant Callan also "tried to relay the strengths and robustness of the liquidity position of the Firm." Callan repeatedly referred to "the strength of our liquidity and capital base," Lehman's "disciplined liquidity and capital management," and Lehman's "robust liquidity." Callan also specifically represented that Lehman's liquidity pool was structured "to cover expected cash outflows for the next 12 months . . . without being able to raise new cash in the unsecured markets, or without having to sell assets that are outside our liquidity pool"; that "[w]e have no reliance on secured funding that's supported by whole loans or other esoteric collateral"; that the Company had "approximately 100 billion of liquidity, plus additional 99 billion at the regulated subsidiaries" – which were "unencumbered"; and that Lehman had prefunded its liquidity needs to seize on "opportunities in the markets." In fact, according to Callan, Lehman "took care of [its] full year needs" for capital when it raised $1.9 billion through its offering of preferred stock in February."

186. These statements were false and misleading. Lehman's liquidity was not strong or "robust" because the Company had significant liquidity concerns due to the illiquid assets it had accumulated. As Co-Head of Lehman's Global Fixed Income Division, Eric Felder ("Felder"), stated in a February 20, 2008 email: "I remain concerned as a lehman shareholder about our resi[dential] and cmbs [commercial mortgage-backed securities] exposure. . . . having 18b of tangible equity and 90b in resi[dential] (including alt a) and cmbs (including bridge equity) scares me." In fact, just six days prior to Callan's statements, Felder had emailed Callan about liquidity concerns, noting that "dealers are refusing to take assignment of any Bear or LEH trades for the

most part that are in-the-money" and that this was a "very slippery slope" because if dealer liquidity were to "seize up," it could lead to "true disaster."

187. During the conference call, Callan also continued to stress Lehman's "continued diligence around risk management" and its "risk management discipline." These statements were false and misleading because, as set forth above at ¶¶70-84, 161-69, Lehman disregarded its risk limits and policies on a regular basis. For example, by the time of Callan's statement, Lehman had (a) not only increased its risk appetite four times from $2.3 billion in December 2006 to $4 billion in December 2007, but disregarded this "hard" limit by at least $500 million for every month from September 2007 through February 2008; (b) committed approximately $10 billion more than the single transaction limit allowed with respect to 24 of its largest high yield deals, and did not impose a limit on its risky leveraged-loan bridge equity commitments; (c) significantly exceeded its balance sheet limit, including by $18 billion for FID and $5.2 billion for GREG; and (d) repeatedly breached its VaR limits; in fact, Lehman's major business divisions, including GREG, High Yield, and FID, were breaching VaR limits virtually everyday.

188. Callan's statements during the conference call were critically important to Lehman, which sought to dispel concerns about Lehman following Bear Stearns' collapse. As Callan spoke during the conference call, Lehman's stock spiked.

189. After the March 18, 2008 statements referenced above, analysts were reassured. Oppenheimer noted that "Lehman dispelled all doubts of a solvency crisis at the company." Buckingham continued its strong buy rating, stating "liquidity also remained strong" and "net leverage was brought down to 15.4x vs. 16.1x in the previous two quarters." Fox-Pitt Kelton stated that "Mgmt's liquidity disclosures were extensive and comforting, while risk mgmt continues to be strong at Lehman." And Punk Ziegel enthused: "In one of the most impressive presentations ever made by a CFO, ***Erin Callan reviewed all of the critical questions concerning Lehman's position convincingly arguing that the company was not in financial trouble***. . . . Ms. Callan first demonstrated that Lehman had ample liquidity. . . . The company also indicated that it has raised

approximately 2/3rds of the needed funding for the year by March. There was a very detailed discussion of the company's assets and a table provided to demonstrate that the write downs taken were manageable. . . . In sum, ***virtually no one listening to this call could have concluded that this company was in financial trouble.***"

190. **2Q08:** On June 9, 2008, Lehman held a conference call to discuss its preliminary results for 2Q08 (the quarter ended May 31, 2008). In addition to repeating the materially false and misleading financial information in the Form 8-K (*see* ¶¶56-58), Callan affirmatively represented that a large part of the asset reduction in Lehman's net leverage came from selling "less liquid asset categories," including "residential and commercial mortgages and leveraged finance exposures" and that "[o]ur deleveraging was aggressive, as you can see, and is complete." These statements were materially false and misleading when made because Callan failed to disclose that Lehman had removed $50 billion in assets from its balance sheet by using Repo 105 transactions that were without economic substance. Further, the deleveraging was far from complete because Lehman continued to retain vast amounts of illiquid assets, which were masked by the Repo 105 transactions. Moreover, the Repo 105 transactions shifted highly liquid assets off Lehman's balance sheet, leaving Lehman with an even greater concentration of illiquid assets. If Lehman had, in fact, sold or otherwise divested itself of the "sticky" or illiquid assets, it would have been forced to record losses for the decline in value of similar assets.

191. During the conference call, Callan represented that the Company grew its cash capital surplus to $15 billion and grew its liquidity pool to almost $45 billion – its "largest ever" – and that the "$45 billion of [its] liquidity pool was well in excess of [its] short-term unsecured financing liabilities." These statements were false and misleading for failing to disclose that Lehman's undisclosed Repo 105 transactions required the Company to repurchase $50 billion in assets.

192. Callan also stated that Lehman had "completed [its] entire budgeted funding plan for all of 2008 and do not need to revisit the debt markets." In discussing the $6 billion of equity raised

by the Company on June 9, Callan stated: "To be clear, we do not expect to use the proceeds of this equity raise to further decrease leverage but rather to take advantage of future market opportunities. . . . we stand extremely well capitalized to take advantage of these new opportunities." Contrary to Callan's suggestion that the Company had raised additional capital merely to take advantage of favorable market opportunities, however, the capital raise was actually necessary for the Company's very survival. In fact, Lehman was aware at this time that it would need to begin posting billions of dollars more in collateral with JPMorgan. Moreover, Treasury Secretary Paulson later told *The New York Times* that when "Lehman announced bad earnings around the middle of June, and we told Fuld that if he didn't have a solution by the time he announced his third-quarter earnings, there would be a serious problem. We pressed him to get a buyer."

193. Additionally, when asked by Merrill Lynch analyst Guy Moszkowski if Lehman dispensed of its "absolute easiest asset to sell," Callan stated that the opposite was true and, in fact, that Lehman sold many of its riskier, less-liquid assets during the quarter. This statement was false and misleading because Callan failed to disclose Lehman's use of Repo 105 transactions to temporarily remove highly liquid – not illiquid/sticky – assets from the firm's balance sheet.

194. On June 16, 2008, Lehman held another conference call to discuss its 2Q08 results. During the call, Fuld and Lowitt also represented that Lehman's liquidity positions had "never been stronger" due to the Company's $45 billion liquidity pool. Defendant Lowitt further stated that "we strengthened liquidity through the quarter," and "we have significantly increased. . . . our liquidity pool to $45 billion from $34 billion." These statements were materially false and misleading because (1) Lehman's Repo 105 transactions, which required the Company to repurchase tens of billions in assets, masked the Company's true liquidity position; and (2) Lehman had accumulated an enormous volume of illiquid assets that adversely affected its liquidity.

195. During the conference call, Lowitt further stated that "we reduced net leverage from 15.4 times to 12 times prior to the impact of last week's capital raise. . . . Our deleveraging

included a reduction of assets across the Firm, including residential and commercial mortgages. . . ." Fuld also stated that the "we reduced our gross assets by $147 billion over the quarter, which exceeded that target that we set," and that "the number of assets that were sold, especially in the commercial and residential mortgage area [] were the result of our deleveraging." These statements were materially false and misleading because Lehman's net leverage was actually 13.9, and had only been artificially reduced to 12.1 because Lehman engaged in $50 billion of Repo 105 transactions at quarter end. Moreover, these statements gave investors the false and misleading impression that Lehman's deleveraging was the result of selling assets, including its toxic residential and commercial mortgage positions, while omitting to disclose: (1) Lehman's extensive reliance on Repo 105 transactions to reduce its balance sheet at quarter end to decrease leverage which generally involved assets that were marketable and liquid; and (2) that Lehman was required to repurchase the assets and place them back on its balance sheet just days after the quarter-ended.

196. On July 10, 2008, Lehman filed its Form 10-Q for second quarter of 2008, signed by Lowitt. The 2Q08 10-Q reported that the "combined effect of an equity raise as well as the reduction of assets in the second quarter of 2008 resulted in a decrease in the Company's gross and net leverage ratios to 24.34x and 12.06x," respectively. This statement was materially false and misleading for failing to disclose that $50 billion in Repo 105 assets which should have been included and reported in Lehman's financial statements were removed temporarily from Lehman's balance sheet at quarter-end.

197. In addition, the 2Q08 10-Q reported $127.846 billion in securities sold under agreements to repurchase, and $269.409 billion in financial instruments and other inventory positions owned, which included $43.031 billion in assets pledged as collateral. This was also materially misleading because the 2Q08 10-Q failed to disclose that, pursuant to Lehman's Repo 105 transactions, Lehman had pledged an additional $50.383 billion in securities as collateral, which it was under agreement to repurchase just days after the close of the quarter.

198. The 2Q08 10-Q reported that the Company's liquidity pool was approximately $45 billion, up from $34 billion at February 29, 2008, and that Lehman "strengthened its liquidity position, finishing the quarter with record levels of liquidity." The 2Q08 10-Q also stated that the Company's liquidity strategy "seeks to ensure that the Company maintains sufficient liquidity to meet funding obligations in all market environments," and that two of the principles of its liquidity strategy were (1) "[r]elying on secured funding only to the extent that the Company believes it would be available in all market environments"; and (2) "[m]aintaining a liquidity pool that is of sufficient size to cover expected cash outflows for one year in a stressed liquidity environment." These statements were false and misleading. The undisclosed use of $50 billion in Repo 105 transactions, in particular, made Lehman appear more liquid that it really was because the increase was only temporary – Lehman had to repurchase the Repo assets just days following the quarter-end.

199. Further, Lehman's 2Q08 10-Q contained a "Report of Independent Registered Public Accounting Firm" signed by E&Y (the "Interim Reports"), stating that, based on its review of Lehman's consolidated financial statements as of May 31, 2008, in accordance with the standards of the PCAOB, "we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles." This statement was false and misleading because E&Y was aware that Lehman's financial statements did not conform with GAAP. Indeed, E&Y was not only aware of Lehman's use of Repo 105 generally, E&Y auditors were specifically informed on June 12, 2008, by Michael Lee that Lehman had used Repo 105 to move $50 billion off its books that quarter.

200. **3Q08:** On September 10, 2008, Lehman issued a press release and held a conference call to discuss its preliminary third quarter 2008 financial results. Lehman estimated a net loss of $3.9 billion, in large part due to gross mark-to-market adjustments of $7.8 billion ($5.6 billion net).

201. The press release stated that Lehman had a net leverage ratio of 10.6x. During the conference call, Fuld also repeated that "[w]e ended the quarter with more tangible equity than we

started and at a net leverage ratio of 10.6 versus 12.1 at the end of the second quarter," and Lowitt stated that "we ended the third quarter with a capital position and leverage ratio stronger than the second quarter. . . . we reduced net leverage to 10.6 times from 12.1 times. . . ." These statements were materially false and misleading because they failed to disclose that Lehman engaged in tens of billions of dollars in Repo 105 transactions at quarter-end, and that these undisclosed transactions were instrumental in Lehman's purported reduction in net leverage.

202. The press release also stated that Lehman had an estimated liquidity pool of $42 billion. The liquidity pool figure was reiterated by Lowitt and Fuld during the conference call, who also represented that Lehman maintained a very strong liquidity position and that "[w]e have maintained our strong liquidity and capital profiles even in this difficult environment." These statements regarding Lehman's liquidity were false because, by September 2008, a substantial part – at least 24% – of Lehman's reported liquidity pool consisted of encumbered assets. Lehman fraudulently counted pledged assets in its liquidity pool, including: (i) approximately $4 billion of CLOs pledged to JPMorgan; (ii) $2.7 billion in cash and money market funds pledged to JPMorgan; (iii) $2 billion Citibank cash deposit; (iv) $500 million Bank of America cash deposit; and (v) nearly $1 billion collateral deposit with HSBC. Lowitt also failed to disclose that, on the morning of September 10, Lehman granted JPMorgan a security interest in practically all Lehman accounts at JPMorgan for all Lehman exposures to JPMorgan that were beyond the exposures related to triparty clearance. Thus, when Fuld and Lowitt announced that Lehman had a liquidity pool of approximately $40.6 billion, Lehman only had a "high" ability to monetize approximately $25 billion, a "mid ability to monetize approximately $1 billion of the pool and only a 'low' ability to monetize approximately $15 billion, or 37%, of the total pool."

203. In addition, the statements concerning Lehman's strong liquidity were false and misleading because prior to the September 10, 2008 conference call, Lehman received $5 billion in collateral calls from JPMorgan. On September 9, Steven Black, co-CEO of JPMorgan's Investment Bank, phoned Defendant Fuld and stated that JPMorgan needed $5 billion in additional collateral to

cover lending positions. Jane Buyers-Russo, head of JPMorgan's broker-dealer unit, also phoned Lehman's treasurer, Paolo Tonucci, and told him Lehman would have to turn over $5 billion in collateral that JPMorgan had asked for days earlier. Fulfilling the request temporarily froze Lehman's computerized trading systems and nearly left Lehman with insufficient capital to fund its trading and other operations.

204. By September 12, 2008, two days after Lehman publicly reported a $41 billion liquidity pool, the pool was overstated by approximately 95% as it actually contained less than $2 billion of readily monetizable assets.

205. On September 15, 2008, the final day of the Class Period, Lehman petitioned for bankruptcy, making it the largest corporate bankruptcy in United States history. In stark contrast to Defendant Lowitt's affirmative representations made just days before regarding Lehman's purportedly strong liquidity position, Lehman sought bankruptcy protection because it had "significant liquidity problems."

E. Additional Evidence Of Scienter

1. The Insider Defendants Knew Of Repo 105 And The Artificial Balance Sheet Manipulation

206. Documents and witnesses demonstrate that Lehman's use of Repo 105 was orchestrated and executed at the Company's highest levels. Not only did the Insider Defendants fully appreciate how Repo 105 transactions was being used to manipulate Lehman's balance sheet, but they also regularly made decisions and communications about Lehman's use of such transactions in order to improve the Company's standing with analysts, credit ratings agencies and investors.

207. Defendant O'Meara, in his position as CFO, actively managed Lehman's Repo 105 transactions from the commencement of the Class Period to December 1, 2007, when he became Lehman's head of Global Risk Management. He was responsible for setting the Repo 105 usage limits or caps. According to the Examiner, O'Meara had a duty to report "the impact of the [Repo

105] transactions on Lehman's balance sheet and the purpose for engaging in these transactions" to his superiors, including Fuld, Gregory, Lowitt and Callan.

208. Defendant Callan, Lehman's new CFO as of December 2007, received calls as early as January 2008 regarding Lehman's Repo 105 program. Several senior Lehman executives brought Repo 105 to Callan's attention. Callan saw and ignored red flags alerting her to potential problems arising from Lehman's Repo 105 program before she signed Lehman's first quarter 2008 Form 10-Q.

209. Defendant Lowitt was familiar with Repo 105 by the time he became CFO in June 2008. According to the Examiner, despite knowledge of Lehman's Repo 105 program, "Lowitt certified Lehman's second quarter 2008 Form 10-Q, exposing Lehman to potential liability for making material misstatements and omissions in publicly filed financial statements and MD&A."

210. Defendant Gregory assisted in setting balance sheet targets for Lehman as of March 2008. As a member of Lehman's Executive Committee, Gregory received materials related to Lehman's use of Repo 105 transactions to manage its balance sheet at a special meeting requested by McDade on March 28, 2008. McDade testified that the purpose of the meeting was to request Gregory's "blessing in freezing Lehman's Repo 105 usage."

211. Defendant Fuld also had knowledge of Repo 105 transactions. For example, the night before a March 28, 2008 Executive Committee meeting requested by McDade (Lehman's newly appointed "balance sheet czar") to discuss Lehman's Repo 105 program and to request Gregory's freezing of the Repo 105 usage, Fuld received an agenda of topics including "Repo 105/108" and "Delever v Derisk" and a presentation that referenced Lehman's $49.1 billion quarter-end Repo 105 usage for the first quarter 2008. Although Fuld may not have attended the Executive Committee meeting, McDade recalled having specific discussions with Fuld about Lehman's Repo 105 usage in June 2008. During that discussion, McDade walked Fuld through Lehman's Balance Sheet and Key Disclosures document, and discussed with Fuld Lehman's quarter-end Repo 105 usage – $38.6 billion at year-end 2007; $49.1 billion at 1Q08; and $50.3 billion at 2Q08. Based

upon their conversation, McDade understood that Fuld "was familiar with the term Repo 105," "knew, at a basic level, that Repo 105 was used in the Firm's bond business" and "understood that [reduction of Repo 105 usage] would put pressure on traders." Fuld also met regularly, at least twice a week, with Gregory and members of the Executive Committee to discuss the state of the Company. Based on these facts, as well as the fact that Fuld was admittedly focused on balance sheet and net leverage reduction in 2008, the Examiner concluded that Fuld knew about Repo 105 transactions prior to signing Lehman's Forms 10-Q.

212. Class Period documents and Lehman employees further corroborate that each of the Insider Defendants knew about Lehman's Repo 105 program throughout the Class Period and understood its impact on Lehman's balance sheet. For example:

- Martin Kelly ("Kelly"), Lehman's Global Financial Controller, told the Examiner that he expressed concerns to Defendants Callan and Lowitt when each was serving as Lehman's CFO about: (1) the large volume of Repo 105 transactions undertaken by Lehman; (2) the fact that Repo 105 volume spiked at quarter-end; (3) the technical accounting basis for Lehman recording such transactions as "sales"; (4) the fact that Lehman's peers did not do Repo 105-style transactions; and (5) the reputational risk Lehman faced if its Repo 105 program were to be exposed.

- Callan "acknowledge[ed] she was aware, as CFO, that Lehman's Repo 105 practice impacted net balance sheet [and] that the transactions had to be routed through Europe."

- Lowitt acknowledged to the Examiner that "he was aware of Lehman's Repo 105 program for many years, that Lehman used the transactions to meet balance sheet targets, that Repo 105 transactions used only liquid inventory, and that Lehman set internal limits on Repo 105 usage but that Chris O'Meara was involved with limit-setting."

- According to a July 2006 Overview of Repo 105/108 Presentation, Grieb and O'Meara were "responsible for setting Lehman's limits" on Repo 105.

- According to a July 2006 document titled "Lehman, Global Balance Sheet Overview of Repo 105 (FID)/108 (Equities)," "per Chris O'Meara and Ed Grieb," "Repo 105 transactions must be executed on a continual basis and remain in force throughout the month. To meet this requirement, the amount outstanding at any time should be maintained at approximately 80% of the amount at month-end."

- From April 2008 to September 2008, O'Meara, Callan, Lowitt and others received a "Daily Balance Sheet and Disclosure Scorecard," as well as daily condensed versions in email form, which contained "frequent references" to Repo 105, including "the daily benefit that Repo 105 transactions provided to Lehman's balance sheet."

- In August 2007, O'Meara was involved in unsuccessful efforts by FID to use RMBS and CMBS in Repo 105 transactions. Kentaro Umezaki ("Umezaki") emailed colleague John Feraca, "not sure that is worth the effort . . . we need Chris [O'Meara] to opine."

- Umezaki emailed O'Meara on August 17, 2007, stating: "John Feraca is working on Repo 105 for our IG mortgage and real estate assets to reduce our Q3 balance sheet. . . . He will test the waters a bit in London with one counterparty."

- Ryan Traversari, Lehman's Senior Vice President of Financial Reporting, emailed O'Meara in May 2008 regarding Repo 105, stating that Citigroup and JPMorgan "likely do not do Repo 105 and Repo 108 which are UK-based specific transactions on opinions received by LEH from Linklaters. This would be another reason why LEH's daily balance sheet is larger intra-month then at month-end."

- On June 17, 2008, Gerard Reilly provided O'Meara, Lowitt, McDade and Morton a document entitled "Balance Sheet and Key Disclosures," "that incorporated McDade's plan to reduce Lehman's firm-wide Repo 105 usage by half – from $50 billion to $25 billion in third quarter 2008."

213. Additionally, the Insider Defendants knew or recklessly disregarded the untrue or misleading nature of statements regarding Lehman's balance sheet, leverage, repo financing, financial results, and liquidity position because, *inter alia*:

(a) there was no economic substance for the Repo 105 transactions, or for concealing their use from the public;

(b) the singular purpose of Lehman's Repo 105 program was balance sheet management;

(c) the magnitude of the Repo 105 program was so large and material to Lehman's reported financial results that the Insider Defendants could not have been unaware of its existence, or its impact on Lehman's balance sheet and leverage ratios, or at a minimum were reckless in not knowing;

(d) Lehman's failure to disclose Repo 105, despite its magnitude and knowledge by the Insider Defendants, and its impact on reported deleveraging as set forth above, further demonstrates an intent to deceive;

(e) Lehman was motivated to manage its balance sheet through Repo 105 transactions to avoid selling "sticky" assets and incurring reportable losses on both the sale of sticky assets and potential write-downs of similarly situated assets under GAAP; and

(f) credit ratings agencies, analysts and investors were focused on Lehman's net leverage ratios as an indicator of the firm's liquidity.

214. Additionally, Lehman attempted to get a United States law firm to provide a true sale opinion for Lehman's use of Repo 105. When no law firm would, Lehman turned to a U.K. law firm and structured the transactions through a foreign subsidiary. The fact that Lehman was unable to obtain a legal opinion from a United States law firm is further evidence of scienter. Furthermore, the opinion obtained from a law firm in England did not mention U.S. GAAP or accounting standards and it stated that the opinion was limited to transactions that were undertaken solely for the benefit of Lehman's British subsidiary.

215. Moreover, it was actually more expensive for Lehman to enter into Repo 105 transactions than it was to conduct Ordinary Repo transactions. Lehman had the ability to conduct an Ordinary Repo transaction using the same securities and with substantially the same counterparties as in Repo 105 transactions, at a lower cost. The Examiner described this as further evidence that the sole purpose of Repo 105 was to manipulate the balance sheet.

2. Insider Defendants Knew Of Lehman's Disregard Of Risks And Its Liquidity Problems

216. In pursuit of an aggressive growth strategy, the Insider Defendants knew of, but recklessly disregarded, the warnings of Lehman's risk managers. For example:

a. According to Lehman's 2007 10-K, the Executive Committee – including Fuld (Chair), Gregory, Callan and Lowitt – established Lehman's overall risk limits and risk management policies.

b. Lehman's Risk Committee, which included the Executive Committee and CFO, reviewed "all exposures, position concentrations and risk-taking activities" on a weekly basis; determined "overall risk limits and risk management policies, including establishment of risk tolerance levels"; reviewed the firm's "risk exposures, position concentrations and risk-taking

activities on a weekly basis, or more frequently as needed"; and allocated "the usage of capital to each of our businesses and establishes trading and credit limits with a goal to maintain diversification of our businesses, counterparties and geographic presence."

c. Pursuant to Lehman's policies, the Company's GRMG disclosed information regarding risk appetite to senior management, creating a weekly "Firm Wide Risk Snapshot" report, which contained "Risk Appetite limits and usage by business unit" and summarized "VaR by business unit and Top Market Risk positions." In addition, Lehman circulated a "Daily Risk Appetite and VaR Report" to upper management, which included a cover e-mail detailing the firm's overall daily risk appetite and VaR usage figures and the day-over-day change in those figures. The Risk Committee also received the "Firm-wide Risk Drivers" report, which contained detailed information regarding the firm's aggregated risks, reflected firm-wide risk appetite and VaR usage data, and explanations regarding week-over-week changes in the data.

217. Disregarding risk limits was a deliberate decision that Fuld and Gregory made over the objection of members of Lehman's management, including Alex Kirk, then head of Lehman's Credit Business, and Madelyn Antoncic, then Lehman's Chief Risk Officer.

218. The Insider Defendants were also aware of Lehman's related and growing liquidity problems. According to the Examiner's Report:

a. On May 31, 2007, Roger Nagioff ("Nagioff"), Lehman's then Global Head of FID provided Defendant Fuld with an internal stress scenario that identified a possible $3.2 billion loss for the Company, and recommended that Lehman reduce its forward commitments by nearly half, impose rules on leverage and develop a framework for limiting and evaluating the leveraged lending business.

b. Also in May 2007, O'Meara expressed "significant concerns" about the "overall size" of Lehman's real estate book and how much of the firm's equity was "tied up" in bridge equity deals.

c. On July 20, 2007, Nagioff emailed Lowitt, stating that his co-COO and head of Fixed Income Strategy were "panicky" about Lehman's liquidity position. Lowitt responded that he was "anxious" about Lehman's liquidity position, and that "[i]f everything goes as badly as it could simultaneously it will be awful." Lowitt added that "the discipline we had post 1998 about funding completely dissipated which adds to the alarm."

d. On July 20, 2007, Lowitt shared his liquidity concerns with O'Meara, tracing Lehman's difficulty in funding its commitments directly to its failure to abide by its risk limits. Lowitt emailed O'Meara: "In case we ever forget; this is why one has concentration limits and overall portfolio limits. Markets do seize up."

e. O'Meara's liquidity concerns were heightened on July 27, 2007, when he was informed that Lehman might have to provide $9 billion in funding for the Archstone transaction, rather than the previously budgeted $6.8 billion, as a result of an "implosion" of the institutional market for investments backed by commercial real estate. Lehman ultimately delayed closing the Archstone transaction from August 2007 to October 2007 as a result of liquidity concerns, while continuing to promote publicly Lehman's supposed strong liquidity.

f. In July 2007, Defendants Lowitt and O'Meara – together with Paolo Tonucci ("Tonucci"), Lehman's Global Treasurer, Alex Kirk ("Kirk"), co-COO of FID, and Kentaro Umezaki, Head of Fixed Income Strategy – set up ALCO as a result of their liquidity concerns, to "manage [the firm's] liquidity on a daily basis."

g. On July 30, 2007, ALCO members, including Defendants Lowitt and O'Meara, exchanged an analysis showing that, contrary to the firm's policy to always have a cash capital surplus of at least $2 billion, Lehman was projecting large deficits of cash capital.

h. In early August 2007, Lowitt – together with Nagioff and Kirk – decided to suspend the leveraged loan and commercial real estate businesses until the end of the third quarter of 2007 as a result of Lehman's liquidity problems.

i. On October 5, 2007, O'Meara received an email from Tonucci, Lehman's Global Treasurer, stating that Lehman was "looking at being $1-2 [billion] short [in equity] . . . should not really be surprised."

j. In late October 2007, Defendant O'Meara prepared a presentation on the firm's equity adequacy for the Executive Committee. The presentation concluded that the firm's capital adequacy over the last 5-6 quarters had "materially deteriorated"; that Lehman was at the bottom of its peer range with respect to the regulatory requirement of a minimum 10% total capital ratio imposed by the SEC; and that the firm's capital position decreased from a $7.2 billion surplus in the beginning of 2006 to a $42 million deficit at the end of the third quarter of 2007.

k. In early November 2007, GREG made a presentation to Fuld in which they recommended reducing the group's global balance sheet by $15 billion.

l. Defendant Callan told the Examiner that she had repeated discussions with Fuld and Gregory about reducing the balance sheet in January and February 2008 but "didn't get traction quickly on it."

m. A January 2008 internal presentation made by Felder, a Lehman executive, acknowledged that the mortgage crisis was having a severe impact on the Company's operations and liquidity position. Slides accompanying Felder's presentation stated that "[v]ery few of the top financial issuers have been able to escape damage from the subprime fallout." The presentation also warned that, because "a small number of investors account [] for a large portion of demand [for Lehman issues], liquidity can disappear quite fast."

n. On March 12, 2008, Callan received an email from Eric Felder expressing concerns about dealer liquidity and shrinking leverage, and forwarding an email from a Lehman trader that warned that dealers were demanding increased haircuts and refusing to take assignments of any Bear or Lehman trades even if the trades were "in-the-money." Five days later, Felder warned Defendants Lowitt and Callan that collapsing equity values eventually would compel Lehman to

sell assets, and that the distressed prices available would create a need for additional capital, forcing further sales.

o. After Bear Stearns' near-collapse, then Treasury Secretary Henry Paulson told Fuld that Lehman needed to raise capital, find a strategic partner or sell the firm. After Lehman announced its second quarter results, Secretary Paulson warned Fuld that Lehman needed to have a buyer or other survival plan in place before announcing any further losses in the third quarter or Lehman's survival would be in doubt.

p. On April 3, 2008, Callan emailed McDade, Lehman's "balance sheet czar," expressing dismay in the growth of the balance sheet.

q. On May 13, 2008, two weeks before the end of the second quarter, Callan urged Fuld and Gregory to "deliver on the balance sheet reduction this quarter" and not give "any room to [Fixed Income Division] for slippage."

219. Further evidencing scienter, Defendants Fuld and Gregory sought to remove – not reward – insiders who opposed Lehman's growing risk management practices and who voiced concerns about the growing liquidity crisis. In 2007, for example, Fuld and Gregory removed Michael Gelband, head of Lehman's Fixed Income Division, and Madelyn Antoncic because of their opposition to management's growing accumulation of risky and illiquid investments.

220. Lehman's senior officers were also aware of the deficiencies in Lehman's risk management practices. According to the Examiner, O'Meara was aware that Lehman's principal investments were not considered in Lehman's stress testing. For example, O'Meara told the Examiner that Lehman did not even start taking steps to include private equity transactions in its stress tests until 2008. With regard to hedging, according to multiple Lehman executive interviews and internal emails, Lehman senior officers elected not to hedge many of Lehman's assets because of the difficulty and possible repercussions inherent in hedging investments as illiquid as Lehman's. In addition, on October 15, 2007, O'Meara informed Lehman's Board of Directors that Lehman was over its firm-wide risk appetite limit.

221. The Insider Defendants were Lehman's highest ranking officers and oversaw the day-to-day management of Lehman's operations. Defendant Fuld chaired, and Defendants Callan, Lowitt and Gregory were members of, the Company's Executive Committee, which was responsible for assessing Lehman's risk exposure and related disclosures. The Executive Committee reviewed "risk exposures, position concentrations and risk-taking activities on a weekly basis, or more frequently as needed," and "allocate[d] the usage of capital to each of our businesses and establishes trading and credit limits for counterparties."

222. According to Callan, the Executive Committee consisted of thirteen people, including herself and Fuld, who met twice a week for two hours at a time and "devote[d] a significant amount of that time to risk." Callan stated that the Executive Committee addressed "any risk that passes a certain threshold, any risk that we think is a hot topic" and "anything else during the course of the week that's important." Further, Callan stated that the Executive Committee was "intimately familiar with the risk that we take in all the different areas of our business. And [Fuld] in particular . . . keeps very straight lines into the businesses on this topic."

223. Additionally, Defendants Fuld, O'Meara, Callan and Lowitt signed quarterly and annual Sarbanes-Oxley certifications during the Class Period attesting to their responsibility for and knowledge of disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as well as Lehman's internal control over financial reporting.

F. Section 10(b) Allegations Against E&Y

1. Material Misstatements By E&Y

224. During the Class Period, E&Y issued a clean audit opinion that was included in Lehman's 2007 10-K representing "[w]e conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board" and that Lehman's financial statements "present[ed] fairly, in all material respects, the consolidated financial position of Lehman . . . in conformity with U.S. generally accepted accounting principles." E&Y also issued interim reports that were included in Lehman's Forms 10-Q which stated, "[w]e conducted our review in

accordance with the standards of the Public Company Accounting Oversight Board," and "[b]ased on our review, we are not aware of any material modifications that should be made to the consolidated financial statements . . . for them to be in conformity with U.S. generally accepted accounting principles." E&Y's statements in Lehman's 2Q07 10-Q, 3Q07 10-Q, 2007 10-K, 1Q08 10-Q and 2Q08 10-Q were materially false and misleading for the reasons set forth above at ¶¶26-69, 104-09.

225. E&Y provided continuing consent for Lehman's use of the clean audit opinion and clean quarterly reviews in the Offering Materials that post-dated the issuance of the 2007 10-K. As a result, E&Y knew that Lehman securities were being sold on the basis of E&Y's clean audit opinion throughout the entirety of the Class Period.

2. E&Y's Scienter

226. The Examiner found that E&Y knew about Lehman's use of Repo 105 transactions to manage its balance sheet at the end of each quarter. According to the Examiner, E&Y was specifically informed about Lehman's Repo 105 transactions on several occasions, and E&Y "was made aware that [Lehman's] financial information may be materially misleading because of the failure to disclose the effect and timing and volume of Lehman's Repo 105 activities (which had a material effect on financial statement items)."

227. In 2007, Lehman provided E&Y with a netting grid that identified and described various balance sheet mechanisms, including Repo 105 transactions. The netting grid was provided to E&Y by no later than August 2007 (at the close of Lehman's 3Q07) and in November 2007 (at the close of its fiscal year). Although E&Y used the netting grid in connection with the audit, E&Y's review and analysis did not take into account the large volumes of Repo 105 transactions Lehman undertook at quarter-ends, reflected therein. When the Examiner asked William Schlich, E&Y's lead partner on the Lehman Audit Team, about the volume of Repo 105 transactions and whether E&Y should have considered the possibility that strict technical adherence to SFAS 140 or

another specific accounting rule could nonetheless lead to a material misstatement in Lehman's publicly reported financial statements, Schlich refused to comment.

228. According to Martin Kelly, soon after he became Lehman's Global Financial Controller on December 1, 2007, he specifically spoke to Schlich in an effort to learn more about Lehman's Repo 105 program. During that conversation, Kelly and Schlich specifically discussed the fact that Lehman was unable to obtain a true sale opinion under United States law for Repo 105 transactions.

229. E&Y was also made aware of Lehman's improper use of Repo 105 transactions during its investigation of claims made by a whistleblower. On May 16, 2008, Matthew Lee, a Senior Vice President in Lehman's Finance Division responsible for its Global Balance Sheet and Legal Entity Accounting, sent a letter to Lehman management – including Kelly and Defendants Callan and O'Meara – identifying possible violations of Lehman's Ethics Code related to accounting/balance sheet issues. Subsequently, Lee prepared another writing addressing additional accounting control issues – including the use of "Repo 105" transactions – which was sent to a Managing Director in Lehman's corporate compliance department. Shortly after sending his first letter, he was interviewed by Joseph Polizzotto, Lehman's General Counsel, and Elizabeth Rudofker, Head of Corporate Audit. On May 22, 2008, the day after that interview, Lee was terminated without warning.

230. Approximately two weeks after Lee's termination, ***after*** he had communicated additional warnings about Repo 105, Lee was interviewed by Schlich and Hillary Hansen of E&Y. According to Hansen's notes of the interview, Lee again warned E&Y about Lehman's Repo 105 practice including, notably, the enormous volume of Repo 105 activity that Lehman engaged in at quarter-end. These E&Y notes recounted Lee's allegation that Lehman moved $50 billion of inventory off its balance sheet at quarter-end through Repo 105 transactions and that these assets returned to the balance sheet about a week later. When interviewed by the Examiner, Hansen specifically recalled conferring with Schlich about Lee's Repo 105 allegations. However, despite

E&Y's contemporaneous notes demonstrating the discussion of Repo 105, Schlich told the Examiner that he did not recall Lee saying anything about Repo 105 transactions during the interview with Lee.

231. Indeed, E&Y took affirmative steps to cover-up the Repo 105 fraud. On June 13, 2008, the day after Lee specifically informed E&Y of the $50 billion in Repo 105 transactions that Lehman undertook at the end of the second quarter 2008, E&Y spoke to Lehman's Audit Committee regarding Lee's allegations. Despite the fact that the Chair of the Audit Committee had clearly stated that he wanted a full and thorough investigation of ***every*** allegation made by Lee, E&Y failed to mention anything about Repo 105. Similarly, on July 8, 2008, when the Audit Committee met with E&Y to review Lehman's 2Q08 financial statements, E&Y again failed to mention Lee's allegations regarding Repo 105, and stated that E&Y would issue an unqualified review report. Then, on July 22, 2008, at an Audit Committee meeting where Lehman's Head of Corporate Audit made a presentation on the results of the investigation in to Lee's allegations, E&Y again failed to mention Repo 105. At that meeting, the Audit Committee was told that "[c]orporate audit has largely completed an evaluation of [Lee's] observations in partnership with Financial Control and Ernst & Young." In subsequent meetings and private executive sessions thereafter, E&Y also did not disclose that Lee made an allegation related to Repo 105 transactions being used to move assets off Lehman's balance sheet at quarter-end. According to the Chair of the Audit Committee, he would have expected to be told about Lee's Repo 105 allegations. Another Audit Committee member similarly said that the volume of Lehman's Repo 105 transactions mandated disclosure to the Audit Committee as well as further investigation.

232. Additionally, despite the directive to investigate every claim raised by Lee, E&Y did not follow up on Lee's allegations or conduct any further inquiry into the Repo 105 transactions. In fact, after E&Y's June 12, 2008 interview of Lee in which he described Lehman's moving $50 billion of inventory off its balance sheet at the end of the second quarter 2008, E&Y did not speak with him again. Instead, less than four weeks after Schlich and Hansen interviewed Lee, E&Y

signed a Report of Independent Registered Public Accounting Firm for Lehman's 2Q08 10-Q on July 10, 2008, certifying that it was not aware of any material modifications that should be made to Lehman's financial statements for them to be in conformity with GAAP, and similarly failed to amend or correct its most recent audit opinion on the 2007 final financial statements or its report on the 1Q08 financial statements.

233. The Examiner concluded "that sufficient evidence exists to support a colorable claim that":

> Ernst & Young should have made appropriate inquiries of management and performed analytical procedures concerning significant transactions that occurred at the ends of the quarters in 2008 and analyzed their impact upon the financial statements, including the footnotes. Particularly after Lee alerted Ernst & Young to $50 billion in Repo 105 transactions prior to the filing of the second quarter Form 10-Q, Ernst & Young should have reported to senior management and the Audit Committee that Lehman was using Repo 105 transactions to temporarily and artificially reduce balance sheet and its net leverage ratio for reporting purposes, without disclosing the practice to the public.
>
> . . . Ernst & Young knew or should have known that the notes to the financial statements were false and misleading because, among other things, those notes describe all repos as "financings," which Ernst & Young knew was not the case, and those notes did not disclose the Repo 105 transactions. Ernst & Young had a professional obligation to communicate the issue to both senior management and the Audit Committee and to recommend corrections of the Forms 10-Q, and also to either issue modified review reports noting the materially inadequate disclosures, or to withhold its review reports altogether.

3. E&Y's Violation Of Auditing Standards

234. One of the primary responsibilities of an external auditor is to express an opinion on whether the company's financial statements are presented fairly, in all material respects, in accordance with GAAP. *See* AU § 110. Similarly, "[t]he objective of a review of interim financial information is to provide the accountant with a basis for communicating whether . . . any material modifications that should be made to the interim financial information for it to conform with [GAAP]." *See* AU § 722.09. Interim Reviews also help facilitate the annual audit. *See generally* AU § 722.

235. GAAS standards have been established to ensure that external auditors fulfill their

obligations when auditing and reviewing financial statements and other information contained in SEC filings. GAAS consists of authoritative standards, originally established by the American Institute of Certified Public Accountants ("AICPA"), which were adopted, amended and expanded upon by the PCAOB, which auditors must comply with when they conduct audits and reviews. An auditor is required to perform its annual audits and quarterly reviews of financial information in accordance with GAAS, which include, *inter alia*: (1) ten basic standards establishing the objections of a financial statement audit and providing guidance for the quality of audit procedures to be performed; (2) interpretations of these standards by the AICPA, set forth in Statements on Auditing Standards ("AU"); and (3) additional standards promulgated by the PCAOB.

236. E&Y's knowledge of Repo 105, the absence of a supportable business purpose and economic substance for such transactions, and the increased volume of Repo 105 transactions at quarter-end raised various obligations under GAAS that E&Y failed to meet.

237. For example, General Standard No. 3 and AU § 230, *Due Professional Care in the Performance of Work*, required E&Y to exercise "due professional care" and "professional skepticism" in its quarterly reviews and annual audit of Lehman's Class Period financial results. E&Y violated GAAS in this regard because it knew of Lehman's use of Repo 105 but failed to: (1) review and/or audit adequately to address Repo 105 volumes at each period-end; (2) ensure that Repo 105 was not being employed to misstate materially Lehman's financial statements or to mislead investors; and (3) adequately address and resolve warnings regarding Lehman's potential misuse of these transactions. Further, E&Y failed to consider adequately the disclosures made (or not made) in the footnotes to Lehman's financial statements, and in comparison of the financial statements to disclosures included in the MD&A sections of Lehman's 2007 10-K and Forms 10-Q during the Class Period, regarding its Repo 105 transactions and secured financing arrangements.

238. Standard of Fieldwork No. 1 and AU § 311 require an auditor to plan the audit engagement properly. AU § 316 further requires that an auditor specifically "assess the risk of material misstatement [of the financial statements] due to fraud" and should consider that

assessment in designing the audit procedures to be performed. (AU § 316.02). In violation of the foregoing GAAS, E&Y did not adequately plan its quarterly reviews and annual audit of Lehman during the Class Period to include procedures to address its knowledge of: (1) the magnitude and increased volume of Lehman's Repo 105 transactions at quarter-end; (2) Lehman's inability to obtain a U.S. legal opinion for "sale" treatment of these transactions under FAS 140; (3) Lehman's accounting for these transactions as "sales"; (4) Lehman's failure to ever disclose that it recorded repo arrangements as sales, instead asserting that all repos were recorded as financing arrangements; and (5) communications within Lehman and made to E&Y suggesting fraud through its Repo 105 program. E&Y's failures in this regard were magnified by virtue of Lehman's own acknowledgement of the materiality of the Repo 105 transactions, as they clearly exceeded Lehman's own materiality threshold, measured by any transaction impacting the net leverage ratio by 0.1x, Lehman's expressed measure of materiality, which was communicated to E&Y. Indeed, throughout the Class Period, Lehman's Repo 105 transactions moved this measure by a magnitude of 15 to 19 times Lehman's 0.1x net leverage ratio threshold. *See* table 38, *infra*.

239. GAAS also requires an auditor to sufficiently assess audit risk, defined as "the risk that the auditor may unknowingly fail to appropriately modify his or her opinion on financial statements that are materially misstated." AU § 312.02, *Audit Risk and Materiality in Conducting an Audit*; *see also* AU § 722.16. In assessing audit risk, AU § 312 and AU § 722 require analytical procedures be performed especially when an auditor becomes aware of information leading it to question whether the company's financial results comply with GAAP, or if/when it otherwise believes that audit risk is too high, and that particular attention be paid to materiality. E&Y violated these GAAS provisions because it (1) was aware of Lehman's Repo 105 program and its impact, by virtue of the accounting treatments, on the balance sheet; (2) ignored that Repo 105 volumes spiked at period-end; (3) failed to conduct an adequate assessment of these known significant and unusually timed transactions; and (4) failed to ensure that Lehman made full and proper disclosure of the same in its public filings.

240. AU §§ 336 and 9336 address an auditor's use of a legal opinion as evidential matter supporting, for instance, a management assertion that a financial asset transfer meets the "isolation" criterion in FASB 140. AU § 9336 states that a legal letter that includes conclusions using certain qualifying language would not provide persuasive evidence that a transfer of financial assets has met the isolation criterion of FAS. Not only was the Linklaters opinion replete with the kinds of qualifying statements discussed as examples in AU § 9336, but E&Y knew that no U.S. law firm would approve Lehman's "sale" treatment of its Repo 105 transactions and that Lehman had to conduct its Repo 105 transactions through its U.K.-based subsidiary, LBIE. As E&Y ignored these red flags, it did not have a reasonable basis to rely upon the Linklaters Opinion and, thus, failed to obtain sufficient evidential matter to support its statements that Lehman's financial results complied with GAAP and, in all material respects, fairly presented its financial condition.

241. AU § 561, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*, requires an auditor to consider events or indications of potential errors in a company's financial statements and to determine whether the event, if known and recorded, would have had a material impact on the previously-issued financial statements. In violation of the foregoing, E&Y took no action to adequately address the allegations communicated by Lee with respect to Repo 105, failed to withdraw or amend its prior audit opinions and/or interim reports, and failed to cause the Company to correct prior period financials.

G. Loss Causation

242. Between June 12, 2007 and September 15, 2008, the price of Lehman common stock was artificially inflated as a result of the material misrepresentations and omissions set forth above. The artificial inflation was removed through a series of partial disclosures and the materialization of previously-concealed risks.

243. On June 9, 2008, before the markets opened, Lehman issued a press release announcing its financial results for its second quarter of 2008 ending on May 31, 2008. Despite having previously announced success with its delevering plan, its strong liquidity position, that it

had risk management policies in place and that its assets were fairly valued, the press release disclosed that Lehman took $4 billion in mark-to-market write downs, including $2.4 billion in residential mortgage related holdings, $700 million in commercial positions, and $300 million in real estate held for sale. In addition, the Company announced that it would raise $6 billion through a combined offering of preferred and common shares. On this news, Lehman's shares declined 8.7% and continued to fall an additional 19.44% over the next two days. In addition, rating agencies Fitch and Moody's downgraded Lehman's credit rating. However, the June 9 announcement only partially revealed the truth, and Lehman continued to misrepresent its financial condition.

244. On September 8, 2008, Lehman announced that it would release its third quarter 2008 results and key strategic initiatives for the Company on September 18. Analysts at Bernstein Research and Oppenheimer predicted further write downs in the third quarter of between $4 and $5 billion. In addition, there were market reports of Lehman's potential sale of assets to raise capital, that market commentators said smacked of desperation and indicated problems with Lehman's liquidity position. As a result of this news, Lehman's shares finished the trading day down 12.7%.

245. On September 9, 2008, there were market reports that Lehman's attempts to obtain a capital infusion from the Korea Development Bank had failed, leading to concerns that "no one will inject capital" into Lehman. In addition, S&P and Fitch both placed their ratings on Lehman on review for downgrade. S&P specifically cited concerns about Lehman's ability to raise capital. On this news, Lehman's shares declined 45% from the prior day's price to close at $7.79 per share.

246. On September 10, 2008, Lehman reported a $3.9 billion loss for the third quarter of 2008, as well as $7 billion in gross write downs on its residential and commercial real estate holdings, despite having previously announced success with its delevering plan, its strong liquidity position, that it had risk management policies in place and that its assets had been fairly valued. In announcing the results during the conference call, Defendant Lowitt, having replaced Callan as CFO, also disclosed that "[t]he majority of our write downs were in Alt-A driven by increase in Alt-

A delinquencies and loss expectations which were specific to Alt-A prices and did not affect the performance of our hedges." Contrary to Defendants' earlier statements, Lowitt admitted that "unfortunately there is no direct hedge for Alt-A assets. . . ." In addition, Fitch and Dunn & Bradstreet downgraded Lehman's credit rating. On this news Lehman's shares declined 7% from the prior days close to $7.25 per share.

247. On September 15, 2008, Lehman filed for bankruptcy protection because it had "significant liquidity problems." As a result, Lehman's shares declined over 94% on that date.

248. The disclosures regarding Lehman's massive write-downs and liquidity problems (which led to Lehman's bankruptcy) revealed the truth about Lehman's financial condition and represented the materialization of several interrelated, concealed risks from Lehman's disregard for its risk limits and its massive Repo 105 transactions which masked the Company's net leverage and true liquidity issues. As set forth above, as a direct result of Lehman's failure to abide by its risk limits and risk management policies, Lehman acquired tens of billions of dollars of highly risky, illiquid assets that ultimately required enormous write-downs and triggered the liquidity crisis that ended Lehman's existence. During the Class Period, in order to conceal the problems with its balance sheet, and in particular the amount of troubled assets it held, Lehman engaged in tens of billions of dollars worth of Repo 105 transactions in order to remove temporarily assets from its balance sheet solely for reporting purposes. Through these sham transactions, Lehman artificially reduced its net leverage ratio, fraudulently preserved its credit ratings, and created the appearance that Lehman was more capitalized and liquid than it really was. As the Examiner found, Lehman's Repo 105 program concealed the adverse impact its increasingly "sticky" inventory – which consisted mostly of illiquid residential and commercial real estate that Lehman could not sell without taking significant losses – was having on Lehman's publicly reported net leverage and balance sheet.

249. Indeed, the Repo 105 transactions masked the marked deterioration in Lehman's illiquid assets by allowing Lehman to report reduced net leverage even while continuing to hold

such illiquid assets without selling or marking them down. According to internal Lehman documents, Repo 105 was utilized to "offset the balance sheet and leverage impact of current market conditions"; "exiting large CMBS positions in Real Estate and subprime loans in Mortgages before quarter end" would otherwise require Lehman to "incur large losses due to the steep discounts that they would have to be offered at," but that "[a] Repo 105 increase would help avoid this without negatively impacting our leverage ratios." In sum, through the use of Repo 105, Lehman led the market to believe that Lehman had effectively de-leveraged its balance sheet and reduced its exposure to risky assets when, in fact, the opposite was true. Accordingly, the disclosures referenced above revealed what Repo 105 had concealed; namely, that Lehman held a massive amount of illiquid assets that required write-downs of billions of dollars, that Lehman's leverage was higher than reported, and that Lehman's liquidity had been misrepresented.

250. The declines in the price of Lehman's common stock and resulting losses are directly attributable to the disclosure of information and materialization of risks that were previously misrepresented or concealed by the Insider Defendants and E&Y. Had Plaintiffs and other members of the Class known of the material adverse information not disclosed by the Insider Defendants and E&Y or been aware of the truth behind their material misstatements, they would not have purchased Lehman common stock or call options at artificially inflated prices, and would not have sold put options.

VIII. CAUSES OF ACTION UNDER THE EXCHANGE ACT

COUNT IV

Violations Of Section 10(b) Of The Exchange Act And Rule 10b-5 Promulgated Thereunder Against The Insider Defendants And E&Y

251. Plaintiffs repeat and reallege the allegations set forth above as though fully set forth herein, except for those allegations disclaiming any attempt to allege fraud, and further allege as follows.

252. This claim is asserted against the Insider Defendants, namely, Fuld, O'Meara, Gregory, Callan and Lowitt, as well as against Lehman auditor E&Y ("Exchange Act Defendants")

on behalf of Plaintiffs and other members of the Class who purchased or otherwise acquired Lehman common stock and call options and/or who sold put options during the Class Period and were damaged thereby. But for the fact that Lehman has filed for bankruptcy protection, the Company itself would have been named as a Defendant in this Count for violating Section 10(b) of the Exchange Act.

253. Each of the Exchange Act Defendants, individually and/or in concert, by the use of means or instrumentalities of interstate commerce and/or of the United States mail (1) employed devices, schemes, and artifices to defraud; (2) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; (3) deceived the investing public, including Plaintiffs and other Class members; (4) artificially inflated and maintained the market price of Lehman common stock and options; and (5) caused Plaintiffs and other members of the Class to purchase Lehman common stock and options at artificially inflated prices and suffer losses. The Insider Defendants were primary participants in the wrongful and illegal conduct charged herein.

254. Each of the Insider Defendants was the top officer and controlling person of Lehman, and had direct involvement in its day-to-day operations. The materially misstated information presented in group-published documents, including Lehman's Forms 8-K, 10-Q and 10-K, was the collective actions of these Defendants. These Defendants were each involved in drafting, producing, reviewing and/or disseminating the group-published documents at issue in this action during his or her tenure with the Company.

255. The Exchange Act Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were readily available to them. The Insider Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Lehman's financial condition and results of

operations, business practices and future business prospects from the investing public and supporting the artificially inflated price of its securities.

256. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Lehman common stock and options was artificially inflated and caused loss to Plaintiffs when Lehman's stock price fell in response to the issuance of partial corrective disclosures and/or the materialization of risks previously concealed by the Exchange Act Defendants.

257. By virtue of the foregoing, the Exchange Act Defendants each violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

258. This claim was brought within two years after the discovery of the fraud and within five years of the making of the materially false and misleading statements alleged herein.

259. As a direct and proximate result of the wrongful conduct of the Defendants named in this Count, Plaintiffs and the other Class members suffered damages in connection with their purchases or acquisitions of the Company's common stock and call options and/or sale of put options.

COUNT V

Violations Of Section 20(a) Of The Exchange Act Against The Insider Defendants

260. Plaintiffs repeat and reallege each and every allegation contained above as if set forth fully herein, except for those allegations disclaiming any attempt to allege fraud, and further allege as follows.

261. This claim is asserted against the Insider Defendants on behalf of Plaintiffs and other members of the Class who purchased or otherwise acquired Lehman common stock and call options and/or who sold put options during the Class Period and were damaged thereby.

262. The Insider Defendants were and acted as controlling persons of Lehman within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions with the Company, participation in and/or awareness of the Company's operations, direct

involvement in the day-to-day operations of the Company, and/or intimate knowledge of the Company's actual performance, the Insider Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements, which Plaintiffs contend are false and misleading. Each of the Insider Defendants was provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the false statements and material omission or cause such misleading statements and omissions to be corrected. In addition, Defendants Fuld and Gregory, through their positions as CEO and President of Lehman, respectively, controlled the remaining Insider Defendants, including Callan, Lowitt and O'Meara.

263. As set forth above, the Insider Defendants and Lehman itself each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. Due to their controlling positions over Lehman and, with respect to Fuld and Gregory, their control over the remaining Insider Defendants, the Insider Defendants are each liable pursuant to Section 20(a) of the Exchange Act having culpably participated in the fraud. As a direct and proximate result of the Insider Defendants' wrongful conduct, Plaintiffs and other members of the Class suffered damages in connection with their purchases or acquisitions of the Company's common stock and call options and/or sale of put options.

COUNT VI

Violations Of Section 20A Of The Exchange Act Against Defendant Fuld

264. Plaintiffs repeat and reallege each of the allegations set forth above as if fully set forth herein.

265. This Count is brought pursuant to Section 20A of the Exchange Act against Defendant Fuld on behalf of all members of the Class damaged by Defendant Fuld's insider trading.

266. As detailed herein, Defendant Fuld was in possession of material, non-public information concerning Lehman. Defendant Fuld took advantage of his possession of material, non-public information regarding Lehman to obtain millions of dollars in insider trading profits during the Class Period.

267. Defendant Fuld's sale of Lehman securities was made contemporaneously with Plaintiffs' and Class members' purchases of Lehman common stock during the Class Period.

268. For example, on June 13, 2007, Defendant Fuld sold 291,864 shares of stock at average price of $77.83 per share for proceeds of $22,692,426. On June 14, 2007, Lead Plaintiff NILGOSC purchased 1,300 shares of Lehman at $78.3963 per share, for a total cost of $101,915.19. On June 15, 2007, NILGOSC purchased 1,800 shares of Lehman at $79.5325 per share, for a total cost of $143,158.50. Also on June 15, 2007, NILGOSC purchased 100 shares of Lehman at $79.70 per share, for a total cost of $7,970. On June 19, 2007, Lead Plaintiff Operating Engineers purchased 4,500 shares of Lehman at $80.9702 per share, for a total cost of $364,365.90. Similarly, on June 20, 2007, Operating Engineers purchased 2,200 shares of Lehman at $81.6462 per share, for a total cost of $179,621.64.

269. All members of the Class who purchased shares of Lehman common stock contemporaneously with sales by Defendant Fuld have suffered damages because: (1) in reliance on the integrity of the market, they paid artificially inflated prices as a result of the violations of Section 10(b) and 20(a) of the Exchange Act as alleged herein; and (2) they would not have purchased the securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially inflated by the false and misleading statements and concealment alleged herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on their own behalf and on behalf of the Class, pray for judgment as follows:

(a) Declaring this action to be a class action pursuant to Fed. R. Civ. P. 23(a) and (b)(3);

(b) Awarding Plaintiffs and the other members of the Class damages in an amount which may be proven at trial, together with interest thereon;

(c) Awarding Plaintiffs and the members of the Class pre-judgment and post-judgment interest, as well as their reasonable attorneys' and expert witness' fees and other costs;

(d) Ordering Defendant Fuld to disgorge the profits of his insider sales of Lehman common stock during the Class Period;

(e) Awarding Plaintiffs and the members of the Class rescission and/or rescissory damages; and

(f) Such other relief as this Court deems appropriate.

DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury.

Dated: April 23, 2010

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Counsel for Plaintiffs Island Medical Group, Fred Telling, Carla LaGrassa, Robert Feinerman Irwin and Phyllis Ingwer, Stuart Bregman, Steven and Sydney Ratnow, and David Kotz

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Mohan Ananda, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I am the trustee of the Rajee Ananda Rollover IRA and the Mohan Ananda Traditional IRA. I have full authority to act on behalf of the Rajee Ananda Rollover IRA and the Mohan Ananda Traditional IRA (collectively, the "Ananda Entities"), including the authority to make all investment decisions and the authority to bring or participate in a lawsuit under the federal securities laws.

2. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel and counsel for the Ananda Entities in this action for all purposes.

3. Neither I nor the Ananda Entities acquired any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

4. I am willing to serve as a named plaintiff on behalf of the Ananda entities. On behalf of the Ananda Entities, I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

5. Neither I nor the Ananda Entities will accept any payment for serving as a representative party beyond the Ananda Entities' pro rata share of any recovery, except

reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

6. Neither I nor the Ananda Entities have sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

7. I understand that this is not a claim form, and that the Ananda Entities' ability to share in any recovery as a class member is not affected by the decision to serve as a representative party.

8. The Ananda Entities' purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 5 day of April, 2010

Mohan Ananda

MOHAN ANANDA

ATTACHMENT A

Account: Mohan Ananda Traditional IRA

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
3/23/2007	100% Principal Protection Notes Linked to a Global Index Basket	5,000	$10.00	Bought
1/28/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	20,000	$10.00	Bought

Account: Rajee Ananda Rollover IRA

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
8/28/2007	100% Principal Protection Notes Linked to a Global Index Basket	2,500	$10.00	Bought
8/28/2007	100% Principal Protection Linked to an International Index Basket	2,500	$10.00	Bought

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, **Richard Barrett**, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes. At this time, I adopt the allegations in the complaint.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 14th day of April, 2010

Richard Barrett

RICHARD BARRETT

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
11/27/2007	100% Principal Protection Notes Linked to an Asian Currency Basket	1,000	$10.00	Bought

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, Stuart Bregman , ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Global Basket Part Protected Participation Note Due 8/2/2010 Cusip 524908j92	August 01, 2007	100	100,000	1,000

Lehman Brothers Holding, Inc. Medium Term Notes at 9.50% Due 12/28/2022 Cusip 5252MOAY3	December 28, 2007	200	200,000	1,000
Lehman Brothers Holding, Inc. Buff Ret Sub Notes Due 2/22/10 Cusip 5252MOdh7	February 20, 2008	200	200,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
December 1, 2008

Stuart Bregman

CERTIFICATION PURSUANT TO THE FEDERAL SECURITIES LAWS

I, John Buzanowski, hereby certify, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the complaint and authorized its filing.

2. I did not purchase the securities that are the subject of this action at the direction of counsel or in order to participate in any action arising under the federal securities laws.

3. I am willing to serve as a plaintiff and representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.

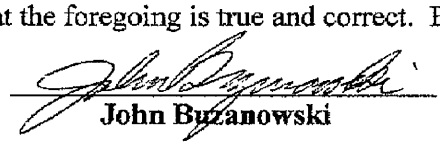
4. My transactions in the Lehman securities that are the subject of this action during the proposed class period are set forth below:

Transaction	Security	Price	Quantity	Trade Date
Purchase	6.25% Notes (52519FFE6)	$1000	100	01/31/2008

5. I have not sought to serve as a lead plaintiff and/or representative party on behalf of a class in any actions under the federal securities laws filed during the three-year period preceding the date of this Certification.

6. I will not accept any payment for serving as a representative party on behalf of the Class beyond my pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 21 day of April, 2010.



John Buzanowski

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Ed Davis, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, and have retained Zwerling, Schachter & Zwerling, LLP ("ZSZ") to represent me in connection therewith and in related litigation in connection with the securities that are set forth in this certification .

2. I did not acquire any Lehman Brothers securities at the direction of ZSZ or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are as follows:

TRADE DATE	BUY	SELL	TOTAL PRICE
June 2008	100% Principal Protection Absolute Return Barrier Notes (CUSIP: 52523J255)		$50,000
June 2008	100% Principal Protection Absolute Return Barrier Notes (CUSIP: 52523J248)		$50,000

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

Executed this 9 day of April, 2010

Ed Davis

Ed Davis

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Neel Duncan, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 19th day of April, 2010

Neel Duncan

NEEL DUNCAN

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
10/25/2007	100% Principal Protection Notes Linked to an Asian Currency Basket	8,000	$10.00	Bought

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, Robert Feinerman, ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains James V. Bashian of the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Medium Term Notes Due 12/28/2022 at 9.5% Cusip # 5252MOAY3	December 28, 2007	100	100,000	1,000

Lehman Brothers Holding, Inc. Medium Term Notes Due 1/30/2023 at 9.5% Cusip # 5252MOBX4	January 30 , 2008	100	100,000	1,000
Lehman Brothers Holding, Inc. Medium Term Notes Due 3/13/2023 at 10% Cusip #5252MOEH6	March 14, 2008	100	100,000	1,000
Lehman Brothers Holding, Inc. Buffered Enhanced Notes due 2/22/2010 5252MODH7	February 20, 2008	200	200,000	2,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
April 19, 2010

Robert Feinerman

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Nick C. Fotinos, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes. At this time, I adopt the allegations in the complaint.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 10 day of April, 2010

Nick C. Fotinos

NICK C. FOTINOS

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
10/26/2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	2,500	$10.00	Bought
1/28/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	5,184	$10.00	Bought

AMENDED CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer, ("Plaintiff") certify:

1. I have reviewed the third amended complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Medium Term Notes at 9.50% Due 12/28/2022 - Cusip 5252m0ay3	December 28, 2007	20	20,000	1,000
Lehman Brothers Holdings, Inc. Medium Term Notes Due 05/19/2023 @ 10.00% Cusip 5252mofh5	May 19, 2008	146	146,000	1,000
Lehman Brothers Holdings, Inc. S&P Ann Rev Note w/Cont Prot Due 6/13/2011 5252m0gm3	June 13, 2008	102	102,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. Plaintiff will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
April 20, 2010

Irwin Ingwer

Steven Bourla, Trustee

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

Irwin & Phyllis Ingwer, ("Plaintiff") certify:

1. We have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

Irwin & Phyllis Ingwer

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. SPX Index Buff Ann Rev Notes Due 8/22/2010 Cusip 52517 P4y4	August 22, 2007	25	25,000	1,000

Lehman Brothers Holding, Inc. Buff Ret Enh Notes Due 2/22/2010 Cusip 5252M0dh7	February 20, 2008	70	70,000	1,000

Irwin Ingwer IRA

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Medium Term Notes Due 2/16/2010 Cusip 5252M0dk0	February 14, 2008	100	100,000	1,000
Lehman Brothers Holding, Inc. Medium Term Notes Due 12/28/2022 @ 9.50% Cusip 5252M0ay3	December 28, 2007	15	15,000	1,000
Lehman Brothers Holding, Inc. Medium Term Notes Due 1/30/2023 @ 9.50% Cusip 5252 M0bx4	January 31, 2008	40	40,000	1,000
Lehman Brothers Holding, Inc. Medium Term Notes Due 2/27/2023 @ 9.00% Cusip 5252 M0cq8	February 27, 2008	6	6,000	1,000

Phyllis Ingwer IRA

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Medium Term Notes Due 2/27/2023 at 9.00% Cusip 5252MOCQ8	February 27, 2008	35	35,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. Plaintiff will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
December , 2008

Irwin Ingwer

Phyllis Ingwer

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, David Kotz , ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains James V. Bashian of the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Return Optimization Security S&P 500 Financials 10% Principal Protection Cusip 52523j230	05/27/08	10,000	100,000	10

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
April 19, 2010

DAVID KOTZ

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, Carla La Grassa , ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains James V. Bashian of the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Medium Term Notes Due 08/29/2022 Cusip52517p4t5	August 29, 2007	100	100,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
2/20, 2009

CARLA LAGRASSA

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Fred H. Mandell, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I am the sole trustee of the Mandell & Shorr Inc. Defined Benefit Pension Plan (the "Plan") and the Fred H. Mandell Living Trust DTD 8/19/93 (the "Trust"). I have full authority to act on behalf of the Plan and the Trust, including the authority to make all investment decisions and the authority to bring or participate in a lawsuit under the federal securities laws.

2. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel and counsel for the Trust and the Plan in this action for all purposes.

3. Neither the Plan nor the Trust acquired any Lehman Brothers structured notes at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

4. The Plan and the Trust are willing to serve as named plaintiffs. On behalf of the Plan and the Trust, I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

5. Neither the Plan nor the Trust will accept any payment for serving as a representative party beyond the Plan's and Trust's pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

6. Neither the Plan nor the Trust have sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

7. I understand that this is not a claim form, and that the Plan's and Trust's ability to share in any recovery as a class member is not affected by the decision to serve as a representative party.

8. The Plan's and Trust's purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 22day of April, 2010

Fred H. Mandell, as Trustee for
the Plan and the Trust

ATTACHMENT A

FRED H. MANDELL

Account: MANDELL & SHORR INC. DEFINED BENEFIT PENSION PLAN

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
3/23/2007	100% Principal Protection Notes Linked to a Global Index Basket	1,650	$10.00	Bought
12/21/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index	2,700	$10.00	Bought
2/6/2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500 Financials Index	3,000	$10.00	Bought

Account: THE FRED H. MANDELL LIVING TRUST DTD 8/19/93

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
2/26//2008	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index	1,100	$10.00	Bought

CERTIFICATION OF THE MONTGOMERY COUNTY RETIREMENT BOARD PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Diane Morgan, on behalf of the Montgomery County Retirement Board ("Montgomery County" or "Plaintiff"), hereby certify, as to the claims asserted under the federal securities laws, that:

1. I am County Controller of Montgomery County and am authorized to make legal decisions on behalf of Plaintiff.

2. Montgomery County has full power and authority to bring suit to recover for investment losses suffered as a result of its investments.

3. Montgomery County has reviewed the Third Amended Complaint and has authorized its filing by Barroway Topaz Kessler Meltzer & Check, LLP.

4. Montgomery County did not purchase the securities that are the subject of this action at the direction of counsel or in order to participate in any action arising under the federal securities laws.

5. Montgomery County is willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.

6. Montgomery County's transactions in Lehman Brothers securities during the period covered by the Third Amended Complaint are set forth in Schedule A attached hereto.

7. Montgomery County is currently serving as representative party for a class action filed under the federal securities laws during the three years prior to the date of this Certification in *In re Pilgrim's Pride Corp. Sec. Litig.*, No. 08-419 (E.D. Tex.)

8. Montgomery County has not otherwise sought to serve as a representative party for a class action filed under the federal securities laws during the three years prior to the date of this Certification.

9. Montgomery County intends to actively monitor and vigorously pursue this action for the benefit of the class, and it has retained the law firm of Barroway Topaz Kessler Meltzer & Check, LLP which has extensive experience in securities litigation and in the representation of institutional investors, to represent Plaintiff in this action.

10. Montgomery County will endeavor to provide fair and adequate representation and work directly with the efforts of Class counsel to ensure that the largest recovery for the Class consistent with good faith and meritorious judgment is obtained

11. Montgomery County will not accept any payment for serving as a representative party on behalf of the Class beyond Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the court.

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

Executed this 22 day of April, 2010

Diane B. Morgan

Diane Morgan
County Controller
Montgomery County Retirement Board

SCHEDULE A

Date	Purchase or Sale	Type of Securities	Transaction Amount (in dollars)	Price of Securities
7/12/2007	Purchase	Sub Nt 6.5%	345,000	99.826
8/3/2007	Purchase	Sub Nt 6.5%	50,000	98.269
4/10/2008	Purchase	Sub Nt 6.5%	45,000	99.261
7/23/2007	Sale	Sub Nt 6.5%	345,000	98.388
7/16/2007	Purchase	MTN 6%	30,000	100.093
7/23/2007	Purchase	MTN 6%	345,000	99.676
8/23/2007	Purchase	MTN 6%	90,000	99.621
7/31/2007	Sale	MTN 6%	170,000	100.485
8/28/2007	Sale	MTN 6%	265,000	100.176

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Barbara Moskowitz, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 14 day of April, 2010

Barbara Moskowitz

BARBARA MOSKOWITZ

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
3/26/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index	2,000	$10.00	Bought

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Stacey Oyler, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

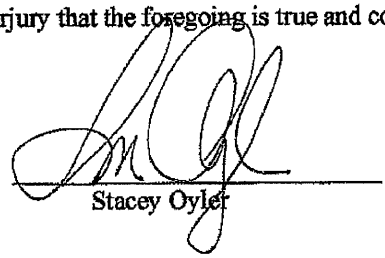
5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 10th day of April, 2010



Stacey Oyler

STACEY OYLER

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
6/1/2007	Lehman Brothers Holdings Inc., Medium-Term Notes, Series I Due 6/15/27 CUSIP 52517P2S9	5,000	$10.00	Bought

CERTIFICATION OF GASTROENTEROLOGY ASSOCIATES PROFIT SHARING TRUST FBO CHARLES M. BROOKS M.D.

I, J. ~~Henry~~ Harry Pickle, Trustee, certifies that:

1. On behalf of the Gastroenterology Associates Profit Sharing Trust FBO Charles M. Brooks M.D. (the "Trust") I have reviewed the complaint in *Azpiazu v. UBS Financial Services, Inc.*, Case No. 1:08-CV-10058-LAK (S.D.N.Y.) and authorize the filing of a lead plaintiff motion and filing of a complaint on behalf of the Trust.

2. The Trust did not purchase or acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action under the federal securities laws.

3. The Trust is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.

4. The Trust's transactions in the security that is the subject of this action during the class period are as follows:

TRANSACTIONS

BUY	SELL	TRADE DATE	PRICE	TOTAL
5,000 LB 100% Principal Protection Notes linked to an Asian Currency Basket due February 26, 2010.		02/26/08	$10.00	$50,000.00
3,000 LB Return Optimization Sec-PP Emerging Markets Index due September 30, 2009		03/26/08	$10.00	$30,000.00

5. During the three years preceding the date of this certification, the Trust has not sought to serve or served as a representative party on behalf of a class.

6. The Trust will not accept any payment for serving as a representative party on behalf of a class, except to receive its *pro rata* share of any recovery or as ordered or approved by the Court, including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I, J. ~~Henry~~ Harry Pickle, Trustee, certify that the foregoing is true and correct.

Dated: ~~December~~ January 2, 2009

J. ~~Henry~~ Harry Pickle, Trustee

Gastroenterology Associates Profit Sharing Trust
FBO Charles M. Brooks M.D.

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, Steven Ratnow, ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains James V. Bashian of the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

Steven Ratnow Keogh

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Medium Term Note Due 4/21/2023 cusip 5252m0fa0	April 21, 2008	25	25,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
2/12 , 2009

STEVE RATNOW

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

I, Sydney Ratnow, ("Plaintiff") certify:

1. I have reviewed the complaint and authorized its filing on behalf of Plaintiff. Plaintiff retains James V. Bashian of the Law Offices of James V. Bashian, P.C. to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

Sydney Ratnow

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers XLF Note Due 5/8/2009 cusip 5252m0fr3	May 2, 2008	20	20,000	1,000

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
2/12 ,2009

SYDNEY RATNOW

RALPH M. ROSATO, M.D. CERTIFICATION

I, Ralph M. Rosato, M.D., declare that:

1. I have reviewed the amended complaint in *Azpiazu v. UBS Financial Services, Inc.*, Case No. 1:08-CV-10058-LAK (S.D.N.Y.) and have retained Zwerling, Schachter & Zwerling LLP to represent me in connection therewith and in related litigation in connection with the securities that are set forth in this certification.

2. I did not purchase or acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.

4. My transactions in the security that is the subject of this action during the class period are as follows:

TRANSACTIONS

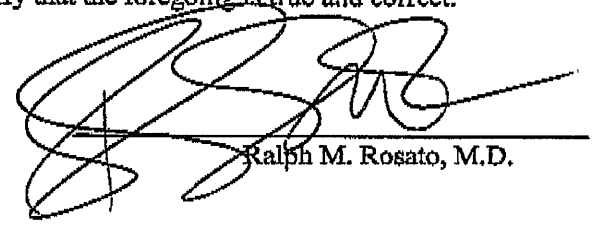
BUY	SELL	TRADE DATE	PRICE	TOTAL
5,000 LB PERFRM SEC-PP GLOBAL INDEX BASKET 07/30/2010		7/26/07	$10	$50,000
2,000 LB 100% PPN-ABS RTN EUR/USD 07/29/2011		6/11/08	$10	$20,000

5. During the three years preceding the date of this certification, I have not sought to serve or served as a representative party on behalf of a class.

6. I will not accept any payment for serving as a representative party on behalf of a class, except to receive my *pro rata* share of any recovery or as ordered or approved by the Court, including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I, Ralph M. Rosato, M.D., certify that the foregoing is true and correct.

Dated: February 3, 2009



Ralph M. Rosato, M.D.

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Lawrence Rose, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes. At this time, I adopt the allegations in the complaint.

2. I have not acquired any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

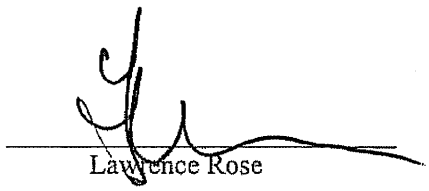
5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by the decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 12th day of April, 2010



Lawrence Rose

LAWRENCE ROSE

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
4/23/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	150,000	$1.00	Bought
5/24/2007	100% Principal Protection Notes Linked to a Currency Basket	10,000	$10.00	Bought
11/27/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index	20,000	$10.00	Bought
1/25/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	100,000	$1.00	Bought

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, **Joe Rottman**, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes. At this time, I adopt the allegations in the complaint.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

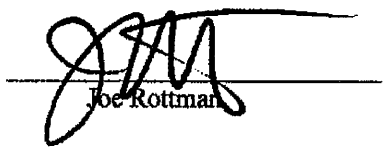
5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 9 day of April, 2010.



Joe Rottman

JOE ROTTMAN

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
2/5/2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500 Financials Index	3,000	$10.00	Bought

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

Shea-Edwards Limited Partnership ("Shea-Edwards"), by and through its Managing Member, Edwards Family Properties of Arizona, Inc., declares the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. Shea-Edwards has reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by counsel, whom Shea-Edwards designates as its counsel in this action for all purposes.

2. Shea-Edwards did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP, Tiffany & Bosco, P.A., any other counsel, or in order to participate in any private action under the federal securities laws.

3. Shea-Edwards is willing to serve as a named plaintiff. Shea-Edwards understands that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. Shea-Edwards will not accept any payment for serving as a representative party beyond its pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. Shea-Edwards has not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. Shea-Edwards understands that this is not a claim form, and that its ability to share in any recovery as a class member is not affected by its decision to serve as a representative party.

7. Shea-Edwards' purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

8. Shea-Edwards declares under penalty of perjury that the foregoing is true and correct.

Executed this 21 day of April, 2010

Suzanne Johnson

Shea-Edwards Limited Partnership
By its Managing Member Edwards Family Properties of Arizona, Inc.,
By its CEO Suzanne Johnson

Shea-Edwards Limited Partnership
By its Managing Member Edwards Family Properties of Arizona, Inc.,
By its President Phyllis LoDestro

7. Shea-Edwards' purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

8. Shea-Edwards declares under penalty of perjury that the foregoing is true and correct.

Executed this 21 day of April, 2010

Shea-Edwards Limited Partnership
By its Managing Member Edwards Family
Properties of Arizona, Inc.,
By its CEO Suzanne Johnson

Shea-Edwards Limited Partnership
By its Managing Member Edwards Family
Properties of Arizona, Inc.,
By its President Phyllis LoDestro

Attachment A

Schedule of Transactions in
LB 100% PPN-ABS RTN BAR (CUSIP: 52522L525)

Date	Type	Quantity	Total Cost
01/28/08	Buy	30,000	300,000

Schedule of Transactions in
LB RTN OPTMZ SEC-PP, S&P 500 (CUSIP: 52522L806)

Date	Type	Quantity	Total Cost
03/26/08	Buy	20,000	200,000

Schedule of Transactions in
LB BEAR AOS ENERGY SECTOR SPDR FUND (CUSIP: 52522L871)

Date	Type	Quantity	Total Cost
03/26/08	Buy	10,000	100,000

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Arthur Simons, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, and have retained Zwerling, Schachter & Zwerling, LLP ("ZSZ") to represent me in connection therewith and in related litigation in connection with the securities that are set forth in this certification .

2. I did not acquire any Lehman Brothers securities at the direction of ZSZ or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

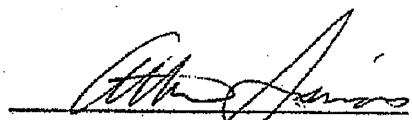
6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are as follows:

TRADE DATE	BUY	SELL	TOTAL PRICE
10/26/07	Return Optimization Securities Linked to an Index (CUSIP: 52522L319)		$50,000
10/26/07	Return Optimization Securities Linked to an Index (CUSIP: 52522L335)		$50,000

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

Executed this ___ day of April, 2010



Arthur Simons

AMENDED CERTIFICATION OF NAMED PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

I, Fred Telling, individually and on behalf of Fred Telling IRA , ("Plaintiff") certify:

1. I have reviewed the Third Amended Consolidated Class action Complaint For Violations Of The Federal Securities Laws ("Complaint") in *In re Lehman Brothers Equity/Debt Securities* Litigation, 08 Civ. 5523 (LAK), and authorized its filing.

2. Plaintiff did not purchase or acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary. Plaintiff understands that if the litigation is not settled, this is not a claim form, and sharing in any recovery is not dependent upon execution of this certification.

4. The following constitute Plaintiff's transactions in the security that is the subject of this litigation during the class period set forth in the complaint:

TRANSACTIONS

Fred Telling Ira

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Currency Basket Due	July 31, 2007		300,000	100

07/31/2010 Cus. # 524908k25				

TRANSACTIONS

Fred Telling

PRODUCT	DATE PURCHASED	NOTES PURCHASED	AMOUNT OF TRANSACTION	Price Per Note
Lehman Brothers Holding, Inc. Buffered Return Note due 2/22/10 Cus. # 5252modh7!	February 20, 2008		350,000	100

5. Plaintiff has not served as or sought to serve as a representative party on behalf of a class under this title during the last three years.

6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

Dated: New York, New York
April 20, 2010

Fred Telling

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Juan Tolosa, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, and have retained Zwerling, Schachter & Zwerling, LLP ("ZSZ") to represent me in connection therewith and in related litigation in connection with the securities that are set forth in this certification..

2. I did not acquire any Lehman Brothers securities at the direction of ZSZ or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are as follows:

TRADE DATE	BUY	SELL	TOTAL PRICE
9/25/07	Performance Securities with Partial Protection Linked to a Global Index Basket (CUSIP: 52522L244)		$30,000
10/25/07	100% Principal Protection Notes linked to an Asian Currency Basket due October 29, 2009. (CUSIP: 52520W341)		$52,721.29

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

Executed this 20 day of April, 2010

Juan Tolosa

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Roy Wiegert, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

///

///

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 8th day of April, 2010

Roy Wiegert

ROY WIEGERT

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
3/23/2007	Performance Securities with Partial Protection Linked to a Global Index Basket	5,000	$10.00	Bought
4/24/2007	Performance Securities with Partial Protection Linked to a Global Index Basket	2,500	$10.00	Bought

CERTIFICATION OF PLAINTIFF PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Miriam Wolf, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against UBS Financial Services and the officers and directors of Lehman Brothers Holdings, Inc., among others, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes. At this time, I adopt the allegations in the complaint.

2. I did not acquire any Lehman Brothers securities at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a named plaintiff. I understand that a named plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.

5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of Lehman Brothers securities during the relevant time period are listed in **Attachment A** to this document.

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

Executed this 6 day of April, 2010

Miriam Wolf

MIRIAM WOLF

ATTACHMENT A

TRADE DATE	SECURITY	NUMBER OF SHARES	PRICE PER NOTE/UNIT	BUY OR SELL
2/26/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	75,000	$1.00	Bought

APPENDIX A

APPENDIX A

COMMON STOCK/PREFERRED STOCK OFFERINGS

ISSUE DATE	SECURITY (CUSIP)	AMOUNT	PRICE	VOLUME	UNDERWRITER DEFENDANTS[1]	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 9, 2008	Common Stock (524908100)	143 million shares of common stock	$28 per share	$4,004,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K	Brockton Contributory Retirement System; The City of Edinburgh Council on behalf of The Lothian Pension Fund; Government of Guam Retirement Fund; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Northern Ireland Local Government Officers' Superannuantion Committee; Operating Engineers Local 3 Trust Fund; Police and Fire Retirement System of the City of Detroit; Alameda County Employees' Retirement Association

[1] "Underwriter Defendants" refers to: A.G. Edwards & Sons, Inc. (Acquired by Wachovia Securities on October 1, 2007 which was acquired by Wells Fargo on December 31, 2008) ("A.G. Edwards"); ABN Amro Holding N.V. (Acquired by RFS Holdings B.V.) ("ABN Amro"); ANZ Securities, Inc. ("ANZ"); Banc of America Securities LLC ("BOA"); BBVA Securities Inc. ("BBVA"); BNP Paribas S.A. ("BNP Paribas"); BNY Mellon Capital Markets, LLC ("BNY"); Cabrera Capital Markets, LLC ("Cabrera"); Caja de Ahorros y Monte de Piedad de Madrid ("Caja Madrid"); Calyon Securities (USA) Inc. ("Caylon"); Charles Schwab & Co., Inc. ("Charles Schwab"); CIBC World Markets Corp. ("CIBC"); Citigroup Global Markets Inc. ("CGMI"); Commerzbank Capital Markets Corp. ("Commerzbank"); Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited) ("Daiwa"); DnB NOR Markets ("DnB NOR"); DZ Financial Markets LLC ("DZ Financial"); Edward D. Jones & Co., L.P. ("E. D. Jones"); Fidelity Capital Markets Services ("Fidelity Capital

(footnote continued on next page)

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	AMOUNT	PRICE	VOLUME	UNDERWRITER DEFENDANTS[1]	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
February 5, 2008 (the "Series J Offering")	7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares") (52520W317)	75.9 million depositary shares representing 759,000 Series J Shares	$25 per Series J depositary share, or $2,500 per Series J Share	$1,897,500,000	BOA (8,039,988 shares)[2] CGMI (8,112,456 shares) Merrill Lynch (8,040,120 shares) Morgan Stanley (8,039,988 shares) RBC Capital (990,000 shares) SunTrust (990,000 shares) UBS Securities (8,039,988 shares) Wachovia Capital Markets (8,039,988 shares) Wells Fargo (990,000 shares) (continued)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	American European Insurance Company; Belmont Holdings Corp.; Brockton Contributory Retirement System; Marsha Kosseff; Alameda County Employees' Retirement Association

Markets"); Fortis Securities LLC ("Fortis"); Harris Nesbitt Corp. ("Harris Nesbitt"); HSBC Securities (USA) Inc. ("HSBC"); HVB Capital Markets, Inc. ("HVB"); Incapital LLC ("Incapital"); ING Financial Markets LLC ("ING"); Loop Capital Markets, LLC ("Loop Capital"); M.R. Beal & Company ("MR Beal"); Mellon Financial Markets, LLC ("Mellon"); Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch"); Mizuho Securities USA, Inc. ("Mizuho"); Morgan Stanley & Co. Inc. ("Morgan Stanley"); Muriel Siebert & Co., Inc., ("Muriel Siebert"); nabCapital Securities, LLC ("nabCapital"); National Australia Bank Ltd. (NAB); Natixis Bleichroeder Inc. ("Natixis"); Raymond James & Associates, Inc. ("Raymond James"); RBC Capital Markets Corporation (f/k/a RBC Dain Rauscher Inc.) ("RBC Capital"); RBS Greenwich Capital ("RBS Greenwich"); Santander Investment Securities Inc. ("Santander"); Scotia Capital (USA) Inc. ("Scotia"); SG Americas Securities LLC ("SG Americas"); Siebert Capital Markets ("Siebert"); Société Générale Corporate and Investment Banking ("Société Générale "); Sovereign Securities Corporation, LLC ("Sovereign"); SunTrust Robinson Humphrey, Inc. ("SunTrust"); TD Securities (USA) LLC ("TD Securities"); UBS Investment Bank ("UBS Investment"); UBS Securities LLC ("UBS Securities"); Utendahl Capital Partners, L.P. (Acquired by Williams Capital Group, L.P. on or about Jan. 10, 2010) ("Utendahl"); Wachovia Capital Finance (Acquired by Wells Fargo Securities, LLC on Dec. 31, 2008) ("Wachovia Capital"); Wachovia Securities (Acquired by Wells Fargo Securities on Dec. 31, 2008) ("Wachovia Securities"); Wells Fargo Securities, LLC ("Wells Fargo"); Williams Capital Group, L.P. ("Williams Capital"). Where Lehman served as an underwriter, it does not appear on this table.

[2] The shares sold by each Underwriter Defendant in the Series J Offering reflect the 66 million depositary shares sold in the initial offering. On information and belief, each underwriter sold an equivalent percentage of the additional shares sold pursuant to the over-allotment.

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	AMOUNT	PRICE	VOLUME	UNDERWRITER DEFENDANTS[1]	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
					ABN Amro (274,956 shares) BNY (274,956 shares) Charles Schwab (274,956 shares) Fidelity Capital Markets (274,956 shares) HSBC (274,956 shares)		
April 4, 2008 (the "Series P Offering")	7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series P (the "Series P Shares") (52523J453)	4 million Series P Shares	$1,000 per Series P Share	$4,000,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K	Brockton Contributory Retirement System; Police and Fire Retirement System of the City of Detroit
June 12, 2008 (the "Series Q Offering")	8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Series Q Shares") (52520W218)	2 million Series Q Shares	$1,000 per Series Q Share	$2,000,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K	Police and Fire Retirement System of the City of Detroit

APPENDIX A

NOTES/BOND OFFERINGS[3]

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 15, 2007	Medium-Term Notes, Series I (52517P2S9)	$35,000,000		June 12, 2007 Form 8-K	Stacey Oyler
July 19, 2007	6% Notes Due 2012 (52517P4C2)	$1,500,000,000	Calyon ($30 million) ING ($30 million) Mellon ($30 million) Scotia ($30 million) Williams Capital ($30 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Montgomery County Retirement Board
July 19, 2007	6.50% Subordinated Notes due 2017 (524908R36)	$2,000,000,000	Caja Madrid ($30 million) HSBC ($30 million) HVB ($30 million) National ($30 million) Santander ($30 million) Société Générale ($30 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Brockton Contributory Retirement System; Police and Fire Retirement System of the City of Detroit
July 19, 2007	6.875% Subordinated Notes Due 2037 (524908R44)	$1,500,000,000	BBVA ($15 million) BNY ($15 million) CGMI ($15 million) RBS Greenwich ($15 million) RBC Capital ($15 million) SunTrust ($15 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Brockton Contributory Retirement System; Police and Fire Retirement System of the City of Detroit; Alameda County Employees' Retirement Association
July 31, 2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component (524908K25)	$7,775,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Fred Telling

[3] The "issue date" identified for the structured notes herein is the settlement date. The pricing date for the structured notes is typically a few days before the settlement date.

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
August 1, 2007	Partial Principal Protection Notes Linked to a Basket of Global Indices (524908J92)	$1,700,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Stuart Bregman
August 22, 2007	Annual Review Notes with Contingent Principal Protection Linked to an Index (52517P4Y4)	$2,500,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Irwin and Phyllis Ingwer
August 29, 2007	Medium-Term Notes, Series I (52517P4T5)	$1,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	Carla LaGrassa
September 26, 2007	6.2% Notes Due 2014 (52517P5X5)	$2,250,000,000	ANZ ($22.5 million) BBVA ($22.5 million) Cabrera ($22.5 million) CGMI ($22.5 million) Daiwa ($22.5 million) DZ Financial ($22.5 million) Harris Nesbitt ($22.5 million) Mellon ($22.5 million) Mizuho ($22.5 million) Scotia ($22.5 million) Sovereign ($22.5 million) SunTrust ($22.5 million) Utendahl ($22.5 million) Wells Fargo ($22.5 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K	Brockton Contributory Retirement System

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
September 26, 2007	7% Notes Due 2027 (52517P5Y3)	$1,000,000,000	ANZ ($10 million) BBVA ($10 million) Cabrera ($10 million) CGMI ($10 million) Daiwa ($10 million) DZ Financial ($10 million) Harris Nesbitt ($10 million) Mellon ($10 million) Mizuho ($10 million) Scotia ($10 million) Sovereign ($10 million) SunTrust ($10 million) Utendahl ($10 million) Wells Fargo ($10 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K	Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Teamsters Allied Benefit Funds
December 5, 2007	Medium-Term Notes, Series I (5252M0AU1)	$8,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	Francisco Perez
December 7, 2007	Medium-Term Notes, Series I (5252M0AW7)	$3,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	Francisco Perez

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
December 21, 2007	6.75% Subordinated Notes Due 2017 (5249087M6)	$1,500,000,000	ABN Amro ($15 million) ANZ ($15 million) BBVA ($15 million) BNY ($15 million) CGMI ($15 million) CIBC ($15 million) HSBC ($15 million) HVB ($15 million) Mizuho ($15 million) Santander ($15 million) Scotia ($15 million) Siebert ($15 million) SunTrust ($15 million) Wachovia Securities ($15 million) Wells Fargo($15 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K	Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters
December 28, 2007	Medium-Term Notes, Series I (5252M0AY3)	$32,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K	Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer; Stuart Bregman; Irwin and Phyllis Ingwer; Robert Feinerman
January 22, 2008	5.625% Notes Due 2013 (5252M0BZ9)	$4,000,000,000	BBVA ($40 million) BNP Paribas ($40 million) CGMI ($40 million) Commerzbank ($40 million) Daiwa ($40 million) Fortis ($40 million) ING ($40 million) Mellon ($40 million) MR Beal ($40 million) Natixis ($40 million) SG Americas ($40 million) SunTrust ($40 million) Wells Fargo ($40 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K	Brockton Contributory Retirement System; Police and Fire Retirement System of the City of Detroit

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
January 30, 2008	Medium-Term Notes, Series I (5252M0BX4)	$28,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Irwin and Phyllis Ingwer; Robert Feinerman
February 5, 2008	Lehman Notes, Series D (52519FFE6)	$43,895,000	A.G. Edwards BOA Charles Schwab CGMI E. D. Jones Fidelity Capital Incapital Morgan Stanley Muriel Siebert Raymond James RBC Capital UBS Investment Wachovia Securities	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	John Buzanowski
February 14, 2008	Medium-Term Notes, Series I Principal Protected Notes Linked to MarQCuS Portfolio A (USD) Index (5252M0DK0)	$14,600,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Irwin and Phyllis Ingwer
February 20, 2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund (5252M0DH7)	$2,325,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Fred Telling; Stuart Bregman; Irwin and Phyllis Ingwer; Robert Feinerman

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
February 27, 2008	Medium-Term Notes, Series I (5252M0CQ8)	$15,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Irwin and Phyllis Ingwer
March 13, 2008	Medium-Term Notes, Series I (5252M0EH6)	$23,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Robert Feinerman
April 21, 2008	Medium-Term Notes, Series I (5252M0EY9)	$13,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Francisco Perez
April 21, 2008	Medium-Term Notes, Series I (5252M0FA0)	$20,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Steven Ratnow

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
April 24, 2008	6.875% Notes Due 2018 (5252M0FD4)	$2,500,000,000	BOA ($25 million) BNY ($25 million) CGMI ($25 million) DnB NOR ($25 million) HSBC ($25 million) nabCapital ($25 million) Scotia ($25 million) Soveriegn ($25 million) SunTrust ($25 million) TD Securities ($25 million) Wells Fargo ($25 million) Williams Capital ($25 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Government of Guam Retirement Fund
April 29, 2008	Lehman Notes, Series D (52519FFM8)	$7,876,000	A.G. Edwards BOA Charles Schwab CGMI E. D. Jones Fidelity Capital Incapital Morgan Stanley Muriel Siebert Raymond James RBC Capital UBS Investment Wachovia Securities	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Ann Lee
May 7, 2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund (5252M0FR3)	$2,550,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Sydney Ratnow

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
May 9, 2008	7.50% Subordinated Notes Due 2038 (5249087N4)	$2,000,000,000	Cabrera ($20 million) Loop Capital ($20 million) Williams Capital ($20 million)	June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters
May 19, 2008	Medium-Term Notes, Series I (5252M0FH5)	$3,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q	Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer
June 13, 2008	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index (5252M0GM3)	$4,488,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K	Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer

APPENDIX A

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS (EXTENT OF PARTICIPATION)	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 26, 2008	Medium-Term Notes, Series I (5252M0GN1)	$25,000,000		June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K June 16, 2008 Form 8-K	Michael Karfunkel

APPENDIX B

APPENDIX B

UBS-UNDERWRITTEN STRUCTURED PRODUCT OFFERINGS[1,2,3]

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
March 30, 2007	**100% Principal Protection Notes Linked to a Global Index Basket (52520W564) (524908VP2)[4]**	**$32,000,000**	**UBSF**	**March 14, 2007 Form 8-K**	**Mohan Ananda** **Fred Mandell**
March 30, 2007	**Performance Securities with Partial Protection Linked to a Global Index Basket (52520W556) (524908VQ0)[5]**	**$23,500,000**	**UBSF**	**March 14, 2007 Form 8-K**	**Roy Wiegert**
April 30, 2007	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517PY21)**	**$6,000,000**	**UBSF**	**March 14, 2007 Form 8-K** **April 9, 2007 Form 10-Q**	

[1] Where Lehman served as an underwriter, it does not appear on this table.

[2] Offerings in bold represent some form of principal protection.

[3] The "issue date" identified for the structured notes herein is the settlement date. The pricing date for the structured notes is typically a few days before the settlement date.

[4] This offering was issued under CUSIP 52520W564 but was later identified under CUSIP 524908VP2.

[5] This offering was issued under CUSIP 52520W556 but was later identified under CUSIP 524908VQ0.

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
April 30, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517PX63)	$18,900,000	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	Lawrence Rose
April 30, 2007	100% Principal Protection Notes Linked to a Currency Basket (52520W549)	$24,066,340	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	
April 30, 2007	Performance Securities with Partial Protection Linked to a Global Index Basket (52520W515)	$23,000,000	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	Ronald Profili Roy Wiegert
May 31, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517PY62)	$23,000,000	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	
May 31, 2007	100% Principal Protection Callable Daily Range Accrual Notes with Interest Linked to the 10-Year Constant Maturity U.S. Treasury Rate (52517PY70)	$3,233,000	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	
May 31, 2007	100% Principal Protection Notes Linked to a Currency Basket (52520W440)	$12,997,600	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q	Grace Wang Lawrence Rose

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 22, 2007	**100% Principal Protection Notes Linked to a Global Index Basket (52522L202)**	**$18,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K**	
June 29, 2007	**100% Principal Protection Callable Spread DailyAccrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P2P5)**	**$13,240,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K**	**Stephen Gott**
June 29, 2007	**100% Principal Protection Notes Linked to an Asian Currency Basket (52520W390)**	**$10,501,790**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K**	
July 31, 2007	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P3H2)**	**$6,257,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q**	**Stephen Gott**
July 31, 2007	**Performance Securities with Partial Protection Linked to a Global Index Basket (52520W358)**	**$17,008,330**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q**	**Ralph Rosato**
August 31, 2007	Performance Securities with Contingent Protection linked to the S&P 500® Index (52522L129)	$7,232,050	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
August 31, 2007	Performance Securities with Contingent Protection linked to the Dow Jones EURO STOXX 50® Index (52522L137)	$10,115,520	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	
August 31, 2007	Performance Securities with Contingent Protection linked to the Nikkei 225^{SM} Index (52522L145)	$1,762,140	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	
August 31, 2007	**100% Principal Protection Notes Linked to an International Index Basket (52522L186)**	**$8,238,780**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q**	**Mohan Ananda**
August 31, 2007	**100% Principal Protection Notes Linked to a Global Index Basket (52522L889)**	**$16,946,020**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q**	**Mohan Ananda**
September 18, 2007	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index (52522L251)	$13,997,350	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q	
September 28, 2007	Return Optimization Securities Linked to an International Index Basket (52522L236)	$16,785,040	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K	
September 28, 2007	**Performance Securities with Partial Protection Linked to a Global Index Basket (52522L244)**	**$21,821,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K**	**Juan Tolosa**

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
September 28, 2007	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P5K3)**	**$4,680,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K**	**Stephen Gott**
October 12, 2007	**100% Principal Protection Autocallable Absolute Return Barrier Notes Linked to the S&P 500® Index (52522L368)**	**$8,375,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
October 31, 2007	**Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket (52520W341)**	**$32,861,710**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	**Neel Duncan Juan Tolosa**
October 31, 2007	**100% Principal Protection Barrier Notes Linked to FTSE/Xinhua China 25 Index (52522L400)**	**$25,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
October 31, 2007	**Return Optimization Securities with Partial Protection Linked to the S&P 500 Index (52522L293)**	**$38,850,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	**Nick Fotinos**

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
October 31, 2007	Return Optimization Securities Linked to an Index (52522L301)	$7,830,660	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	
October 31, 2007	Return Optimization Securities Linked to an Index (52522L319)	$11,876,070	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	Arthur Simons
October 31, 2007	Return Optimization Securities Linked to an Index (52522L327)	$2,666,260	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	
October 31, 2007	Return Optimization Securities Linked to an Index (52522L335)	$52,814,490	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	Arthur Simons
October 31, 2007	**Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index (52522L384)**	**$3,825,970**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
November 7, 2007	**Return Optimization Securities with Partial Protection Linked to the S&P 500 Index (52522L418)**	**$26,064,470**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
November 14, 2007	**Performance Securities with Partial Protection Linked to an International Index Basket (52522L426)**	**$12,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
November 26, 2007	**Performance Securities with Partial Protection Linked to a Global Index Basket (52522L475)**	**$5,339,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
November 30, 2007	**100% Principal Protection Notes Linked to an Asian Currency Basket (52520W333)**	**$53,027,100**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	**Richard Barrett**
November 30, 2007	**100% Principal Protection Absolute Return Barrier Notes Linked to the MSCI EAFE Index (52522L376)**	**$16,707,020**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	
November 30, 2007	Return Optimization Securities Linked to an International Index Basket (52522L392)	$4,045,800	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q	
November 30, 2007	**Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L459)**	**$29,713,150**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q**	**Lawrence Rose**

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
December 31, 2007	Return Optimization Securities Linked to an International Index Basket (52522L483)	$4,142,300	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K	
December 31, 2007	**Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L491)**	**$36,010,650**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K**	**Fred Mandell**
December 31, 2007	**Performance Securities with Partial Protection Linked to a Global Basket Consisting of Indices and an Index Fund (52522L533)**	**$8,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K**	
January 31, 2008	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P4N8)**	**$20,373,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Lawrence Rose**

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
January 31, 2008	**100% Principal Protection Notes Linked to an Asian Currency Basket (52520W325)**	**$15,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Grace Wang**
January 31, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index (52522L525)**	**$77,681,740**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Stephen Gott Shea-Edwards Limited Partnership Nick Fotinos Mohan Ananda**
February 8, 2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index (52522L657)	$48,310,620	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	Joe Rottman Fred Mandell
February 13, 2008	**Return Optimization Securities with Partial Protection (52522L673)**	**$2,161,670**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
February 13, 2008	**Return Optimization Securities with Partial Protection (52522L699)**	**$1,233,600**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	
February 13, 2008	**Return Optimization Securities with Partial Protection (52522L707)**	**$2,028,100**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	
February 13, 2008	**Return Optimization Securities with Partial Protection (52522L715)**	**$3,538,300**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	
February 13, 2008	**Return Optimization Securities with Partial Protection (52522L723)**	**$3,807,570**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
February 29, 2008	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (5252M0CZ8)**	**$15,827,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Miriam Wolf**
February 29, 2008	Performance Securities Linked to an Asian Currency Basket (52522L632)	$3,380,240	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	
February 29, 2008	**Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index (52522L574)**	**$51,565,320**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Fred Mandell**
February 29, 2008	**Return Optimization Securities with Partial Protection (52522L582)**	**$8,673,630**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
February 29, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index (52522L566)**	**$25,495,180**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Grace Wang**
February 29, 2008	Securities Linked to the Relative Performance of the Consumer Staples Select Sector SPDR® Fund vs. the Consumer Discretionary Select Sector SPDR® Fund (52522L772)	$1,395,500	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K	
February 29, 2008	**100% Principal Protection Notes Linked to an Asian Currency Basket (52523J412)**	**$13,692,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	**Harry Pickle (trustee of Charles Brooks)**
March 7, 2008	**100% Principal Protection Notes Linked to an Asian Currency Basket (52523J420)**	**$5,119,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
March 19, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to the SPDR® S&P® Homebuilders ETF (52523J115)**	**$5,250,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	
March 25, 2008	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund (52523J149)	$5,004,000	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K	
March 28, 2008	**Performance Securities with Partial Protection Linked to a Global Index Basket (52523J131)**	**$10,865,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	
March 31, 2008	**100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (5252M0EK9)**	**$4,522,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
March 31, 2008	**100% Principal Protection Notes Linked to an Asian Currency Basket (52523J438)**	**$12,024,370**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	
March 31, 2008	**Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index (52522L806)**	**$29,567,250**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	**Shea-Edwards Limited Partnership**
March 31, 2008	**Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index (52522L814)**	**$4,314,700**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	**Harry Pickle (trustee of Charles Brooks)**
March 31, 2008	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund (52522L871)	$7,556,450	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K	Shea-Edwards Limited Partnership

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
March 31, 2008	**100% Principal Protection Accrual Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index (5252M0EV5)**	**$1,727,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	
March 31, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index (52522L798)**	**$13,688,610**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	**Barbara Moskowitz**
April 4, 2008	Return Optimization Securities Linked to a Basket of Global Indices (52522L848)	$4,102,500	UBSF	March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K	
April 4, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to a Basket of Global Indices (52522L830)**	**$11,307,500**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
April 23, 2008	**Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices (52523J172)**	**$12,680,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	**Rick Fleischman**
April 30, 2008	**100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 Index (52523J156)**	**$7,368,780**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	
May 12, 2008	**Return Optimization Securities with Partial Protection (52523J503)**	**$5,000,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
May 15, 2008	**Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index (52523J206)**	**$25,009,640**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	**Karim Kano**
May 16, 2008	**Return Optimization Securities with Partial Protection Linked to a Portfolio of Common Stocks (52523J222)**	**$6,958,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	
May 21, 2008	**Performance Securities with Partial Protection Linked to Global Index Basket (52523J214)**	**$5,070,930**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	

APPENDIX B

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
May 30, 2008	**Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index (52523J230)**	**$17,018,280**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q**	**David Kotz**
June 16, 2008	**100% Principal Protection Absolute Return Notes Linked to the Euro/U.S. Dollar Exchange Rate (52520W283)**	**$8,083,300**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	**Ralph Rosato**
June 20, 2008	**100% Principal Protection Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index (5252M0FU6)**	**$2,302,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	

APPENDIX B

ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 30, 2008	**100% Principal Protection Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index (5252M0CD7)**	**$6,833,000**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	
June 30, 2008	**Return Optimization Securities with Partial Protection Linked to the PowerShares WilderHill Clean Energy Portfolio (52523J263)**	**$3,365,520**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	
June 30, 2008	**Return Optimization Securities with Partial Protection (524935129)**	**$6,800,100**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	

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ISSUE DATE	SECURITY (CUSIP)	VOLUME	UNDERWRITER DEFENDANTS	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO OFFERING MATERIALS	PLAINTIFFS
June 30, 2008	**100% Principal Protection Absolute Return Barrier Notes (52523J248)**	**$12,167,700**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	**Ed Davis**
June 30, 2008	**100% Principal Protection Absolute Return Barrier Notes (52523J255)**	**$4,035,700**	**UBSF**	**March 14, 2007 Form 8-K April 9, 2007 Form 10-Q June 12, 2007 Form 8-K July 10, 2007 Form 10-Q September 18, 2007 Form 8-K October 10, 2007 Form 10-Q December 13, 2007 Form 8-K January 29, 2008 Form 10-K March 18, 2008 Form 8-K April 8, 2008 Form 10-Q June 9, 2008 Form 8-K**	**Ed Davis**

APPENDIX C

APPENDIX C

1. CW1, an underwriter in Aurora's correspondent division from late 2006 until April 2008, explained that Aurora offered high-risk products, such as Mortgage Maker, that were better described as "Alt-B," which comprised over half of Aurora's mortgage production by early 2007. CW1 also stated that approximately 80% of the loans s/he underwrote were "stated income" loans, often referred to in the mortgage industry as "liar loans," where the borrowers provided no documentation to support their claimed income.

2. CW2, a Credit Policy Coordinator at Aurora from 2004 until the beginning of 2008, also recalled that Aurora began loan programs in mid-2004 which would be considered subprime, although Aurora did not label them as such, including a program that allowed for loans to be made to borrowers with lower credit scores in the 500s, lower income documentation requirements, and relaxed bankruptcy and mortgage delinquency restrictions.

3. CW3, a Vice President of Credit Policy at Aurora from 2005 until January 2008, explained that Aurora started producing Alt-B products in late 2005, which accepted FICO scores as low as 540. CW3 recalled that even with a FICO score of 560 or 580 and a blemished credit history of recent bankruptcy, a borrower could get a "stated income" loan. Aurora also had products that allowed for financing of the entire purchase price of a home, another high-risk lending practice in which borrowers put no money down.

4. CW4, a Vice President of Credit Policy for Aurora from late 2004 to the fall of 2007, also described how Aurora had numerous no documentation and stated income products. CW4 described that Aurora had a "very, very subprime product" called Expanded Options that started around mid to late 2006 and allowed for credit scores of approximately 540.

5. According to CW5, a Vice President of Aurora from 2002 through the fall of 2007 who was responsible for buying bulk pools of loans from correspondents, Lehman and Aurora were much slower than the rest of the industry to tighten their underwriting guidelines. CW5 said that Lehman had to approve the underwriting guidelines and dictated what Aurora bought from third party lenders. CW5 also corroborated that Aurora's Mortgage Maker product was more of an "Alt-B" product and comprised of over half of Aurora's loan production. CW5 also confirmed that Aurora's repurchase requests to correspondents increased. CW5 described the group working on repurchases at Aurora as "buried" with repurchase work beginning in the fall of 2006. Although Aurora needed the correspondents to repurchase the loans, many were going out of business. According to CW5, there were a lot of outstanding repurchases, including repurchase requests that were two years old. Yet, Aurora continued to do business with the company.

6. CW6, a Transaction Analyst employed by Aurora from the fall of 2005 until April 2008, said that although the loans Aurora purchased were supposed to meet underwriting guidelines, Aurora "made hundreds and hundreds of exceptions" in order "to get the loans through." All the loans from Aurora were signed over to Lehman, and Lehman decided the security category in which to put the loans. CW6 also said that, starting in 2007, Aurora "started to see a lot of loans default. It seemed to just get worse after that." According to CW6, Lehman then began "hiring like crazy" in the loan default area, such as the contract administration department, which was in charge of getting the defaulted loans repurchased by entities from which Aurora had purchased these loans. As the volume of defaults increased, the companies that originally made the loans either refused to buy back the loans or went out of business, so it was a "lost cause" trying to get these defaulted loans repurchased, and they sat on Lehman's books. CW6 learned about these increased loan defaults in meetings and emails.

7. CW7 and CW8, investigators in Aurora's Special Investigations Unit from 2005 until 2008, also corroborated that Aurora bought mortgages from thousands of brokers and originators around the country, including from certain "strategic partners" who produced high volume loans of lesser quality. Even though Aurora had a Quality Control unit, Quality Control only spot checked a small percentage of the loans.

8. CW9, a mortgage fraud analyst for Aurora from January 2007 to January 2008, also found that 30-40% of the 100 to 125 loans that s/he reviewed each month contained false information.

9. Similarly, CW10, a High Risk Specialist/Mortgage Fraud Investigator for Aurora from late 2004 to March 2008, stated that 60-70% of the loans s/he reviewed were determined to contain false information.

10. CW11, who worked on repurchase requests while employed by Aurora from 2004 to early 2008, said that the number of repurchase requests was high while s/he worked in the department. During the last half of 2007, many of the correspondents were unable to honor the repurchase requests, and many were declaring bankruptcy. When Lehman pushed one of its largest correspondents, First Magnus, to repurchase the defaulting and delinquent loans, First Magnus filed for bankruptcy.

11. Likewise, according to CW12, a contract administrator and repurchase coordinator at Aurora from the fall of 2004 to the fall of 2006 who processed Aurora's repurchase claims to correspondents, many of the loans Aurora acquired went into default immediately upon their acquisition. Given the early defaults, Lehman was faced with a large number of repurchase requests from its securitizations. In turn, Aurora attempted to force the parties from which it acquired the loans to repurchase the problem loans. CW12 recalled that many of the originators from which

Aurora bought loans were unable to repurchase problem loans, however, and large amounts of Aurora's repurchase requests to mortgage originators became outstanding, with some delinquent over 400 days. Nonetheless, according to CW12, Aurora continued to buy loans from certain lenders even though they had large numbers of outstanding unpaid repurchase claims.

12. CW13, a managing director in Lehman's contract finance department from 1987 to early 2008, also recalled that repurchase requests increased in 2007 and that Lehman "got stuck" with the loans because counterparties were not able to honor the repurchases. According to CW13, Aurora's "loss management" unit (which reported to CW13) dealt with the various counterparties with respect to repurchases.

13. In addition to making repurchase requests to correspondents, Lehman also received its own repurchase requests from investors who bought non-performing loans from Lehman. According to CW14, a due diligence underwriter who worked almost exclusively with repurchase requests from loan investors while employed at BNC from mid 2005 to October 2007, repurchase requests to Lehman from loan investors like GMAC increased from 2006 to 2007. CW14 also said s/he started seeing problems with Lehman being unable to sell loans in the first or second quarter of 2007.

14. Likewise, CW15, a former manager of the Due Diligence and Repurchase Department at BNC from January 2006 until late 2007, said that Lehman sent repurchase requests to BNC from loan investors such as Citigroup. CW15 noticed a significant increase in repurchase requests in mid 2006, as the market changed and BNC was "bombarded" with requests.

Exhibit 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

AFFIDAVIT OF STEPHEN J. CIRAMI REGARDING (A) MAILING OF THE NOTICES AND CLAIM FORM; (B) PUBLICATION OF THE SUMMARY NOTICE; AND (C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE

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

STEPHEN J. CIRAMI, being duly sworn, deposes and says:

1. I am a Senior Vice President of Operations for The Garden City Group, Inc. ("GCG") located at 1985 Marcus Avenue, Suite 200, Lake Success, New York 11042. Pursuant to the Court's December 15, 2011 Order Concerning Proposed Settlement with the Director and Officer Defendants ("Pretrial Order No. 27") and the Court's December 15, 2011 Order Concerning Proposed Settlement with the Settling Underwriter Defendants ("Pretrial Order No. 28") (collectively, the "Notice Orders"), GCG was appointed as the Claims Administrator in connection with the settlement reached with the director and officer defendants in the above-captioned action (the "D&O Settlement") and the settlements reached with the settling underwriter defendants in the above-captioned action (the "Underwriter Settlement" and,

together with the D&O Settlement, the "Settlements").[1] I have personal knowledge of the facts stated herein.

MAILING OF THE NOTICES AND CLAIM FORM

2. Pursuant to the Notice Orders, GCG has disseminated the Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "D&O Notice"), the Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "UW Notice" and, together with the D&O Notice, the "Notices"), and the Proof of Claim Form ("Claim Form"), along with a cover letter (collectively, the Notices, Claim Form and cover letter are referred to herein as the "Notice Packet") to potential members of the D&O Settlement Class and the UW Settlement Class (together, the "Settlement Classes"). A copy of the Notice Packet is attached hereto as Exhibit A.

TRANSFER AGENT RECORDS

3. In connection with the D&O Settlement, on or about November 28, 2011, GCG received from Lehman's transfer agent, BNY Mellon, 8,278 unique names and addresses of potential members of the Settlement Classes. On January 18, 2012, Notice Packets were disseminated by first-class mail to those 8,278 potential members of the Settlement Classes.

SETTLING UNDERWRITER DEFENDANTS' RECORDS

4. Pursuant to Pretrial Order No. 28, the Settling Underwriter Defendants were to provide information reasonably available to them that, in their judgment, would identify potential

[1] All terms with initial capitalizations not otherwise defined herein shall have the meanings ascribed to them in the Notice Orders.

members of the UW Settlement Class for the purpose of sending notification of the Underwriter Settlement.

5. Toward that end, beginning on or about January 4, 2012, Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb"), counsel for the First Group of Settling Underwriter Defendants began providing names and addresses to GCG. Cleary Gottlieb continued to provide additional names and addresses on a rolling basis. GCG worked with Cleary Gottlieb to resolve issues with the records provided.

6. On January 18 and 19, 2012, Notice Packets were disseminated by first-class mail to 43,385 potential members of the Settlement Classes identified by the First Group of Settling Underwriter Defendants.

7. On January 21, 2012, GCG received from Lead Counsel, 2,030 unique names and addresses that were provided by counsel for the Second Group of Settling Underwriter Defendants, and Notice Packets were promptly disseminated by first-class mail to these potential members of the Settlement Classes.

BROKER MAILING

8. As in most class actions of this nature, the large majority of potential class members are beneficial purchasers whose securities are held in "street name" – *i.e.*, the securities are purchased by brokerage firms, banks, institutions and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. GCG maintains a proprietary database with names and addresses of the largest and most common U.S. banks, brokerage firms, and nominees, including national and regional offices of certain nominees (the "Nominee Database"). GCG's Nominee Database is updated from time to time as new nominees are identified, and others go out of business. At the time of the initial mailing, the Nominee

Database contained 2,189 mailing records. On January 18, 2012, GCG caused the Notice Packet and Cover Letter to Brokers and Nominees to be mailed to the 2,189 mailing records contained in GCG's Nominee Database. A copy of the Cover Letter to Brokers and Nominees is attached hereto as Exhibit B.

9. The Notices informed persons or entities who purchased Lehman Securities (as that term is defined in the Notices) as a nominee for a beneficial owner that they must, within 14 days after receipt of the Notice, either (i) provide the names and addresses of such beneficial owners to the Claims Administrator, or (ii) send a copy of the Notice Packet by first-class mail to such beneficial owners. (*See* D&O Notice at page 8 and UW Notice at page 10.)

10. As of March 6, 2012, GCG has received 753,099 names and addresses of potential members of the Settlement Classes (after exact duplicate mailing records were removed) from individuals or from brokerage firms, banks, institutions and other nominees requesting that Notice Packets be mailed to such persons. Also, GCG has received requests from brokers and other nominee holders for 9,421[2] Notice Packets to be sent to such brokers and nominee holders so that they could forward them to their customers. All such requests have been complied with in a timely manner.

11. As of March 6, 2012, an aggregate of 818,402 Notice Packets were disseminated to potential members of the Settlement Classes by first-class mail. In addition, GCG re-mailed 1,375 Notice Packets to persons whose original mailing was returned by the U.S. Postal Service and for whom updated addresses were provided to GCG by the Postal Service.

[2] This number includes 40 Notice Packets requested by Cleary Gottlieb.

PUBLICATION OF THE SUMMARY NOTICE

12. Pursuant to the Notice Orders, GCG Communications, the media division of GCG, caused the Summary Notice of Pendency of Class Action and Proposed Settlements with the Director and Officer Defendants and Settling Underwriter Defendants, Settlement Fairness Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Summary Notice") to be published once each in *The Wall Street Journal* and in *Investor's Business Daily*. Attached hereto as Exhibit C is the affidavit of Albert Fox, the Advertising Clerk of the Publisher of *The Wall Street Journal*, attesting to the publication of the Summary Notice in that paper on January 30, 2012. Attached hereto as Exhibit D is an affidavit from Stephan Johnson, for the publisher of *Investor's Business Daily*, attesting to the publication of the Summary Notice in that paper on January 30, 2012.

TELEPHONE HOTLINE

13. Beginning on or about January 18, 2012, GCG established and continues to maintain a toll-free telephone number (1-800-505-6901) and interactive voice response system to accommodate inquiries from potential members of the Settlement Classes and to respond to frequently asked questions. The telephone hotline dedicated to the Settlements is accessible 24 hours a day, 7 days a week. Callers to the toll-free telephone number during regular business hours have the option of speaking with a call center representative. All inquiries have been promptly responded to.

WEBSITE

14. GCG established and maintains a website (www.LehmanSecuritiesLitigationSettlement.com) dedicated to the Settlements to assist potential members of the Settlement Classes. The settlement website lists the exclusion, objection, notice of intention to appear and

claim filing deadlines, as well as the date and time of the Court's Settlement Fairness Hearing. Copies of the Stipulations, the Notice Orders, the Third Amended Class Action Complaint for Violations of the Federal Securities Laws, lists of Eligible Securities, and the Notice Packet are posted on the settlement website and may be downloaded by potential members of the Settlement Classes. In addition, the settlement website contains a link to a document with detailed instructions for persons and entities who wish to submit their claims electronically. The address for the settlement website was set forth in the published Summary Notice, the Notices and in the Claim Form. The settlement website became operational on or about January 18, 2012, and is accessible 24 hours a day, 7 days a week.

REPORT ON EXCLUSION REQUESTS RECEIVED

15. The Notices inform potential members of the Settlement Classes that requests for exclusion are to be mailed, addressed to *In re: Lehman Brothers Equity/Debt Securities Litigation,* c/o GCG, Claims Administrator, P.O. Box 9821, Dublin, OH 40317-5721, such that they are received by GCG no later than March 22, 2012. The Notices also set forth the information that must be included in each request for exclusion. GCG has been monitoring all mail delivered to the Post Office Box. As of March 6, 2012, GCG has received 10 requests for exclusion. GCG will submit a supplemental affidavit after the March 22, 2012 deadline to request exclusion that addresses all requests for exclusion received.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Lake Success, New York on March 8, 2012.

Stephen J. Cirami

Sworn to before me this
8th day of March, 2012

Notary Public

VANESSA M. VIGILANTE
Notary Public, State of New York
No. 01VI6143817
Qualified in Queens County
My Commission Expires 4-17-2014

EXHIBIT A

D&O Notice

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

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

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

- Multiple settlements have been reached in the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation*, Nos. 08-CV-5523, 09-MD-2017 (LAK) (S.D.N.Y.) (the "Action"). This notice addresses one of those settlements – the settlement reached with certain of Lehman's directors and officers during the relevant time period (the "D&O Defendants" or the "Individual Defendants").[1] This notice is directed at all persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options ("Lehman Securities") between June 12, 2007 and September 15, 2008, through and inclusive ("Settlement Class Period") and were damaged thereby (the "D&O Class").

- The settlement is comprised of $90,000,000 in cash ("Settlement Amount") plus interest (the "Settlement Fund") for the benefit of the D&O Class. Estimates of average recovery per damaged security are set forth on Appendix D hereto. In addition, as set forth in Question 19 below, Lead Counsel will seek approval for attorneys' fees in the amount not to exceed 17.5% of the Settlement Amount, plus interest thereon, and for reimbursement of Litigation Expenses in an amount not to exceed $2.5 million, plus interest thereon. The total amount of Litigation Expenses awarded by the Court will be paid to Lead Counsel from the settlements in *pro rata* amounts. If the Court approves Lead Counsel's application for attorneys' fees and Litigation Expenses (as set forth in Question 19 below), the average cost per damaged security will be as set forth on Appendix D hereto.

- If the settlement is approved by the Court, it will result in (i) the distribution of the Settlement Fund, minus certain Court-approved fees, costs and expenses as described herein, to investors who submit valid claim forms; (ii) the release of the D&O Defendants (as defined below) and certain other related parties from further lawsuits that are based on, arise out of, or relate in any way to the facts and claims alleged, or that could have been alleged, in the Action; and (iii) the dismissal with prejudice of the D&O Defendants. The settlement also avoids the costs and risks of further litigation against these defendants.

- This settlement does not resolve claims against any other defendants in the Action, and the Action will continue against Lehman Brothers Holdings Inc.'s auditor and the remaining underwriter defendant, UBS Financial Services, Inc. Please Note: This settlement is separate and apart from the proposed settlements Lead Plaintiffs reached with the Settling Underwriter Defendants (the "UW Settlements") for $426,218,000. You should have received a notice for the UW Settlements along with this notice. *See* Question 6 below for more details. You are not automatically in all settlements as they cover different securities in some instances, so you should read both notices to determine if you are eligible to participate in each settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN MAY 17, 2012	The only way to get a payment. Instructions as to how to request a claim form are contained below.
EXCLUDE YOURSELF BY MARCH 22, 2012	Get no payment. The only option that might let you sue the defendants that settled concerning the claims being resolved in this settlement.
OBJECT BY MARCH 22, 2012	Write to the Court about why you don't like the settlement or any aspect thereof.
GO TO A HEARING ON APRIL 12, 2012 AT 4:00 PM	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.

- The Court in charge of this case still has to decide whether to approve the settlement. If it does, it will take time to process all of the claim forms and to distribute payments. Please be patient.

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

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why was this Notice Issued?

A U.S. Court authorized this Notice to inform you about a settlement reached with certain of the defendants (the "D&O Defendants" or "Individual Defendants") in a class action lawsuit. This Notice explains the lawsuit, the settlement and your legal rights and options in connection with the settlement before the Court decides whether to give "final approval" to the settlement. The Honorable Lewis A. Kaplan of the United States District Court for the Southern District of New York is presiding over the case known as *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523, 09-MD-2017 (LAK). The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiffs are referred to as Lead Plaintiffs. The defendants who have agreed to settle (*i.e.*, Richard S. Fuld, Jr., Christopher M. O'Meara, Joseph M. Gregory, Erin Callan, Ian Lowitt, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber) are referred to as the Individual Defendants or the D&O Defendants. The proposed settlement will resolve all claims against the D&O Defendants and certain other released parties only; it will not resolve the claims against E&Y and UBS Financial Services, Inc., which Lead Plaintiffs will continue to pursue. As discussed below in Question 6, Lead Plaintiffs also reached separate proposed settlements with all but one of the underwriter defendants.

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

2. What is this lawsuit about?

The operative complaint in the Action, the Third Amended Class Action Complaint dated April 23, 2010 (the "Complaint"), asserts (i) claims under the Securities Act of 1933 against certain current and/or former Lehman officers and directors, Ernst & Young LLP ("E&Y"), and certain alleged underwriters of certain Lehman offerings, and (ii) claims under the Securities Exchange Act of 1934 against certain former Lehman officers and E&Y. The Complaint alleges, among other things, that during the Settlement Class Period and in connection with the Offering Materials, defendants made misrepresentations and omissions of material facts concerning certain aspects of Lehman's financial results and operations. On September 15, 2008, Lehman Brothers Holdings Inc. filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code and, as a result, is not named as a defendant in this Action. On July 27, 2011, the court issued an order granting the defendants' motions to dismiss regarding certain of the claims in the Complaint and denying the defendants' motions to dismiss with respect to other claims.

3. Why is this a class action?

In a class action lawsuit, one or more persons or entities known as class representatives – in this case the "Lead Plaintiffs" are Alameda County Employees' Retirement Association, Government of Guam Retirement Fund, Northern Ireland Local Government Officers' Superannuation Committee, City of Edinburgh Council as Administering Authority of the Lothian Pension Fund, and Operating Engineers Local 3 Trust Fund – assert legal claims on behalf of all persons and entities with similar legal claims.[2] The Lead Plaintiffs sued on behalf of others who have similar claims. All of these people together are referred to as the "D&O Class" or as "D&O Class Members." One Court resolves the issues for all D&O Class Members, except for any persons or entities who choose to exclude themselves from the D&O Class (*see* Question 17 below), if the Court determines that a class action is an appropriate method to do so.

4. Why is there a settlement?

The D&O Defendants have agreed to settle the Action. The Court did not decide in favor of the Lead Plaintiffs or the D&O Defendants. The Settling Parties disagree on both liability and the amount of damages that could be won if Lead Plaintiffs had prevailed at trial. Specifically, the Settling Parties disagree, among other things, on (1) whether the statements made or facts allegedly omitted were material, false or misleading, (2) whether the D&O Defendants are otherwise liable under the securities laws for those statements or omissions, and (3) the average amount of damages per security, if any, that would be recoverable if Lead Plaintiffs were to prevail. Moreover, there are limitations on the ability of the Individual Defendants to pay a substantial judgment. And, in a recent Bankruptcy Court filing, Lehman Brothers Holding Inc. has stated that, taking into account settlement payments that have been or are contemplated to be made, as well as defense costs that have been or are contemplated to be paid by the Debtors' third party insurers under the Debtors' 2007-08 D&O Policies, the Debtors "anticipate that the limits of liability of the 2007-2008 D&O policies [the insurance policies that have been used to cover this Action] will be fully exhausted by year end." Instead of continuing to litigate the Action, both sides agreed to a settlement. That way, the Settling Parties avoid the cost of a trial, and the people affected – the D&O Class Members – will get compensation. Based upon their investigation and extensive mediation efforts, and after considering (a) the attendant risks of litigation, (b) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation, and (c) the diminishing resources to fund a settlement or an adverse judgment, if any, against the D&O Defendants, Lead Plaintiffs and their lawyers believe that the settlement is in the best interests of the D&O Class Members.

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

5. Are the other defendants included in this settlement?

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

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

Lead Plaintiffs have reached separate settlements with certain of the underwriters (the "Settling Underwriter Defendants") in the total amount of $426,218,000. A separate notice addresses those settlements in detail (the "UW Notice"). If you did not receive a copy of the UW Notice along with this notice, you can obtain a copy by visiting the settlement website listed below or by contacting the claims administrator.

6. What are the UW Settlements and am I included in those settlements?

Lead Plaintiffs have obtained proposed cash settlements with the Settling Underwriter Defendants in the total amount of $426,218,000, which are separate and apart from the proposed settlement with the D&O Defendants. You should have received a similar notice explaining the UW Settlements along with this notice. If you are a D&O Class Member you may also be a class member for purposes of the UW Settlements and you may be eligible to participate in the UW settlements as well, but that depends on what securities you purchased and you should review both notices to determine if you are eligible to participate in each settlement.

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

WHO IS IN THE SETTLEMENT

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

7. How do I know if I am part of the settlement?

Judge Kaplan has determined that everyone who fits the following description is a D&O Class Member, unless you are excluded from the D&O Class as described in Question 8 below: ***All persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A hereto pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B hereto pursuant to or traceable to the Shelf Registration Statement and who were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options between June 12, 2007 and September 15, 2008 through and inclusive, and who were damaged thereby.***

8. Are there exceptions to being included?

Yes. Excluded from the D&O Class are: (i) Defendants, (ii) Lehman, (iii) the executive officers and directors of each Defendant or Lehman, (iv) any entity in which Defendants or Lehman have or had a controlling interest, (v) members of Defendants' immediate families, and (vi) the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded are any persons or entities who timely and validly request exclusion from the D&O Class as set forth in this Notice.

9. I'm still not sure if I'm included.

If you are not sure whether you are a D&O Class Member, you may visit www.LehmanSecuritiesLitigationSettlement.com or you can contact the Claims Administrator for the settlement, GCG, by writing to *In Re: Lehman Brothers Equity/Debt Securities Litigation*, c/o GCG, P.O. Box 9821, Dublin, OH 43017-5721 or by calling (800) 505-6901. You may also want to contact your broker to see if you bought the Lehman Securities eligible to participate in the settlement.

THE SETTLEMENT BENEFITS – WHAT YOU GET

10. What does the settlement provide?

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

11. How much will my payment be?

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

All Claim Forms must be postmarked no later than May 17, 2012 addressed as follows:

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

Unless otherwise ordered by the Court, any D&O Class Member who fails to submit a properly completed and signed Claim Form within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the settlement, but will in all other respects be subject to the provisions of the Stipulation of Settlement and Release dated October 14, 2011 (the "Stipulation") entered into by the Settling Parties and the final judgment entered by the Court.

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

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

12. What am I giving up as part of the settlement?

If the settlement is approved by the Court and becomes final, you will be releasing the D&O Defendants (as set forth in Question 1 above) and certain parties related to the D&O Defendants (*i.e.*, the "Released Parties" as set forth in paragraph 1(hh) of the Stipulation) for all of the Settled Claims defined in paragraph 1(jj) of the Stipulation. These claims are called "Settled Claims" and are those brought in this case or that could have been raised in the case, as fully defined in the Stipulation. The Stipulation is available at www.LehmanSecuritiesLitigationSettlement.com. The Stipulation describes the Settled Claims with specific description, in necessarily accurate legal terminology, so please read it carefully.

The Settling Parties will also seek, among other things, a judgment reduction order in connection with the Judgment in the Action. A judgment reduction order generally reduces the liability of non-settling defendants and/or certain other parties for common damages by the greater of the settlement amount paid by or on behalf of the settling defendants for common damages or the percentage share of responsibility of the settling defendants for common damages.[3]

13. How can I get a payment?

If you are a D&O Class Member you will need to submit a Claim Form and the necessary supporting documentation to establish your potential eligibility to share in the Net Settlement Fund. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator, www.LehmanSecuritiesLitigationSettlement.com, to request that a Claim Form be mailed to you. Submitting a Claim Form does not necessarily guarantee that you will receive a payment. Please refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the Settlement Fund will be allocated.

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

14. When will I get my payment?

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

EXCLUDING YOURSELF FROM THE SETTLEMENT

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

[3] The Settling Parties will also seek to include in the Judgment a "bar order" that will, among other things, bar certain claims for contribution and indemnification against or by the Settling Defendants and/or certain other related parties. The bar order typically does not apply to Settlement Class Members.

15. If I exclude myself, can I get money from this settlement?

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

16. If I do not exclude myself, can I sue later?

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

17. How do I get out of the settlement?

To exclude yourself from the D&O Class, you must send a letter by mail saying that you want to be excluded from the D&O Class in the *In re Lehman Brothers Equity/Debt Securities Litigation – D&O Settlement*, Case Nos. 08-CV-5523, 09-MD-2017 (LAK). Be sure to include your name, address, telephone number and your signature. You must also include information concerning your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities during the Settlement Class Period. The request for exclusion must be signed by the person or entity requesting exclusion, and provide a telephone number for that person or entity. Requests for exclusion will not be valid if they do not include the information set forth above. You must mail your exclusion request so that it is **received** no later than March 22, 2012 to:

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

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

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

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

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

19. How will the lawyers be paid?

Lead Counsel have not received any payment for their services in pursuing claims against the D&O Defendants on behalf of the D&O Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the settlement, Lead Counsel intend to apply to the Court for an award of attorneys' fees, as compensation for investigating the facts, litigating the case and negotiating the settlement, on behalf of all Plaintiffs' Counsel not to exceed 17.5% of the Settlement Amount, plus interest thereon. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed $2.5 million, plus interest thereon. The total amount of Litigation Expenses awarded by the Court will be paid to Lead Counsel from the settlements in *pro rata* amounts. Litigation Expenses may include reimbursement of the expenses of Lead Plaintiffs in accordance with 15 U.S.C. § 78u-4(a)(4). The Court may award less than the requested amounts. Any payments to the attorneys for fees or expenses, now or in the future, will first be approved by the Court.

OBJECTING TO THE SETTLEMENT

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

20. How do I tell the Court if I don't like the settlement?

If you are a D&O Class Member, you can object to the settlement if you don't like any part of it. To object, you must send a letter saying that you object to the settlement in the *In re Lehman Brothers Equity/Debt Securities Litigation – D&O Settlement*, Case Nos. 08-CV-5523, 09-MD-2017 (LAK) and the reasons why you object to the settlement. Be sure to include your name, address, telephone number and your signature. You must also include information concerning all of your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities during the Settlement Class Period to confirm that you are a member of the D&O Class, including brokerage confirmation receipts or other competent documentary evidence of such transactions. The objection must include a written statement of all grounds for an objection accompanied by any legal support for the objection; copies of any papers, briefs or other documents upon which the objection is based; a list of all persons who will be called to testify in support of the objection; a statement of whether the objector intends to appear at the Fairness Hearing; a list of other cases in which the objector or the objector's counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and the objector's signature, even if represented by counsel. If you are not a member of the D&O Class, you cannot object to the settlement as it does not affect you. Any objection to the settlement must be **received** by *each of the following* by **March 22, 2012**:

CLERK OF THE COURT	LEAD COUNSEL	REPRESENTATIVE COUNSEL FOR THE INDIVIDUAL DEFENDANTS
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK Clerk of the Court 500 Pearl Street New York, NY 10007	BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP David Stickney 12481 High Bluff Drive, Suite 300 San Diego, CA 92130-3582 KESSLER TOPAZ MELTZER & CHECK, LLP David Kessler John Kehoe 280 King of Prussia Road Radnor, PA 19087	DECHERT LLP Adam J. Wasserman 1095 Avenue of the Americas New York, NY 10036

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

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

THE COURT'S FAIRNESS HEARING

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

22. When and where will the Court decide whether to approve the settlement?

The Court will hold a fairness hearing at 4:00 p.m., on April 12, 2012, before the Honorable Lewis A. Kaplan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St, New York, NY 10007, Courtroom 12D. At this hearing, the Court will consider whether the settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Kaplan will listen to people who have asked to speak at the hearing. Judge Kaplan may also consider Lead Counsel's application for attorneys' fees and Litigation Expenses at this time. The fairness hearing may occur on a different date without additional notice, so it is a good idea to check www.LehmanSecuritiesLitigationSettlement.com for updated information.

23. Do I have to come to the fairness hearing?

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

24. May I speak at the fairness hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in the *In re Lehman Brothers Equity/Debt Securities Litigation*, Case Nos. 08-CV-5523, 09-MD-2017 (LAK)." Be sure to include your name, address, telephone number, your signature, and also identify your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities during the Settlement Class Period. Your notice of intention to appear must be received no later than March 22, 2012, and must be sent to the Clerk of the Court, Lead Counsel, and Representative Counsel for the Individual Defendants, at the addresses listed in Question 20 above. You cannot speak at the hearing if you exclude yourself from the D&O Class.

IF YOU DO NOTHING

25. What happens if I do nothing at all?

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

GETTING MORE INFORMATION

26. How do I get more information?

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

INFORMATION FOR BROKERS AND OTHER NOMINEES

27. What if I bought Lehman Securities for a beneficial owner?

If you bought Lehman Securities as a nominee for a beneficial owner as described in the first bullet point on page 1 above, the Court has directed that, **within fourteen (14) days after you receive the Notice**, you must either:

(1) provide the names and addresses of such persons and entities to the Claims Administrator, GCG, and GCG will send a copy of the Notice and Claim Form to the beneficial owners; or

(2) send a copy of the Notice and Claim Form by first class mail to the beneficial owners of such Lehman Securities. You can request copies of these documents by contacting the Claims Administrator or print and download copies by going to www.LehmanSecuritiesLitigationSettlement.com.

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

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

Dated: January 18, 2012

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

Appendix A

ISSUE DATE	SECURITY (CUSIP)
June 9, 2008 February 5, 2008 (the "Series J Offering")	Common Stock (524908100) 7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares") (52520W317)
April 4, 2008 (the "Series P Offering")	7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series P (the "Series P Shares") (52523J453)
June 12, 2008 (the "Series Q Offering")	8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Series Q Shares") (52520W218)
June 15, 2007	Medium-Term Notes, Series I (52517P2S9)
July 19, 2007	6% Notes Due 2012 (52517P4C2)
July 19, 2007	6.50% Subordinated Notes due 2017 (524908R36)
July 19, 2007	6.875% Subordinated Notes Due 2037 (524908R44)
July 31, 2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component (524908K25)
August 1, 2007	Partial Principal Protection Notes Linked to a Basket of Global Indices (524908J92)
August 22, 2007	Annual Review Notes with Contingent Principal Protection Linked to an Index (52517P4Y4)
August 29, 2007	Medium-Term Notes, Series I (52517P4T5)
September 26, 2007	6.2% Notes Due 2014 (52517P5X5)
September 26, 2007	7% Notes Due 2027 (52517P5Y3)
December 5, 2007	Medium-Term Notes, Series I (5252M0AU1)
December 7, 2007	Medium-Term Notes, Series I (5252M0AW7)

December 21, 2007	6.75% Subordinated Notes Due 2017 (5249087M6)
December 28, 2007	Medium-Term Notes, Series I (5252M0AY3)
January 22, 2008	5.625% Notes Due 2013 (5252M0BZ9)
January 30, 2008	Medium-Term Notes, Series I (5252M0BX4)
February 5, 2008	Lehman Notes, Series D (52519FFE6)
February 14, 2008	Medium-Term Notes, Series I Principal Protected Notes Linked to MarQCuS Portfolio A (USD) Index (5252M0DK0)
February 20, 2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund (5252M0DH7)
February 27, 2008	Medium-Term Notes, Series I (5252M0CQ8)
March 13, 2008	Medium-Term Notes, Series I (5252M0EH6)
April 21, 2008	Medium-Term Notes, Series I (5252M0EY9)
April 21, 2008	Medium-Term Notes, Series I (5252M0FA0)
April 24, 2008	6.875% Notes Due 2018 (5252M0FD4)
April 29, 2008	Lehman Notes, Series D (52519FFM8)
May 7, 2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund (5252M0FR3)
May 9, 2008	7.50% Subordinated Notes Due 2038 (5249087N4)
May 19, 2008	Medium-Term Notes, Series I (5252M0FH5)
June 13, 2008	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index (5252M0GM3)
June 26, 2008	Medium-Term Notes, Series I (5252M0GN1)

Appendix B

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

October 31, 2007	Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket (52520W341)
October 31, 2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index (52522L293)
October 31, 2007	Return Optimization Securities Linked to an Index (52522L319)
October 31, 2007	Return Optimization Securities Linked to an Index (52522L335)
November 30, 2007	100% Principal Protection Notes Linked to an Asian Currency Basket (52520W333)
November 30, 2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L459)
December 31, 2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index (52522L491)
January 31, 2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P4N8)
January 31, 2008	100% Principal Protection Notes Linked to an Asian Currency Basket (52520W325)
January 31, 2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index (52522L525)
February 8, 2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index (52522L657)
February 29, 2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (5252M0CZ8)
February 29, 2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index (52522L574)
February 29, 2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index (52522L566)

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

Appendix C

PLAN OF ALLOCATION FOR THE D&O NET SETTLEMENT FUND

A. Preliminary Matters

Pursuant to the settlement reached with the D&O Defendants (the "D&O Settlement"), the D&O Defendants have caused to be paid $90 million in cash (the "D&O Settlement Amount"). The D&O Settlement Amount and the interest earned thereon is the "D&O Gross Settlement Fund." The D&O Gross Settlement Fund, after deduction of Court-approved attorneys' fees and Litigation Expenses, notice and administration expenses, and taxes and tax expenses, is the "D&O Net Settlement Fund." The D&O Net Settlement Fund will be distributed to D&O Class Members who are entitled to share in the distribution, who submit timely and valid Proofs of Claim ("Authorized Claimants"), and whose payment from the D&O Net Settlement Fund equals or exceeds fifty dollars ($50.00).

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

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

Any Orders regarding any modification of the D&O Plan of Allocation will be posted on the settlement website, www.LehmanSecuritiesLitigationSettlement.com. Court approval of the D&O Settlement is independent from Court approval of the D&O Plan of Allocation. Any determination with respect to the D&O Plan of Allocation will not affect the D&O Settlement, if approved.

Each person or entity claiming to be an Authorized Claimant will be required to submit a Proof of Claim Form ("Claim Form"), signed under penalty of perjury and supported by such documents as specified in the Claim Form, postmarked on or before May 17, 2012 to the address set forth in the accompanying Claim Form.

If you are entitled to a payment from the D&O Net Settlement Fund, your share of the D&O Net Settlement Fund will depend on, among other things, (i) the total amount of Recognized Claims resulting from valid Claim Forms submitted, (ii) the type and amount of Lehman securities you purchased, acquired and/or sold during the Settlement Class Period, and (iii) the dates on which you purchased, acquired and/or sold such Eligible Securities (as defined below).

By following the D&O Plan of Allocation below, you can calculate your "Overall Recognized Claim." The Claims Administrator will distribute the D&O Net Settlement Fund according to the D&O Plan of Allocation after the deadline for submission of Claim Forms has passed and upon a motion to the Court. **At this time, it is not possible to make any determination as to how much a D&O Class Member may receive from the D&O Settlement.**

Unless the Court otherwise orders, any D&O Class Member who fails to submit a Claim Form by the deadline, and who does not request exclusion from the D&O Class in accordance with the requirements set forth in Question 17 of the Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "D&O Notice") shall be forever barred from receiving payments pursuant to the D&O Settlement but will in all other respects remain a D&O Class Member and be subject to the provisions of the Stipulation of Settlement and Release dated October 14, 2011 and the D&O Settlement embodied therein, including the terms of any judgments entered and releases given.

B. Definitions

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

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

2. "Deflation" means the amount by which the price of a put option was underpriced on each day of the Settlement Class Period because of the alleged misrepresentations as determined by Lead Plaintiffs' damages consulting expert.

3. "Distribution Amount" is the actual amount to be distributed to an Authorized Claimant from the D&O Net Settlement Fund.

4. "Inflation" is the amount by which the price of Lehman common stock and exchange-traded call options were overpriced on each day of the Settlement Class Period as determined by Lead Plaintiffs' damages consulting expert.

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

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

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

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

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

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

C. Eligible Securities

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

- Common stock purchased during the Settlement Class Period;
- Preferred stock listed on Exhibit 2;
- Senior unsecured notes (including "Principal Protected" Notes and other Structured Notes) and subordinated notes listed on Exhibit 3; and
- Exchange-traded call and put options listed on Exhibit 4.

FIFO Matching: If a D&O Class Member has more than one purchase/acquisition or sale of Eligible Securities, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis, such that sales will be matched against purchases/acquisitions of the same security in chronological order, beginning first with the opening positions, if any, and then with the earliest purchase/acquisition made during the Settlement Class Period. Note: Short sales and purchases to cover short sales (whether they occurred before, during, or after the Settlement Class Period) are not included when calculating an Authorized Claimant's Recognized Loss or Recognized Gain. Short sales and purchases to cover short sales are, however, included when calculating an Authorized Claimant's Trading Losses/Gains.

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

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

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

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

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

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

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

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

For each share of Lehman common stock purchased/acquired during the Settlement Class Period (other than common stock purchased or acquired in the Secondary Offering), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

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

b) *if sold between June 9, 2008 and September 11, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase *minus* the inflation per share on the date of sale (as shown on Exhibit 1);

c) *if held as of the close of trading on September 11, 2008*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase (as shown on Exhibit 1).[4]

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

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

a) *if sold between June 9, 2008 and October 28, 2008 (inclusive),* the Recognized Loss or Recognized Gain is $28 per share (*i.e.*, the offering price per share) *minus* the sale price per share;

b) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is $28 per share (*i.e.*, the offering price per share) *minus* the greater of (i) the sale price per share or (ii) $0.06 per share (*i.e.*, the closing price per share on October 28, 2008);

c) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is $28 per share (*i.e.*, the offering price per share) *minus* $0.06 per share (*i.e.*, the closing price per share on October 28, 2008).

F. Recognized Losses for Lehman Preferred Stock

For Lehman Preferred Stock listed on Exhibit 2 purchased/acquired on or before September 15, 2008, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

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

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

b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase price per share (not to exceed the respective issue price per share as shown on Exhibit 2) *minus* the sale price per share;

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

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

G. Recognized Losses for Lehman Senior Unsecured Notes (including "Principal Protected" Notes and other Structured Notes) and Subordinated Notes

For Lehman Senior Unsecured Notes (including "Principal Protected" Notes and other Structured Notes) and Subordinated Notes listed on Exhibit 3 purchased/acquired on or before September 15, 2008, the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

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

b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase price per note (not to exceed the respective issue price per note as shown on Exhibit 3) *minus* the sale price per note;

c) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is the purchase price per note (not to exceed the respective issue price per note as shown on Exhibit 3) *minus* the greater of (i) the sale price per note or (ii) the respective closing price per note on October 28, 2008 as shown on Exhibit 3;

d) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is the purchase price per note (not to exceed the respective issue price per note as shown on Exhibit 3) *minus* the closing price per note on October 28, 2008 as shown on Exhibit 3.

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

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

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

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

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

Exhibit 4 displays the amount of Inflation in the prices of Lehman exchange-traded call options and Deflation in the prices of Lehman exchange-traded put options during the Settlement Class Period that have expiration dates on or after June 9, 2008 as well as the price as of the close of business on September 12, 2008 for each option.

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

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

1. Purchase/Acquisition of Exchange-Traded Call Options

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

a) *if sold, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;

b) *if sold, exercised or expired after June 6, 2008 but on or before September 11, 2008*, the Recognized Loss or Recognized Gain equals the difference between the Inflation per option on the date of purchase and the Inflation per option on the date of sale, exercise or expiration as shown on Exhibit 4;

c) *if held as of the close of trading on September 11, 2008*, the Recognized Loss or Recognized Gain equals the Inflation per option on the date of purchase as shown on Exhibit 4.

2. Sale of Exchange-Traded Put Options

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

a) *if re-purchased, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;

b) *if re-purchased, exercised or expired after June 6, 2008 but on or before September 11, 2008*, the Recognized Loss or Recognized Gain equals the difference between the Deflation per option on the date of sale or writing and the Deflation per option on the date of re-purchase, exercise or expiration as shown on Exhibit 4;

c) *if still sold or written as of the close of trading on September 11, 2008*, the Recognized Loss or Recognized Gain equals the Deflation per option on the date of sale or writing as shown on Exhibit 4.

I. Distribution Amount

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

Payments made pursuant to this D&O Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No Person shall have any claim against the Named Plaintiffs, Plaintiffs' Counsel, the D&O Defendants and their respective counsel or any other Released Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the D&O Plan of Allocation approved by the Court, or further orders of the Court. Named Plaintiffs, the D&O Defendants and their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the D&O Gross Settlement Fund, the D&O Net Settlement Fund, the D&O Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the D&O Gross Settlement Fund, or any losses incurred in connection therewith.

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

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

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

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

Exhibit 1
Daily Inflation in Lehman Common Stock

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

Exhibit 2
Lehman Preferred Stock

Security CUSIP	Series	Issue Date	Issue Price	Fixed Coupon	Total Face Value	Closing Price on October 28, 2008
52523J453	P	4/4/2008	$1,000	7.25%	$4,000,000,000	$1.15
52520W317	J	2/5/2008	$25	7.95%	$1,897,500,000	$0.01
52520W218	Q	6/12/2008	$1,000	8.75%	$2,000,000,000	$0.50

Exhibit 3
Lehman Senior Unsecured Notes and Subordinated Notes

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52520W564 524908VP2	3/30/2007	100% Principal Protection Notes Linked to a Global Index Basket*	$10.00	$10.00	$1.21[2]
52520W556 524908VQ0	3/30/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	$10.00	$10.00	$1.21[2]
52517PX63	4/30/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
52520W515	4/30/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	$10.00	$10.00	$1.21[2]
52520W440	5/31/2007	100% Principal Protection Notes Linked to a Currency Basket*	$10.00	$10.00	$1.21[2]
52517P2S9	6/15/2007	Medium-Term Notes, Series I	$1,000.00	$1,000.00	$120.96[2]
52517P2P5	6/29/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
52517P4C2	7/19/2007	6% Notes Due 2012	$1,000.00	$998.98	$120.00[1]
524908R36	7/19/2007	6.50% Subordinated Notes Due 2017	$1,000.00	$998.26	$60.00
524908R44	7/19/2007	6.875% Subordinated Notes Due 2037	$1,000.00	$992.97	$60.00
524908K25	7/31/2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component*	$1,000.00	$1,000.00	$120.96[2]
52517P3H2	7/31/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
524908J92	8/1/2007	Partial Principal Protection Notes Linked to a Basket of Global Indices*	$1,000.00	$1,000.00	$120.96[2]
52517P4Y4	8/22/2007	Annual Review Notes with Contingent Principal Protection Linked to an Index	$1,000.00	$1,000.00	$120.96[2]
52517P4T5	8/29/2007	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00	$120.96[2]
52522L889	8/31/2007	100% Principal Protection Notes Linked to a Global Index Basket*	$10.00	$10.00	$1.21[2]
52522L186	8/31/2007	100% Principal Protection Notes Linked to an International Index Basket*	$10.00	$10.00	$1.21[2]
52517P5X5	9/26/2007	6.2% Notes Due 2014	$1,000.00	$999.16	$122.50[1]
52517P5Y3	9/26/2007	7% Notes Due 2027	$1,000.00	$998.08	$125.00[1]
52522L244	9/28/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	$10.00	$10.00	$1.21[2]
52517P5K3	9/28/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
52522L335	10/31/2007	Return Optimization Securities Linked to an Index	$10.00	$10.00	$1.21[2]
52522L319	10/31/2007	Return Optimization Securities Linked to an Index	$10.00	$10.00	$1.21[2]

Exhibit 3

Lehman Senior Unsecured Notes and Subordinated Notes

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52522L293	10/31/2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index*	$10.00	$10.00	$1.21[2]
52520W341	10/31/2007	Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket*	$10.00	$10.00	$1.21[2]
52520W333	11/30/2007	100% Principal Protection Notes Linked to an Asian Currency Basket*	$10.00	$10.00	$1.21[2]
52522L459	11/30/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index*	$10.00	$10.00	$1.21[2]
5252M0AU1	12/5/2007	Medium-Term Notes, Series I	$1,000.00	$1,000.00[4]	$120.96[2]
5252M0AW7	12/7/2007	Medium-Term Notes, Series I	$1,000.00	$1,000.00[3]	$120.96[2]
5249087M6	12/21/2007	6.75% Subordinated Notes Due 2017	$1,000.00	$999.26	$60.00
5252M0AY3	12/28/2007	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00	$120.96[2]
52522L491	12/31/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index*	$10.00	$10.00	$1.21[2]
5252M0BZ9	1/22/2008	5.625% Notes Due 2013	$1,000.00	$995.44	$111.00[1]
5252M0BX4	1/30/2008	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00	$120.96[2]
52522L525	1/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index*	$10.00	$10.00	$1.21[2]
52517P4N8	1/31/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
52520W325	1/31/2008	100% Principal Protection Notes Linked to an Asian Currency Basket*	$10.00	$10.00	$1.21[2]
52519FFE6	2/5/2008	Lehman Notes, Series D	$1,000.00[5]	$1,000.00	$120.96[2]
52522L657	2/8/2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index	$10.00	$10.00	$1.21[2]
5252M0DK0	2/14/2008	Medium-Term Notes, Series I Principal Protection Notes Linked to MarQCuS Portfolio A (USD) Index*	$100,000.00	$100,000.00	$12,096.00[2]
5252M0DH7	2/20/2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund	$1,000.00	$1,000.00	$120.96[2]
5252M0CQ8	2/27/2008	Medium-Term Notes, Series I	$1,000.00	$1,000.00[3]	$120.96[2]
52522L574	2/29/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index*	$10.00	$10.00	$1.21[2]
52522L566	2/29/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index*	$10.00	$10.00	$1.21[2]
5252M0CZ8	2/29/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	$1,000.00	$1,000.00	$120.96[2]
52523J412	2/29/2008	100% Principal Protection Notes Linked to an Asian Currency Basket*	$10.00	$10.00	$1.21[2]
5252M0EH6	3/13/2008	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00	$120.96[2]
52522L871	3/31/2008	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund	$10.00	$10.00	$1.21[2]

Exhibit 3
Lehman Senior Unsecured Notes and Subordinated Notes

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52522L806	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index*	$10.00	$10.00	$1.21[2]
52522L798	3/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index*	$10.00	$10.00	$1.21[2]
52522L814	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index*	$10.00	$10.00	$1.21[2]
5252M0FA0	4/21/2008	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00[3]	$120.96[2]
5252M0EY9	4/21/2008	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00[3]	$120.96[2]
52523J172	4/23/2008	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices*	$10.00	$10.00	$1.21[2]
5252M0FD4	4/24/2008	6.875% Notes Due 2018	$1,000.00	$996.69	$126.30[1]
52519FFM8	4/29/2008	Lehman Notes, Series D	$1,000.00[5]	$1,000.00	$120.96[2]
5252M0FR3	5/7/2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	$1,000.00	$1,000.00	$120.96[2]
5249087N4	5/9/2008	7.50% Subordinated Notes Due 2038	$1,000.00	$992.79	$60.00
52523J206	5/15/2008	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index*	$10.00	$10.00	$1.21[2]
5252M0FH5	5/19/2008	Medium-Term Notes, Series I	$1,000.00	$1,000.00[3]	$120.96[2]
52523J230	5/30/2008	Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index*	$10.00	$10.00	$1.21[2]
5252M0GM3	6/13/2008	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index	$1,000.00	$1,000.00	$120.96[2]
5252M0GN1	6/26/2008	Medium-Term Notes, Series I	$1,000.00[5]	$1,000.00	$120.96[2]
52523J248	6/30/2008	100% Principal Protection Absolute Return Barrier Notes*	$10.00	$10.00	$1.21[2]
52523J255	6/30/2008	100% Principal Protection Absolute Return Barrier Notes*	$10.00	$10.00	$1.21[2]

1 Actual Closing Price Per Note on October 28, 2008.
2 Because reliable pricing data was not available for this security, the average of Closing Prices for five Notes (CUSIP Nos. 52517P4C2, 52517P5X5, 52517P5Y3, 5252M0BZ9, and 5252M0FD4) on October 28, 2008 for which reliable pricing data was available was utilized.
3 Issue Price based on information from Bloomberg only because Issue Price information not available in Securities and Exchange Commission ("SEC") filings.
4 Issue Price assumed to be $1,000 because no information available on Bloomberg or in SEC filings.
5 Issue date information unavailable for these securities. Par Amount assumed to be $1,000 per note.
*Notes identified as having full or partial principal protection in documents filed in conjunction with the offerings.

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Call	2.50	6/21/2008	595.23	424.22	213.72	27.56	-167.38	-53.18	0.00								
Call	5.00	6/21/2008	593.80	423.20	213.07	27.24	-167.16	-53.15	0.00								
Call	7.50	6/21/2008	587.36	418.29	209.98	25.93	-165.61	-52.88	0.00								
Call	10.00	6/21/2008	573.89	407.84	203.61	23.65	-161.50	-52.01	0.00								
Call	12.50	6/21/2008	553.86	392.23	194.37	20.92	-154.51	-50.32	0.00								
Call	15.00	6/21/2008	559.24	396.80	198.61	25.63	-148.36	-48.95	0.00								
Call	17.50	6/21/2008	535.89	376.86	184.74	18.84	-141.29	-48.26	0.00								
Call	20.00	6/21/2008	519.82	365.74	174.05	11.11	-128.90	-45.58	0.00								
Call	21.00	6/21/2008						-43.92	0.00								
Call	22.50	6/21/2008	485.60	338.05	156.79	2.02	-109.97	-41.06	0.00								
Call	24.00	6/21/2008				-2.22	-94.49	-36.78	0.00								
Call	25.00	6/21/2008	419.12	280.05	119.50	-4.69	-82.66	-33.23	0.00								
Call	26.00	6/21/2008				-7.61	-69.68	-28.86	0.00								
Call	27.00	6/21/2008	347.44	219.50	84.14	-8.36	-55.96	-23.83	0.00								
Call	28.00	6/21/2008	310.06	188.61	68.73	-7.35	-42.70	-18.52	0.00								
Call	29.00	6/21/2008	275.42	160.93	57.68	-3.16	-31.03	-13.68	0.00								
Call	30.00	6/21/2008	237.93	131.47	45.59	-1.17	-22.11	-9.24	0.00								
Call	31.00	6/21/2008	200.81	102.93	34.15	-1.29	-14.83	-6.60	0.00								
Call	32.00	6/21/2008	165.66	76.99	23.51	-2.74	-5.95	-4.03	0.00								
Call	33.00	6/21/2008	138.14	58.68	18.08	-1.85	-4.00	-2.75	0.00								
Call	34.00	6/21/2008	113.79	43.65	13.90	-1.24	-2.70	-1.88	0.00								
Call	35.00	6/21/2008	91.57	30.67	9.79	-0.75	-1.57	-1.13	0.00								
Call	36.00	6/21/2008	70.77	18.70	3.92	-0.22	-0.35	-0.28	0.00								
Call	37.00	6/21/2008	58.02	14.33	2.91	-0.14	-0.23	-0.19	0.00								
Call	38.00	6/21/2008	56.45	20.35	5.03	-0.25	-0.62	-0.44	0.00								
Call	39.00	6/21/2008	43.15	13.99	3.20	-0.13	-0.31	-0.23	0.00								
Call	40.00	6/21/2008	32.65	9.44	1.99	-0.07	-0.15	-0.11	0.00								
Call	41.00	6/21/2008	24.98	6.49	1.27	-0.04	-0.08	-0.06	0.00								
Call	42.00	6/21/2008	19.58	4.64	0.86	-0.02	-0.04	-0.03	0.00								
Call	43.00	6/21/2008	13.86	2.79	0.46	-0.01	-0.02	-0.01	0.00								
Call	44.00	6/21/2008	12.37	2.48	0.42	-0.01	-0.02	-0.01	0.00								
Call	45.00	6/21/2008	9.60	1.74	0.28	0.00	-0.01	-0.01	0.00								
Call	46.00	6/21/2008	6.83	1.06	0.15	0.00	0.00	0.00	0.00								
Call	47.00	6/21/2008	2.50	0.21	0.02	0.00	0.00	0.00	0.00								
Call	48.00	6/21/2008	1.04	0.05	0.00	0.00	0.00	0.00	0.00								
Call	49.00	6/21/2008	0.04	0.00	0.00	0.00	0.00	0.00	0.00								
Call	50.00	6/21/2008	0.01	0.00	0.00	0.00	0.00	0.00	0.00								
Call	2.50	7/19/2008	595.27	424.25	213.74	27.57	-167.39	-53.18	0.00								
Call	5.00	7/19/2008	592.74	422.21	212.43	27.06	-166.48	-52.98	0.00								
Call	7.50	7/19/2008	577.78	410.63	205.78	25.38	-160.96	-51.55	0.00								
Call	10.00	7/19/2008	573.55	408.03	205.84	28.34	-156.73	-50.82	0.00								
Call	12.50	7/19/2008	572.22	409.18	204.95	25.99	-151.37	-49.61	0.00								
Call	15.00	7/19/2008	557.95	398.12	198.61	22.56	-144.13	-47.89	0.00								
Call	17.50	7/19/2008	537.54	382.23	188.03	18.21	-135.40	-45.63	0.00								
Call	20.00	7/19/2008	502.60	352.70	169.85	12.25	-123.73	-42.54	0.00								
Call	21.00	7/19/2008						-41.02	0.00								
Call	22.50	7/19/2008	460.33	317.92	147.73	6.28	-109.05	-38.30	0.00								

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Call	24.00	7/19/2008				2.92	-98.73	-35.19	0.00									
Call	25.00	7/19/2008	404.18	271.05	119.69	0.40	-91.35	-32.82	0.00									
Call	26.00	7/19/2008				-1.74	-83.60	-30.27	0.00									
Call	27.00	7/19/2008	351.46	227.57	95.19	-4.32	-75.40	-27.45	0.00									
Call	28.00	7/19/2008	323.01	204.57	82.80	-6.07	-67.16	-24.61	0.00									
Call	29.00	7/19/2008	295.56	182.87	72.30	-6.16	-58.29	-21.60	0.00									
Call	30.00	7/19/2008	267.15	160.61	61.77	-6.75	-50.29	-18.65	0.00									
Call	31.00	7/19/2008	240.04	140.01	52.58	-6.36	-42.56	-15.51	0.00									
Call	32.00	7/19/2008	213.80	120.53	44.64	-5.79	-35.11	-12.70	0.00									
Call	33.00	7/19/2008	188.16	101.92	37.53	-4.74	-28.43	-10.29	0.00									
Call	34.00	7/19/2008	165.52	86.44	31.78	-3.38	-22.99	-8.15	0.00									
Call	35.00	7/19/2008	143.58	72.08	26.68	-2.37	-18.24	-6.47	0.00									
Call	36.00	7/19/2008	124.27	59.75	22.13	-1.32	-14.01	-4.68	0.00									
Call	37.00	7/19/2008	106.61	49.46	18.62	-0.12	-10.01	-3.52	0.00									
Call	38.00	7/19/2008	90.83	40.51	15.50	0.21	-8.52	-2.69	0.00									
Call	39.00	7/19/2008	76.23	32.57	12.73	0.74	-6.85	-1.94	0.00									
Call	40.00	7/19/2008	63.11	26.02	10.19	0.25	-5.44	-1.75	0.00									
Call	41.00	7/19/2008	50.57	18.70	6.03	-1.64	-6.44	-3.33	0.00									
Call	42.00	7/19/2008	41.13	14.54	4.59	-1.47	-5.92	-3.05	0.00									
Call	43.00	7/19/2008	34.41	12.32	3.60	-1.34	-5.73	-2.91	0.00									
Call	44.00	7/19/2008	29.40	11.27	4.01	-0.58	-1.39	-0.85	0.00									
Call	45.00	7/19/2008	24.63	9.84	3.50	-0.50	-1.20	-0.73	0.00									
Call	46.00	7/19/2008	18.32	6.17	1.54	-0.22	-0.43	-0.29	0.00									
Call	47.00	7/19/2008	17.60	7.44	3.18	-0.43	-1.11	-0.66	0.00									
Call	48.00	7/19/2008	11.90	3.95	0.95	-0.13	-0.24	-0.17	0.00									
Call	49.00	7/19/2008	9.78	3.14	0.74	-0.10	-0.18	-0.13	0.00									
Call	50.00	7/19/2008	6.63	1.92	0.43	-0.05	-0.09	-0.07	0.00									
Call	55.00	7/19/2008	1.62	0.35	0.06	-0.01	-0.01	-0.01	0.00									
Call	60.00	7/19/2008	0.18	0.02	0.00	0.00	0.00	0.00	0.00									
Call	65.00	7/19/2008	0.15	0.02	0.00	0.00	0.00	0.00	0.00									
Call	70.00	7/19/2008	0.10	0.01	0.00	0.00	0.00	0.00	0.00									
Call	2.50	9/20/2008							1034.13	1077.03	1036.88	1096.23	790.25	305.75	285.98	27.46	0.00	192.50
Call	4.00	9/20/2008														16.11	0.00	126.00
Call	5.00	9/20/2008							916.56	958.61	919.13	977.30	678.15	213.51	196.56	11.89	0.00	91.50
Call	6.00	9/20/2008														8.08	0.00	63.50
Call	7.50	9/20/2008							765.07	806.69	767.51	824.94	531.22	96.01	84.14	1.36	0.00	38.50
Call	9.00	9/20/2008														0.39	0.00	24.50
Call	10.00	9/20/2008							652.52	691.96	654.56	707.23	442.77	99.87	90.10	3.89	0.00	19.00
Call	11.00	9/20/2008														3.05	0.00	11.50
Call	12.00	9/20/2008														2.40	0.00	8.50
Call	12.50	9/20/2008														2.13	0.00	
Call	13.00	9/20/2008							398.80	432.72	399.88	444.20	231.47	7.98	5.98	0.01	0.00	7.00
Call	14.00	9/20/2008							336.57	367.99	337.36	377.68	188.81	4.24	3.01	0.00	0.00	5.00
Call	15.00	9/20/2008							275.94	304.46	276.57	312.29	149.32	2.02	1.33	0.00	0.00	5.50
Call	16.00	9/20/2008							221.09	246.42	221.58	252.40	116.02	0.96	0.59	0.00	0.00	3.50
Call	17.00	9/20/2008							169.35	191.28	169.80	195.52	85.79	0.38	0.21	0.00	0.00	2.50
Call	18.00	9/20/2008							128.68	147.09	129.16	149.94	64.95	0.19	0.10	0.00	0.00	3.00

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Call	19.00	9/20/2008							92.29	107.27	92.85	109.22	45.85	0.07	0.03	0.00	0.00	2.00
Call	20.00	9/20/2008							64.94	76.81	65.52	78.11	33.64	0.04	0.01	0.00	0.00	2.00
Call	21.00	9/20/2008							28.24	37.29	28.82	38.22	6.41	0.00	0.00	0.00	0.00	1.50
Call	22.00	9/20/2008							16.87	23.61	17.47	24.25	3.24	0.00	0.00	0.00	0.00	1.50
Call	23.00	9/20/2008							7.06	12.04	7.56	10.77	0.87	0.00	0.00	0.00	0.00	0.00
Call	24.00	9/20/2008							4.71	7.53	4.39	6.45	0.40	0.00	0.00	0.00	0.00	0.00
Call	25.00	9/20/2008							4.97	8.03	4.93	7.10	0.54	0.00	0.00	0.00	0.00	0.00
Call	30.00	9/20/2008							0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	35.00	9/20/2008							0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	2.50	10/18/2008	1598.43	1428.39	1219.32	1034.60	841.68	954.76	1007.52	1050.28	1010.25	1069.39	764.67	284.31	265.13	23.36	0.00	198.50
Call	4.00	10/18/2008														17.93	0.00	140.50
Call	5.00	10/18/2008	1496.04	1327.01	1119.54	936.50	746.17	857.37	909.43	951.11	912.00	969.47	674.67	222.36	205.97	15.99	0.00	111.00
Call	6.00	10/18/2008														15.43	0.00	88.00
Call	7.50	10/18/2008	1379.79	1212.44	1005.52	823.24	634.69	743.17	794.21	834.64	796.46	851.36	572.29	167.06	153.16	12.23	0.00	61.00
Call	9.00	10/18/2008														10.24	0.00	47.50
Call	10.00	10/18/2008	1235.36	1070.39	866.47	685.24	500.96	605.89	656.11	693.86	658.15	708.73	455.18	112.26	101.08	5.38	0.00	39.50
Call	11.00	10/18/2008														4.45	0.00	35.00
Call	12.50	10/18/2008	1076.39	914.89	715.25	539.59	365.95	466.32	514.95	548.71	516.44	560.99	342.44	71.87	63.31	2.67	0.00	27.00
Call	14.00	10/18/2008							429.43	460.13	430.61	470.60	278.04	53.85	46.75	1.71	0.00	22.00
Call	15.00	10/18/2008	916.97	759.28	565.69	397.26	233.98	329.09	375.75	404.17	376.78	413.42	240.03	45.87	39.57	1.36	0.00	19.00
Call	16.00	10/18/2008							323.15	349.11	324.00	357.07	203.57	38.22	32.67	1.03	0.00	19.00
Call	17.50	10/18/2008	767.85	615.31	429.84	270.39	119.58	208.48	252.82	274.82	253.42	280.93	157.89	30.47	25.95	0.76	0.00	13.00
Call	19.00	10/18/2008							199.68	217.66	200.08	222.24	127.82	31.65	27.94	0.93	0.00	12.50
Call	20.00	10/18/2008	643.02	496.51	321.12	172.45	36.08	117.72	159.12	174.51	159.52	178.20	101.81	24.49	21.45	0.63	0.00	13.50
Call	21.00	10/18/2008						91.08	131.13	144.06	131.41	147.06	84.79	21.17	18.48	0.51	0.00	9.00
Call	22.50	10/18/2008	542.45	403.38	241.01	105.55	-14.52	58.82	96.66	106.39	97.08	108.69	65.63	19.63	17.14	0.48	0.00	13.50
Call	24.00	10/18/2008				60.74	-48.73	19.09	54.48	61.57	54.91	63.78	34.44	0.33	0.23	0.00	0.00	13.50
Call	25.00	10/18/2008	445.56	315.31	167.82	47.67	-54.73	9.07	42.70	48.43	43.05	49.96	27.35	0.21	0.14	0.00	0.00	8.50
Call	26.00	10/18/2008				37.38	-57.63	2.26	34.02	38.59	34.36	40.11	22.56	0.15	0.10	0.00	0.00	5.50
Call	27.00	10/18/2008	391.66	269.39	135.54	28.84	-59.34	-3.56	26.31	29.90	26.68	31.26	17.71	0.09	0.06	0.00	0.00	4.00
Call	28.00	10/18/2008				22.29	-57.99	-6.29	21.53	24.44	21.80	25.52	15.26	0.08	0.05	0.00	0.00	3.00
Call	29.00	10/18/2008				18.39	-55.03	-7.32	18.47	20.85	18.86	20.44	12.30	0.05	0.03	0.00	0.00	4.00
Call	30.00	10/18/2008	314.13	205.45	93.92	8.03	-60.11	-15.83	7.96	10.08	8.37	9.72	2.07	0.00	0.00	0.00	0.00	2.00
Call	31.00	10/18/2008	290.20	186.38	82.70	3.77	-56.85	-16.98	4.65	6.30	4.58	5.98	1.12	0.00	0.00	0.00	0.00	2.00
Call	32.00	10/18/2008	275.36	176.54	80.41	8.23	-46.16	-10.06	9.51	12.10	9.47	11.89	2.92	0.00	0.00	0.00	0.00	0.00
Call	33.00	10/18/2008	248.92	155.23	66.71	1.06	-48.00	-15.30	2.32	3.29	2.28	3.04	0.49	0.00	0.00	0.00	0.00	0.00
Call	34.00	10/18/2008	229.76	141.18	60.13	0.71	-43.33	-13.78	1.92	2.75	1.88	2.52	0.39	0.00	0.00	0.00	0.00	0.00
Call	35.00	10/18/2008	213.05	129.77	55.96	2.56	-38.09	-11.59	2.21	3.09	2.18	2.88	0.49	0.00	0.00	0.00	0.00	0.00
Call	36.00	10/18/2008	193.40	114.99	47.95	0.06	-35.68	-11.78	0.19	0.33	0.18	0.26	0.02	0.00	0.00	0.00	0.00	0.00
Call	37.00	10/18/2008	176.44	103.19	42.40	-0.35	-31.77	-10.29	0.12	0.22	0.11	0.17	0.01	0.00	0.00	0.00	0.00	0.00
Call	38.00	10/18/2008	160.59	92.27	37.68	-0.22	-27.76	-8.85	0.01	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	39.00	10/18/2008	146.02	82.81	33.96	0.12	-24.47	-7.54	0.01	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	40.00	10/18/2008	133.51	75.34	31.70	1.97	-21.28	-6.27	0.06	0.11	0.05	0.08	0.00	0.00	0.00	0.00	0.00	0.00
Call	41.00	10/18/2008	119.57	65.65	26.72	0.57	-18.46	-5.21	0.18	0.30	0.17	0.25	0.02	0.00	0.00	0.00	0.00	0.00
Call	42.00	10/18/2008	108.78	59.35	24.58	1.51	-15.25	-3.43	0.97	1.40	0.96	1.29	0.21	0.00	0.00	0.00	0.00	0.00
Call	43.00	10/18/2008	98.59	53.25	22.41	2.34	-13.15	-2.92	0.79	1.15	0.79	1.06	0.17	0.00	0.00	0.00	0.00	0.00
Call	44.00	10/18/2008	88.36	46.69	19.27	1.65	-12.24	-2.73	0.20	0.32	0.19	0.27	0.03	0.00	0.00	0.00	0.00	0.00

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Call	45.00	10/18/2008	76.69	39.43	15.18	0.03	-11.16	-2.49	0.07	0.12	0.06	0.09	0.01	0.00	0.00	0.00	0.00	0.00
Call	46.00	10/18/2008	69.99	35.74	14.38	0.95	-9.52	-1.97	0.06	0.11	0.06	0.08	0.01	0.00	0.00	0.00	0.00	0.00
Call	47.00	10/18/2008	62.49	31.25	12.51	0.79	-8.41	-1.84	0.05	0.09	0.05	0.07	0.01	0.00	0.00	0.00	0.00	0.00
Call	48.00	10/18/2008	55.68	27.50	11.06	0.90	-7.21	-1.21	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Call	49.00	10/18/2008	50.34	24.98	10.18	1.24	-6.18	-0.89	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Call	50.00	10/18/2008	45.13	22.14	9.33	1.07	-5.46	-1.06	0.04	0.08	0.04	0.06	0.00	0.00	0.00	0.00	0.00	0.00
Call	55.00	10/18/2008	23.92	10.79	3.82	-0.79	-3.58	-1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	60.00	10/18/2008	13.12	5.83	1.91	-0.64	-3.30	-1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	65.00	10/18/2008	6.24	2.38	0.43	-0.51	-2.85	-1.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	70.00	10/18/2008	4.99	2.14	0.63	-0.10	-0.28	-0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	75.00	10/18/2008	4.46	2.94	0.93	-0.13	-0.44	-0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	80.00	10/18/2008	0.47	0.15	0.04	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	85.00	10/18/2008	0.32	0.10	0.02	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	2.50	1/17/2009	1566.35	1397.02	1188.93	1005.12	813.24	925.89	978.46	1020.25	981.11	1038.82	741.92	276.69	258.22	23.51	0.00	202.50
Call	4.00	1/17/2009														20.33	0.00	155.00
Call	5.00	1/17/2009	1492.86	1324.46	1117.88	935.70	746.40	856.82	908.55	949.66	910.97	967.26	678.94	239.12	222.40	18.45	0.00	127.50
Call	6.00	1/17/2009														16.47	0.00	109.00
Call	7.50	1/17/2009	1397.04	1230.20	1026.14	846.59	656.42	764.54	815.80	854.92	818.07	871.27	600.21	200.20	185.53	13.98	0.00	85.50
Call	9.00	1/17/2009														10.86	0.00	67.50
Call	10.00	1/17/2009	1287.50	1123.30	919.57	740.46	558.15	662.35	712.29	748.74	714.30	763.54	515.24	162.22	149.74	10.06	0.00	52.00
Call	11.00	1/17/2009														8.12	0.00	48.50
Call	12.50	1/17/2009	1156.31	995.58	797.71	624.51	452.17	552.14	600.52	633.63	602.23	646.55	426.24	127.36	117.21	7.59	0.00	37.00
Call	14.00	1/17/2009							531.96	562.72	533.45	574.33	373.07	108.42	99.63	6.38	0.00	28.50
Call	15.00	1/17/2009	1020.62	864.30	673.20	507.23	345.00	440.01	486.46	515.52	487.81	526.24	338.69	96.71	88.85	5.48	0.00	24.50
Call	16.00	1/17/2009							442.62	469.89	443.79	479.66	306.28	87.21	80.25	5.00	0.00	21.00
Call	17.50	1/17/2009	885.95	734.69	552.09	394.78	244.07	333.18	377.31	401.77	378.36	410.26	258.75	74.02	68.06	4.56	0.00	15.50
Call	19.00	1/17/2009							316.30	337.83	317.13	344.97	216.10	62.14	57.25	3.62	0.00	13.00
Call	20.00	1/17/2009	757.14	612.07	439.25	292.28	154.76	237.10	278.44	297.97	279.15	304.42	189.38	54.49	50.19	2.52	0.00	11.00
Call	21.00	1/17/2009						203.29	243.35	260.95	243.98	266.67	165.35	47.46	43.66	2.09	0.00	9.50
Call	22.50	1/17/2009	640.24	502.28	341.13	205.87	82.84	157.62	195.64	210.39	196.13	215.19	133.38	39.50	36.48	1.65	0.00	7.50
Call	24.00	1/17/2009				163.06	49.23	119.10	154.92	167.01	155.28	170.95	106.83	33.02	30.62	1.31	0.00	6.00
Call	25.00	1/17/2009	537.96	408.11	260.26	138.23	30.47	97.15	131.42	141.98	131.85	145.43	91.60	29.46	27.42	1.13	0.00	5.00
Call	26.00	1/17/2009				117.34	15.86	79.12	111.82	120.78	112.07	123.79	78.63	26.08	24.18	0.96	0.00	4.00
Call	27.00	1/17/2009	467.32	344.75	208.61	97.97	2.60	62.48	93.46	100.99	93.64	103.73	66.17	22.15	20.50	0.77	0.00	4.00
Call	28.00	1/17/2009	435.62	316.89	186.83	81.94	-7.09	49.13	78.37	84.72	78.49	87.07	56.18	19.15	17.57	0.62	0.00	3.50
Call	29.00	1/17/2009	406.72	291.96	168.13	69.16	-14.16	38.92	66.46	71.74	66.59	73.83	48.88	18.52	17.07	0.61	0.00	3.50
Call	30.00	1/17/2009	382.13	271.36	153.99	60.67	-17.53	32.09	57.90	62.29	57.83	64.16	43.72	17.94	16.59	0.60	0.00	4.50
Call	31.00	1/17/2009	353.27	246.71	135.63	48.49	-23.20	23.10	47.24	50.90	47.30	52.53	36.37	15.21	14.03	0.48	0.00	3.00
Call	32.00	1/17/2009	327.67	225.35	120.38	38.83	-27.42	15.62	38.00	40.96	37.98	42.26	29.07	12.12	11.00	0.34	0.00	0.00
Call	33.00	1/17/2009	304.41	206.41	108.32	32.37	-28.68	11.18	31.87	34.32	31.99	35.56	25.04	11.43	11.39	0.37	0.00	0.00
Call	34.00	1/17/2009	272.50	178.86	86.80	16.46	-39.77	-2.85	16.19	18.12	16.03	18.99	10.81	0.10	0.07	0.00	0.00	2.50
Call	35.00	1/17/2009	254.64	165.27	80.46	15.66	-37.11	-4.12	13.45	15.00	13.08	15.86	9.30	0.08	0.06	0.00	0.00	2.50
Call	36.00	1/17/2009	234.85	149.71	70.32	10.48	-36.84	-5.48	10.49	11.82	10.46	12.61	7.29	0.05	0.03	0.00	0.00	0.00
Call	37.00	1/17/2009	219.65	138.86	65.51	10.75	-32.54	-3.82	10.59	11.71	10.59	12.32	6.28	0.04	0.03	0.00	0.00	0.00
Call	38.00	1/17/2009	203.18	126.69	59.16	8.97	-30.76	-4.42	8.69	9.96	9.09	10.79	6.76	0.05	0.04	0.00	0.00	0.00
Call	39.00	1/17/2009	184.66	112.41	50.46	5.03	-30.87	-6.98	4.77	5.94	4.71	5.83	1.59	0.00	0.00	0.00	0.00	0.00
Call	40.00	1/17/2009	175.81	107.30	50.29	9.04	-23.66	-1.75	8.77	9.92	8.86	9.81	6.22	0.05	0.04	0.00	0.00	1.50

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Call	41.00	1/17/2009	162.65	98.80	46.84	9.54	-20.02	-0.06	9.39	11.24	9.34	11.25	3.67	0.02	0.01	0.00	0.00	0.00
Call	42.00	1/17/2009	154.28	94.58	47.39	13.20	-13.18	4.61	12.96	15.25	12.93	15.37	5.43	0.05	0.03	0.00	0.00	2.00
Call	43.00	1/17/2009	144.18	88.28	45.03	14.86	-9.37	6.91	14.50	16.95	14.48	17.12	6.24	0.07	0.05	0.00	0.00	0.00
Call	44.00	1/17/2009	132.30	79.77	40.51	13.08	-8.70	6.05	12.74	14.95	12.72	15.07	5.42	0.05	0.04	0.00	0.00	0.00
Call	45.00	1/17/2009	113.67	64.68	28.31	3.77	-16.27	-3.49	2.37	2.99	2.34	2.92	0.76	0.00	0.00	0.00	0.00	2.50
Call	46.00	1/17/2009	100.44	55.44	22.80	0.68	-16.37	-5.02	0.43	0.60	0.42	0.55	0.10	0.00	0.00	0.00	0.00	0.00
Call	47.00	1/17/2009	93.24	50.88	21.29	0.45	-15.76	-4.71	0.13	0.19	0.13	0.17	0.02	0.00	0.00	0.00	0.00	0.00
Call	48.00	1/17/2009	82.32	44.16	17.39	0.24	-14.00	-3.81	0.14	0.20	0.13	0.18	0.03	0.00	0.00	0.00	0.00	0.00
Call	50.00	1/17/2009	85.50	51.81	29.25	13.89	1.80	9.39	12.63	14.68	12.62	14.84	5.60	0.08	0.06	0.00	0.00	0.00
Call	55.00	1/17/2009	44.20	21.83	8.53	-0.51	-8.36	-1.69	0.88	1.13	0.86	1.09	0.27	0.00	0.00	0.00	0.00	0.00
Call	60.00	1/17/2009	30.67	15.72	6.13	-0.47	-5.93	-0.79	0.81	1.03	0.80	1.00	0.25	0.00	0.00	0.00	0.00	0.00
Call	65.00	1/17/2009	17.36	8.01	2.60	-0.09	-3.78	-1.69	0.08	0.11	0.08	0.10	0.02	0.00	0.00	0.00	0.00	0.00
Call	70.00	1/17/2009	13.95	7.86	3.82	-0.40	-4.15	-1.22	0.71	0.89	0.70	0.87	0.24	0.00	0.00	0.00	0.00	0.00
Call	75.00	1/17/2009	9.14	6.37	3.47	0.44	-3.39	-0.59	0.14	0.19	0.14	0.17	0.04	0.00	0.00	0.00	0.00	0.00
Call	80.00	1/17/2009	9.34	5.63	2.83	-0.28	-2.66	-0.10	0.59	0.74	0.59	0.73	0.20	0.00	0.00	0.00	0.00	0.00
Call	90.00	1/17/2009	6.72	5.16	2.89	0.63	-1.25	-0.04	0.60	0.75	0.60	0.73	0.21	0.00	0.00	0.00	0.00	0.00
Call	100.00	1/17/2009	10.24	8.16	5.82	3.17	1.17	2.45	3.05	3.58	3.06	3.61	1.35	0.02	0.02	0.00	0.00	0.00
Call	110.00	1/17/2009	0.23	0.09	0.02	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	2.50	4/18/2009							985.23	1027.35	987.90	1046.06	746.84	278.47	259.90	23.75	0.00	205.00
Call	4.00	4/18/2009														21.09	0.00	163.00
Call	5.00	4/18/2009							912.49	953.29	914.91	970.81	683.95	245.22	228.28	19.28	0.00	137.50
Call	6.00	4/18/2009														17.48	0.00	115.50
Call	7.50	4/18/2009							827.66	866.45	829.95	882.86	613.19	211.54	196.37	15.06	0.00	92.00
Call	9.00	4/18/2009														12.26	0.00	73.00
Call	10.00	4/18/2009							736.10	772.33	738.15	787.31	538.90	180.28	167.05	11.91	0.00	65.00
Call	11.00	4/18/2009														9.53	0.00	51.00
Call	12.00	4/18/2009														8.42	0.00	43.50
Call	13.00	4/18/2009							619.92	652.44	621.66	665.35	447.43	144.76	133.85	8.48	0.00	38.50
Call	14.00	4/18/2009							580.59	611.70	582.20	623.88	416.71	133.94	123.77	7.59	0.00	34.00
Call	15.00	4/18/2009							541.20	570.89	542.72	582.31	386.64	123.32	113.91	6.66	0.00	26.50
Call	16.00	4/18/2009							503.04	531.25	504.48	541.95	357.87	114.16	105.53	6.38	0.00	24.00
Call	17.00	4/18/2009							464.81	491.51	466.18	501.42	329.61	104.38	96.44	4.86	0.00	21.00
Call	18.00	4/18/2009							427.90	453.01	429.21	462.21	302.10	96.15	88.89	4.13	0.00	16.00
Call	19.00	4/18/2009							394.78	418.31	395.99	426.84	278.49	89.26	82.59	4.29	0.00	14.50
Call	20.00	4/18/2009							360.20	382.14	361.36	389.92	254.35	82.06	76.03	4.60	0.00	12.50
Call	25.00	4/18/2009							215.40	229.71	216.46	234.77	153.48	54.40	50.64	2.79	0.00	7.00
Call	30.00	4/18/2009							121.50	129.64	122.54	133.22	90.18	37.72	34.54	1.72	0.00	0.00
Call	35.00	4/18/2009							64.03	68.19	64.96	70.78	49.99	24.40	22.15	0.98	0.00	0.00
Call	2.50	1/16/2010	1577.31	1408.08	1200.09	1016.36	824.54	936.97	989.44	1031.58	992.12	1050.02	751.81	284.26	265.55	25.07	0.00	216.00
Call	5.00	1/16/2010	1504.51	1336.65	1130.75	949.17	760.50	871.18	923.02	963.54	925.48	981.12	695.89	256.88	239.54	21.71	0.00	152.00
Call	7.50	1/16/2010	1429.97	1263.70	1056.89	875.77	689.72	798.01	849.19	887.76	851.52	904.34	634.80	227.22	211.43	18.31	0.00	101.00
Call	10.00	1/16/2010	1339.24	1176.27	975.21	799.96	621.02	725.54	775.29	811.61	777.43	826.98	575.41	201.30	186.93	15.55	0.00	71.00
Call	12.50	1/16/2010	1240.51	1081.63	887.49	718.39	547.89	648.04	696.01	729.84	697.96	743.85	513.30	177.00	164.08	14.74	0.00	53.50
Call	15.00	1/16/2010	1145.75	991.50	804.50	641.95	479.77	575.54	621.71	652.86	623.50	665.51	455.99	153.67	142.16	11.73	0.00	37.50
Call	17.50	1/16/2010	1043.79	894.56	715.14	559.89	406.43	497.52	541.58	569.92	543.22	581.15	395.62	130.86	120.62	8.09	0.00	30.50
Call	20.00	1/16/2010	948.58	804.83	633.64	486.22	341.28	427.39	469.23	494.52	470.68	504.75	342.39	113.78	104.49	7.19	0.00	22.50
Call	22.50	1/16/2010	857.37	719.51	556.90	417.82	282.60	363.51	402.93	425.32	404.29	434.32	293.95	98.79	90.78	5.10	0.00	16.50

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Call	25.00	1/16/2010	775.36	643.71	490.23	359.89	233.99	309.67	346.62	366.20	347.81	374.18	256.37	90.19	83.03	7.82	0.00	16.00
Call	30.00	1/16/2010	624.70	506.24	371.70	259.59	151.51	216.54	248.39	263.29	249.60	269.42	187.94	70.44	64.82	4.88	0.00	10.00
Call	35.00	1/16/2010	502.00	397.19	283.21	189.38	100.13	154.49	181.10	191.59	182.16	196.94	141.81	60.06	55.17	6.41	0.00	10.00
Call	40.00	1/16/2010	389.95	298.73	204.57	128.41	55.41	100.42	122.14	129.53	123.34	133.69	100.46	44.38	40.15	3.30	0.00	7.00
Call	45.00	1/16/2010	308.74	230.97	155.12	93.79	36.08	72.81	90.29	95.66	91.61	99.10	77.95	38.82	35.28	3.75	0.00	4.50
Call	50.00	1/16/2010	243.31	177.32	117.16	68.90	23.12	52.33	65.91	69.54	66.99	72.07	57.76	32.02	29.06	4.76	0.00	3.50
Call	55.00	1/16/2010	189.36	134.85	88.54	51.18	15.42	38.46	48.89	51.31	49.80	53.53	45.72	28.57	26.12	4.91	0.00	3.50
Call	60.00	1/16/2010	144.74	99.87	63.86	35.14	7.49	25.60	34.11	35.70	34.79	37.90	31.76	20.11	17.74	0.86	0.00	3.50
Call	65.00	1/16/2010	114.29	77.76	49.65	28.64	7.91	21.45	28.10	29.24	28.49	30.53	26.43	18.43	16.19	0.78	0.00	3.50
Call	70.00	1/16/2010	105.10	75.48	53.63	35.90	20.70	32.22	37.15	38.38	37.36	39.68	33.49	14.48	12.81	0.59	0.00	3.00
Call	75.00	1/16/2010	70.63	46.78	30.65	19.12	7.30	15.48	18.88	19.87	19.17	20.81	16.52	13.77	12.22	0.57	0.00	3.00
Call	80.00	1/16/2010	54.51	35.97	22.97	12.45	3.20	10.50	13.43	14.10	13.41	14.62	11.91	10.29	8.73	0.37	0.00	3.00
Call	90.00	1/16/2010	40.76	29.22	21.90	15.57	8.78	12.96	14.60	15.17	14.59	15.64	11.14	8.01	7.09	0.30	0.00	3.00
Call	100.00	1/16/2010	22.92	16.01	10.92	6.04	1.16	4.13	5.52	6.29	5.52	6.38	2.67	0.08	0.06	0.00	0.00	1.50
Put	15.00	6/21/2008	8.29	8.29	8.29	8.29	-13.91	-2.66	0.00									
Put	17.50	6/21/2008	52.73	43.95	29.96	13.83	-21.99	-4.21	0.00									
Put	20.00	6/21/2008	76.79	63.69	41.24	20.72	-35.37	-6.78	0.00									
Put	21.00	6/21/2008						-8.47	0.00									
Put	22.50	6/21/2008	110.33	89.92	62.75	26.23	-56.96	-11.63	0.00									
Put	24.00	6/21/2008				28.38	-74.55	-15.99	0.00									
Put	25.00	6/21/2008	171.38	140.96	93.62	29.94	-88.82	-19.70	0.00									
Put	26.00	6/21/2008				26.91	-104.55	-24.43	0.00									
Put	27.00	6/21/2008	228.96	187.21	113.08	20.69	-124.77	-29.97	0.00									
Put	28.00	6/21/2008	278.20	229.62	138.98	31.45	-127.18	-35.73	0.00									
Put	29.00	6/21/2008	317.64	261.38	152.82	31.22	-140.34	-40.79	0.00									
Put	30.00	6/21/2008	353.68	289.23	162.17	28.37	-152.68	-47.12	0.00									
Put	31.00	6/21/2008	394.73	321.43	176.59	31.95	-149.60	-43.54	0.00									
Put	32.00	6/21/2008	427.75	345.14	183.03	30.84	-157.43	-47.22	0.00									
Put	33.00	6/21/2008	455.34	363.34	188.60	29.97	-160.01	-48.71	0.00									
Put	34.00	6/21/2008	482.10	380.16	193.32	29.31	-161.97	-49.86	0.00									
Put	35.00	6/21/2008	503.52	392.17	194.91	28.93	-162.41	-50.23	0.00									
Put	36.00	6/21/2008	500.29	380.72	197.49	28.59	-163.32	-50.79	0.00									
Put	37.00	6/21/2008	522.01	392.83	201.27	28.28	-164.67	-51.54	0.00									
Put	38.00	6/21/2008	538.55	401.33	204.02	28.06	-165.52	-52.03	0.00									
Put	39.00	6/21/2008	548.90	405.28	204.20	27.97	-165.49	-52.06	0.00									
Put	40.00	6/21/2008	565.22	411.06	204.35	27.88	-165.47	-52.08	0.00									
Put	41.00	6/21/2008	567.96	410.02	202.08	27.80	-164.60	-51.71	0.00									
Put	42.00	6/21/2008	586.28	423.07	213.60	27.57	-167.38	-53.17	0.00									
Put	43.00	6/21/2008	579.31	413.49	203.51	27.65	-165.02	-51.96	0.00									
Put	44.00	6/21/2008	583.00	414.03	203.63	27.58	-165.01	-51.99	0.00									
Put	45.00	6/21/2008	592.11	423.99	213.71	27.57	-167.39	-53.18	0.00									
Put	46.00	6/21/2008	594.39	424.22	213.73	27.57	-167.39	-53.18	0.00									
Put	47.00	6/21/2008	594.73	424.23	213.73	27.57	-167.39	-53.18	0.00									
Put	48.00	6/21/2008	594.92	424.24	213.74	27.57	-167.39	-53.18	0.00									
Put	49.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00									
Put	50.00	6/21/2008	595.06	424.24	213.74	27.57	-167.39	-53.18	0.00									
Put	55.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00									

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08
Put	60.00	6/21/2008	595.03	424.23	213.73	27.57	-167.39	-53.18	0.00								
Put	65.00	6/21/2008	594.99	424.23	213.73	27.57	-167.39	-53.18	0.00								
Put	70.00	6/21/2008	594.96	424.22	213.73	27.57	-167.39	-53.18	0.00								
Put	2.50	7/19/2008	2.66	2.04	1.20	0.37	-0.85	-0.21	0.00								
Put	5.00	7/19/2008	2.36	1.90	1.22	0.48	-0.85	-0.18	0.00								
Put	7.50	7/19/2008	0.45	-0.20	-1.27	-2.50	-4.99	-1.21	0.00								
Put	10.00	7/19/2008	21.40	16.85	9.86	2.45	-8.83	-2.07	0.00								
Put	12.50	7/19/2008	26.26	19.98	12.68	4.64	-14.35	-3.16	0.00								
Put	15.00	7/19/2008	42.37	32.84	21.14	7.31	-21.67	-5.01	0.00								
Put	17.50	7/19/2008	62.89	48.98	31.42	10.98	-30.95	-7.30	0.00								
Put	20.00	7/19/2008	92.86	73.50	47.06	15.87	-43.16	-10.47	0.00								
Put	21.00	7/19/2008						-12.02	0.00								
Put	22.50	7/19/2008	134.69	107.24	67.53	20.90	-58.79	-14.75	0.00								
Put	24.00	7/19/2008				23.24	-69.80	-17.95	0.00								
Put	25.00	7/19/2008	189.73	152.16	93.49	26.38	-77.70	-20.37	0.00								
Put	26.00	7/19/2008				27.24	-86.30	-23.00	0.00								
Put	27.00	7/19/2008	239.90	192.86	114.83	28.93	-95.42	-25.88	0.00								
Put	28.00	7/19/2008	265.68	213.26	124.35	28.54	-104.29	-28.90	0.00								
Put	29.00	7/19/2008	290.86	232.59	132.19	26.71	-114.34	-32.09	0.00								
Put	30.00	7/19/2008	319.51	255.01	142.84	27.56	-124.71	-35.27	0.00								
Put	31.00	7/19/2008	342.02	270.84	146.87	22.47	-134.85	-38.50	0.00								
Put	32.00	7/19/2008	365.16	287.16	151.04	19.11	-143.18	-41.75	0.00								
Put	33.00	7/19/2008	398.09	312.95	165.85	26.32	-140.97	-44.34	0.00								
Put	34.00	7/19/2008	420.76	328.19	171.44	25.32	-146.20	-46.91	0.00								
Put	35.00	7/19/2008	443.52	343.66	176.89	24.02	-149.90	-49.06	0.00								
Put	36.00	7/19/2008	468.73	361.43	187.34	30.45	-145.83	-43.49	0.00								
Put	37.00	7/19/2008	486.64	371.76	191.07	30.22	-148.40	-44.57	0.00								
Put	38.00	7/19/2008	503.16	381.30	193.76	29.77	-147.26	-44.32	0.00								
Put	39.00	7/19/2008	517.60	388.81	197.36	29.36	-146.23	-44.10	0.00								
Put	40.00	7/19/2008	531.29	395.59	198.92	29.57	-154.00	-47.00	0.00								
Put	41.00	7/19/2008	539.29	397.93	199.63	29.00	-148.05	-44.96	0.00								
Put	42.00	7/19/2008	548.98	402.94	201.64	28.81	-148.49	-45.20	0.00								
Put	43.00	7/19/2008	560.19	406.97	203.96	28.90	-152.16	-46.58	0.00								
Put	44.00	7/19/2008	568.05	409.08	203.12	28.85	-154.29	-47.43	0.00								
Put	45.00	7/19/2008	571.43	408.98	204.06	28.62	-152.77	-46.93	0.00								
Put	46.00	7/19/2008	571.56	410.08	203.14	28.50	-153.04	-47.09	0.00								
Put	47.00	7/19/2008	574.78	411.17	203.20	28.40	-153.28	-47.23	0.00								
Put	48.00	7/19/2008	577.82	413.45	205.22	28.35	-154.34	-47.66	0.00								
Put	49.00	7/19/2008	581.05	415.16	206.27	28.26	-154.54	-47.77	0.00								
Put	50.00	7/19/2008	582.62	413.63	203.55	28.33	-157.43	-48.87	0.00								
Put	55.00	7/19/2008	584.68	416.22	206.48	28.02	-158.03	-49.23	0.00								
Put	60.00	7/19/2008	582.73	414.29	204.69	27.74	-157.60	-49.18	0.00								
Put	65.00	7/19/2008	578.82	413.29	205.54	27.51	-157.17	-49.10	0.00								
Put	70.00	7/19/2008	579.05	413.30	205.57	27.38	-157.47	-49.27	0.00								
Put	75.00	7/19/2008	577.69	411.78	204.07	27.27	-157.70	-49.40	0.00								
Put	80.00	7/19/2008	579.32	413.29	205.60	27.18	-157.89	-49.51	0.00								
Put	85.00	7/19/2008	579.40	413.27	205.60	27.10	-158.04	-49.60	0.00								

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Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Put	90.00	7/19/2008	578.71	412.51	204.86	27.03	-158.17	-49.67	0.00									
Put	95.00	7/19/2008	578.74	412.48	204.86	26.97	-158.27	-49.74	0.00									
Put	2.50	9/20/2008							7.01	7.02	7.02	7.03	6.97	6.79	6.72	2.23	0.00	70.50
Put	4.00	9/20/2008														10.96	0.00	156.50
Put	5.00	9/20/2008							106.98	107.41	107.10	107.68	104.17	91.91	89.53	16.82	0.00	215.00
Put	6.00	9/20/2008														21.05	0.00	289.00
Put	7.50	9/20/2008							268.43	269.58	268.73	270.46	259.24	212.06	204.13	26.26	0.00	410.00
Put	9.00	9/20/2008														27.14	0.00	547.50
Put	10.00	9/20/2008							383.91	387.80	384.45	390.56	351.88	209.23	199.07	23.87	0.00	640.00
Put	11.00	9/20/2008														24.68	0.00	737.50
Put	12.00	9/20/2008														25.30	0.00	835.00
Put	12.50	9/20/2008														25.55	0.00	
Put	13.00	9/20/2008							626.15	635.33	627.62	642.31	549.09	294.67	277.36	27.43	0.00	935.00
Put	14.00	9/20/2008							687.38	698.99	689.15	708.06	590.92	299.50	281.33	27.45	0.00	1,035.00
Put	15.00	9/20/2008							745.48	759.90	747.49	771.18	628.00	302.31	283.54	27.46	0.00	1,135.00
Put	16.00	9/20/2008							801.68	819.18	803.89	832.76	662.72	304.09	284.88	27.46	0.00	1,235.00
Put	17.00	9/20/2008							851.41	872.19	853.73	887.88	691.23	304.94	285.48	27.46	0.00	1,335.00
Put	18.00	9/20/2008							894.23	918.40	896.61	936.10	714.10	305.34	285.75	27.46	0.00	1,435.00
Put	19.00	9/20/2008							926.30	953.71	928.61	972.79	728.38	305.48	285.83	27.46	0.00	1,535.00
Put	20.00	9/20/2008							953.59	983.97	955.83	1004.38	742.93	305.61	285.90	27.46	0.00	1,635.00
Put	21.00	9/20/2008							973.64	1006.76	976.18	1028.62	752.93	305.66	285.94	27.46	0.00	1,735.00
Put	22.00	9/20/2008							989.60	1024.81	991.91	1045.11	760.61	305.69	285.95	27.46	0.00	1,835.00
Put	23.00	9/20/2008							1020.50	1057.17	1023.02	1077.41	787.91	305.75	285.98	27.46	0.00	1,935.00
Put	24.00	9/20/2008							1024.16	1062.32	1026.94	1082.51	788.74	305.75	285.98	27.46	0.00	2,035.00
Put	25.00	9/20/2008							1026.85	1065.67	1029.39	1085.77	789.20	305.75	285.98	27.46	0.00	2,135.00
Put	30.00	9/20/2008							1026.30	1065.86	1028.92	1085.52	788.73	305.75	285.98	27.46	0.00	2,635.00
Put	35.00	9/20/2008							1025.92	1065.69	1028.47	1085.16	788.37	305.75	285.98	27.46	0.00	3,135.00
Put	2.50	10/18/2008	40.37	38.92	36.85	34.82	32.09	33.62	34.21	34.49	34.26	34.68	32.20	25.13	24.31	4.32	0.00	78.00
Put	4.00	10/18/2008														9.01	0.00	165.00
Put	5.00	10/18/2008	129.15	127.77	125.60	123.33	119.59	122.05	122.92	124.13	123.10	124.96	113.87	81.84	78.40	11.09	0.00	236.50
Put	6.00	10/18/2008														12.36	0.00	315.00
Put	7.50	10/18/2008	255.89	252.82	248.76	244.40	236.28	241.39	243.11	245.91	243.47	247.79	220.79	138.44	132.40	16.41	0.00	437.50
Put	9.00	10/18/2008														18.54	0.00	572.50
Put	10.00	10/18/2008	397.96	392.05	384.03	375.58	360.99	369.77	372.59	378.05	373.24	381.83	329.69	189.17	180.39	21.60	0.00	662.50
Put	11.00	10/18/2008														22.55	0.00	760.00
Put	12.50	10/18/2008	549.75	540.93	528.65	515.31	492.95	506.28	510.72	520.03	511.90	526.60	439.17	229.66	218.17	24.43	0.00	902.50
Put	14.00	10/18/2008							595.10	607.35	596.57	615.92	502.49	249.30	236.33	25.56	0.00	1,052.50
Put	15.00	10/18/2008	703.89	690.81	672.40	652.52	620.27	639.01	645.38	659.83	647.06	669.87	537.72	256.20	242.23	25.84	0.00	1,145.00
Put	16.00	10/18/2008							698.41	715.24	700.30	726.70	574.44	264.75	250.05	26.24	0.00	1,245.00
Put	17.50	10/18/2008	847.33	829.12	802.86	774.67	730.35	755.47	764.22	784.83	766.40	798.55	615.76	269.86	254.22	26.39	0.00	1,392.50
Put	19.00	10/18/2008							825.94	850.42	828.32	865.91	654.46	276.99	260.34	26.65	0.00	1,542.50
Put	20.00	10/18/2008	993.36	968.83	932.73	894.23	835.71	868.43	880.16	907.16	882.76	923.72	695.93	302.62	283.52	27.45	0.00	1,637.50
Put	21.00	10/18/2008						897.51	910.58	940.01	913.40	957.44	711.07	303.54	284.26	27.45	0.00	1,737.50
Put	22.50	10/18/2008	1087.86	1055.94	1007.88	956.76	882.24	923.72	939.05	971.42	941.69	990.11	728.70	304.37	284.93	27.46	0.00	1,887.50
Put	24.00	10/18/2008				979.97	895.12	942.51	960.32	995.14	963.13	1015.33	739.97	304.74	285.22	27.46	0.00	2,035.00
Put	25.00	10/18/2008	1163.60	1122.89	1059.86	994.05	901.98	953.46	973.06	1009.26	975.89	1030.08	749.06	305.07	285.47	27.46	0.00	2,137.50
Put	26.00	10/18/2008				1006.62	907.75	963.37	984.86	1021.89	987.35	1042.41	753.69	305.17	285.55	27.46	0.00	2,242.50

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Put	27.00	10/18/2008	1222.96	1174.19	1097.54	1018.83	912.91	972.95	996.40	1034.24	999.01	1053.61	760.68	305.37	285.70	27.46	0.00	2,342.50
Put	28.00	10/18/2008				1016.21	903.19	967.82	993.31	1031.96	996.06	1051.37	760.68	305.30	285.65	27.46	0.00	2,442.50
Put	29.00	10/18/2008				1023.61	904.14	972.73	1000.40	1039.53	1002.96	1058.99	765.41	305.42	285.74	27.46	0.00	2,542.50
Put	30.00	10/18/2008	1283.15	1220.82	1121.98	1023.48	896.61	969.81	999.57	1039.57	1002.90	1058.96	765.39	305.38	285.70	27.46	0.00	2,642.50
Put	31.00	10/18/2008	1304.04	1236.82	1130.21	1025.17	893.35	970.47	1002.34	1042.41	1005.07	1061.85	765.36	305.33	285.66	27.46	0.00	2,742.50
Put	32.00	10/18/2008	1322.55	1250.41	1135.88	1024.31	886.67	968.23	1002.27	1042.40	1005.00	1061.80	765.33	305.28	285.62	27.46	0.00	2,842.50
Put	33.00	10/18/2008	1342.37	1265.14	1143.08	1025.38	883.16	968.47	1004.59	1044.78	1007.33	1064.14	767.69	305.34	285.67	27.46	0.00	2,942.50
Put	34.00	10/18/2008	1362.09	1279.68	1150.45	1026.75	879.43	968.73	1006.93	1047.18	1009.68	1066.50	770.06	305.40	285.72	27.46	0.00	3,042.50
Put	35.00	10/18/2008	1399.92	1312.25	1176.00	1046.11	894.09	986.79	1026.91	1065.98	1028.13	1085.33	787.43	305.75	285.98	27.46	0.00	3,142.50
Put	36.00	10/18/2008	1380.92	1288.26	1145.18	1010.94	854.69	951.05	993.04	1032.43	997.17	1051.12	767.54	305.22	285.57	27.46	0.00	3,235.00
Put	37.00	10/18/2008	1396.94	1299.15	1149.45	1010.44	851.11	948.46	992.05	1031.24	995.73	1049.98	765.12	305.04	285.42	27.46	0.00	3,342.50
Put	38.00	10/18/2008	1424.19	1321.08	1165.01	1021.14	856.73	957.52	1002.80	1042.04	1006.67	1060.70	776.93	305.56	285.84	27.46	0.00	3,442.50
Put	39.00	10/18/2008	1428.96	1321.02	1159.44	1012.13	845.91	949.09	995.95	1035.02	999.59	1053.66	769.80	305.23	285.58	27.46	0.00	3,542.50
Put	40.00	10/18/2008	1444.76	1331.84	1165.20	1013.34	845.36	954.59	1002.55	1041.89	1006.42	1060.52	776.58	305.52	285.80	27.46	0.00	3,642.50
Put	41.00	10/18/2008	1456.86	1339.68	1168.48	1013.68	843.97	942.32	993.60	1032.99	997.83	1051.48	769.69	305.17	285.52	27.46	0.00	3,742.50
Put	42.00	10/18/2008	1459.98	1338.13	1162.27	1005.14	831.44	940.61	991.20	1030.62	995.42	1049.10	767.23	304.98	285.36	27.45	0.00	3,842.50
Put	43.00	10/18/2008	1468.74	1342.39	1163.15	1003.70	833.49	942.64	991.20	1030.66	995.42	1049.13	767.17	304.94	285.33	27.45	0.00	3,942.50
Put	44.00	10/18/2008	1495.04	1364.79	1182.15	1019.76	849.33	948.23	991.20	1030.69	995.41	1049.15	767.11	304.90	285.29	27.45	0.00	4,035.00
Put	45.00	10/18/2008	1505.11	1371.68	1187.12	1023.08	848.87	950.06	994.30	1033.82	997.97	1052.45	767.06	304.86	285.26	27.45	0.00	4,135.00
Put	46.00	10/18/2008	1512.97	1375.47	1187.43	1021.75	848.85	949.28	993.23	1032.78	997.08	1051.33	767.00	304.82	285.23	27.45	0.00	4,235.00
Put	47.00	10/18/2008	1522.77	1381.47	1191.51	1024.20	848.99	950.84	995.60	1035.18	999.45	1053.72	769.34	304.97	285.35	27.45	0.00	4,335.00
Put	48.00	10/18/2008	1524.00	1380.25	1188.39	1021.61	847.03	948.52	993.18	1032.79	997.02	1051.32	766.88	304.75	285.16	27.45	0.00	4,435.00
Put	49.00	10/18/2008	1529.99	1383.77	1189.95	1021.61	845.47	947.92	993.15	1032.78	997.00	1051.31	766.83	304.71	285.13	27.45	0.00	4,535.00
Put	50.00	10/18/2008	1538.76	1389.49	1192.69	1021.97	837.06	944.86	993.12	1032.77	996.96	1051.30	766.77	304.68	285.10	27.45	0.00	4,635.00
Put	55.00	10/18/2008	1553.06	1394.60	1191.78	1018.38	836.43	942.49	990.00	1029.75	994.33	1048.08	766.46	304.50	284.94	27.44	0.00	5,142.50
Put	60.00	10/18/2008	1548.33	1386.43	1181.70	1007.37	827.04	932.18	979.36	1019.18	983.83	1037.43	766.15	304.34	284.80	27.44	0.00	5,635.00
Put	65.00	10/18/2008	1547.43	1384.92	1180.07	1007.22	825.33	931.45	979.30	1019.18	983.75	1037.41	765.83	304.18	284.66	27.43	0.00	6,135.00
Put	70.00	10/18/2008	1539.26	1376.64	1171.96	999.06	817.26	923.36	971.31	1011.23	975.75	1029.45	757.64	303.01	283.63	27.40	0.00	6,635.00
Put	75.00	10/18/2008	1548.12	1385.43	1180.93	1006.59	825.65	931.26	979.03	1018.99	983.46	1037.19	765.20	303.89	284.40	27.43	0.00	7,135.00
Put	80.00	10/18/2008	1539.63	1376.92	1172.58	998.28	817.42	923.01	970.84	1010.82	975.25	1029.01	756.89	302.63	283.29	27.39	0.00	7,635.00
Put	85.00	10/18/2008	1539.82	1377.10	1172.91	997.92	817.16	922.71	970.59	1010.59	974.99	1028.77	756.54	302.46	283.13	27.38	0.00	8,135.00
Put	2.50	1/17/2009	58.04	56.87	55.16	53.46	51.11	52.43	52.92	53.67	53.01	54.14	47.64	29.69	28.37	4.36	0.00	81.50
Put	4.00	1/17/2009														7.68	0.00	175.00
Put	5.00	1/17/2009	137.72	135.96	133.49	130.88	126.94	129.59	130.45	132.44	130.67	133.68	115.99	69.55	66.32	10.40	0.00	253.00
Put	6.00	1/17/2009														12.67	0.00	337.50
Put	7.50	1/17/2009	238.49	234.61	229.46	223.62	214.58	220.21	221.94	225.87	222.33	228.34	193.43	109.33	103.96	15.36	0.00	455.00
Put	9.00	1/17/2009														18.60	0.00	590.00
Put	10.00	1/17/2009	355.48	348.82	339.58	330.19	314.90	324.09	327.03	333.55	327.71	337.72	280.06	150.69	142.95	20.55	0.00	672.50
Put	11.00	1/17/2009														21.69	0.00	770.00
Put	12.50	1/17/2009	480.27	470.20	455.74	440.82	417.57	431.28	435.91	445.72	436.94	451.98	366.12	183.69	173.47	20.05	0.00	910.00
Put	14.00	1/17/2009							504.04	516.16	505.31	523.90	418.59	202.33	190.53	21.54	0.00	1,055.00
Put	15.00	1/17/2009	611.55	597.05	576.22	554.46	521.48	540.33	546.90	560.70	548.34	569.41	450.52	212.36	199.59	22.28	0.00	1,145.00
Put	16.00	1/17/2009							594.88	610.45	596.48	620.17	486.71	225.43	211.83	23.28	0.00	1,245.00
Put	17.50	1/17/2009	747.31	727.64	698.78	668.78	624.38	649.44	658.44	676.82	660.30	688.16	532.19	239.80	224.89	24.25	0.00	1,387.50
Put	19.00	1/17/2009							718.79	740.01	720.79	752.73	574.64	251.60	235.17	24.95	0.00	1,537.50
Put	20.00	1/17/2009	873.85	847.90	809.54	769.80	712.43	744.49	756.28	779.43	758.44	793.25	600.90	257.63	240.46	25.29	0.00	1,635.00
Put	21.00	1/17/2009						773.34	786.43	811.55	788.69	825.95	620.17	261.78	244.00	25.49	0.00	1,735.00

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

Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Put	22.50	1/17/2009	990.44	957.46	907.80	856.75	785.06	825.21	840.37	868.27	842.80	884.18	658.28	275.69	257.14	26.31	0.00	1,885.00
Put	24.00	1/17/2009				893.45	812.25	857.44	874.84	905.22	877.37	922.19	678.72	277.70	258.81	26.37	0.00	2,045.00
Put	25.00	1/17/2009	1090.90	1049.65	986.97	923.20	836.47	885.09	904.02	936.07	906.51	953.74	698.10	281.85	262.70	26.57	0.00	2,135.00
Put	26.00	1/17/2009				939.03	846.37	898.68	919.25	952.90	922.14	971.33	708.19	285.90	266.67	26.77	0.00	2,245.00
Put	27.00	1/17/2009	1152.40	1103.94	1029.81	955.17	856.40	912.64	934.99	969.93	937.75	989.08	718.21	287.88	268.54	26.86	0.00	2,345.00
Put	28.00	1/17/2009	1184.95	1132.69	1052.56	972.26	867.12	927.01	951.12	987.43	954.12	1007.43	728.42	289.89	270.45	26.94	0.00	2,445.00
Put	29.00	1/17/2009	1225.02	1168.84	1082.46	996.52	885.54	949.25	975.03	1012.56	978.49	1032.94	746.91	304.25	284.77	27.45	0.00	2,545.00
Put	30.00	1/17/2009	1252.00	1191.75	1099.30	1007.69	891.58	959.16	986.74	1024.65	989.36	1045.76	756.04	304.81	285.24	27.45	0.00	2,635.00
Put	31.00	1/17/2009	1275.28	1210.85	1111.88	1014.76	892.79	964.50	993.82	1032.41	996.81	1051.38	755.70	304.69	285.13	27.45	0.00	2,745.00
Put	32.00	1/17/2009	1302.25	1233.62	1128.51	1025.94	898.25	973.16	1004.32	1043.61	1007.19	1062.73	762.60	305.06	285.43	27.46	0.00	2,845.00
Put	33.00	1/17/2009	1316.19	1243.30	1131.89	1023.96	891.52	970.29	1003.12	1042.79	1006.06	1061.92	762.21	304.97	285.36	27.46	0.00	2,945.00
Put	34.00	1/17/2009	1322.09	1244.80	1127.12	1013.67	876.37	959.64	994.12	1034.56	997.81	1053.65	761.83	304.88	285.28	27.45	0.00	3,045.00
Put	35.00	1/17/2009	1345.23	1263.63	1139.71	1021.12	877.44	964.25	1000.43	1040.85	1003.22	1060.08	763.90	304.96	285.34	27.45	0.00	3,135.00
Put	36.00	1/17/2009	1338.24	1252.18	1122.11	998.89	852.93	943.14	980.48	1021.30	983.99	1040.44	746.08	287.44	267.84	26.72	0.00	3,245.00
Put	37.00	1/17/2009	1375.01	1284.65	1148.86	1020.93	870.71	964.63	1003.83	1044.62	1007.02	1063.79	768.10	305.12	285.48	27.46	0.00	3,345.00
Put	38.00	1/17/2009	1367.44	1273.16	1131.86	999.49	846.55	941.86	982.77	1023.54	985.94	1042.68	747.20	286.87	267.27	26.67	0.00	3,445.00
Put	39.00	1/17/2009	1362.16	1263.36	1116.80	980.27	824.04	922.47	964.88	1005.62	968.03	1024.73	729.47	286.31	266.99	26.64	0.00	3,545.00
Put	40.00	1/17/2009	1434.09	1331.21	1179.69	1038.46	873.08	969.53	1012.73	1053.45	1015.87	1072.53	777.48	305.51	285.80	27.46	0.00	3,650.00
Put	41.00	1/17/2009	1404.22	1297.38	1141.22	996.98	834.57	938.34	982.75	1023.45	985.88	1042.51	747.66	302.87	283.54	27.41	0.00	3,745.00
Put	42.00	1/17/2009	1446.56	1335.42	1174.02	1026.26	861.66	956.90	1002.62	1043.30	1005.46	1062.40	766.22	304.78	285.18	27.45	0.00	3,845.00
Put	43.00	1/17/2009	1456.07	1340.99	1175.73	1025.42	857.90	954.92	1002.11	1042.78	1004.95	1061.85	765.85	304.70	285.12	27.45	0.00	3,945.00
Put	44.00	1/17/2009	1456.69	1337.58	1168.37	1015.49	845.67	944.10	991.98	1032.63	994.81	1051.68	755.86	303.64	284.20	27.43	0.00	4,045.00
Put	45.00	1/17/2009	1476.12	1353.12	1180.44	1024.99	853.58	953.00	996.27	1036.90	999.10	1055.94	760.29	304.07	284.58	27.44	0.00	4,145.00
Put	46.00	1/17/2009	1469.27	1342.92	1166.74	1008.05	838.66	936.90	986.42	1027.04	989.24	1046.06	750.57	302.83	283.49	27.41	0.00	4,245.00
Put	47.00	1/17/2009	1497.49	1367.70	1187.88	1028.32	857.43	956.60	1005.30	1045.90	1008.11	1064.90	769.57	304.87	285.25	27.45	0.00	4,345.00
Put	48.00	1/17/2009	1496.39	1363.81	1182.31	1020.02	849.04	948.28	991.73	1032.31	994.25	1051.37	754.57	303.22	283.83	27.42	0.00	4,445.00
Put	50.00	1/17/2009	1504.29	1365.58	1180.76	1015.48	839.89	941.95	986.98	1027.53	989.78	1046.49	751.62	302.70	283.36	27.40	0.00	4,645.00
Put	55.00	1/17/2009	1543.61	1392.25	1198.74	1027.84	850.66	953.76	999.61	1039.78	1002.57	1058.54	767.17	304.39	284.84	27.44	0.00	5,145.00
Put	60.00	1/17/2009	1541.62	1383.11	1187.54	1018.17	840.30	943.88	990.18	1030.59	992.94	1049.43	755.74	302.76	283.40	27.39	0.00	5,645.00
Put	65.00	1/17/2009	1524.45	1366.66	1168.99	999.63	821.96	925.47	971.88	1011.93	974.57	1030.65	738.96	284.87	265.51	26.41	0.00	6,145.00
Put	70.00	1/17/2009	1528.71	1368.00	1169.16	1000.55	823.08	926.51	975.98	1016.27	978.96	1034.95	743.75	300.28	281.18	27.30	0.00	6,645.00
Put	75.00	1/17/2009	1532.88	1376.36	1177.61	1007.63	829.52	933.36	981.59	1021.53	984.26	1040.16	749.44	301.12	281.92	27.33	0.00	7,145.00
Put	80.00	1/17/2009	1517.86	1361.95	1164.82	995.67	822.08	923.25	972.67	1012.86	975.64	1031.46	741.19	299.35	280.32	27.25	0.00	7,645.00
Put	90.00	1/17/2009	1532.36	1376.48	1178.18	1008.72	832.12	935.13	983.01	1023.10	985.75	1041.70	750.93	300.92	281.72	27.31	0.00	8,645.00

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Exhibit 4

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

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

Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/08	
Put	100.00	1/17/2009	1529.93	1372.94	1173.66	1004.60	827.86	930.99	980.24	1020.23	982.97	1038.77	748.80	300.25	281.11	27.27	0.00	9,645.00
Put	110.00	1/17/2009	1522.48	1366.33	1168.82	1000.15	823.93	926.77	976.29	1016.17	979.23	1034.59	746.79	299.61	280.53	27.24	0.00	10,645.00
Put	2.50	4/18/2009							52.39	53.17	52.50	53.60	46.98	28.81	27.50	4.26	0.00	92.00
Put	4.00	4/18/2009														7.85	0.00	188.00
Put	5.00	4/18/2009							127.33	129.52	127.58	130.80	111.88	65.39	62.34	9.69	0.00	262.50
Put	6.00	4/18/2009														12.11	0.00	342.50
Put	7.50	4/18/2009							214.73	218.88	215.14	221.40	185.36	102.92	97.87	15.60	0.00	465.00
Put	9.00	4/18/2009														18.49	0.00	595.00
Put	10.00	4/18/2009							310.78	317.45	311.45	321.58	264.01	139.31	132.21	20.48	0.00	687.50
Put	11.00	4/18/2009														22.00	0.00	775.00
Put	12.00	4/18/2009														23.26	0.00	862.50
Put	13.00	4/18/2009							422.62	433.01	423.67	439.45	350.88	170.27	160.58	18.56	0.00	960.00
Put	14.00	4/18/2009							462.54	474.33	463.73	481.61	381.59	181.49	170.96	19.53	0.00	1,055.00
Put	15.00	4/18/2009							505.44	518.67	506.74	526.78	415.01	195.94	184.43	24.39	0.00	1,150.00
Put	16.00	4/18/2009							541.25	556.00	542.70	564.97	441.38	202.45	190.14	21.24	0.00	1,242.50
Put	17.00	4/18/2009							579.50	595.80	581.05	605.64	469.62	211.72	198.74	21.97	0.00	1,342.50
Put	18.00	4/18/2009							618.03	635.92	619.72	646.61	498.29	221.62	207.63	22.70	0.00	1,435.00
Put	19.00	4/18/2009							650.46	669.93	652.24	681.56	520.80	226.85	212.22	23.04	0.00	1,535.00
Put	20.00	4/18/2009							685.50	706.63	687.36	718.96	545.65	233.80	218.36	23.51	0.00	1,635.00
Put	25.00	4/18/2009							838.47	867.54	840.98	883.69	652.99	267.73	249.81	25.75	0.00	2,137.50
Put	30.00	4/18/2009							927.72	962.96	930.49	981.67	709.86	280.84	261.62	26.41	0.00	2,637.50
Put	35.00	4/18/2009							993.87	1033.66	997.41	1054.80	759.64	304.63	285.07	27.45	0.00	3,137.50
Put	2.50	1/16/2010	55.11	54.28	53.14	51.88	50.24	51.32	51.66	52.59	51.79	52.98	45.33	27.47	26.19	4.09	0.00	101.00
Put	5.00	1/16/2010	135.99	133.43	129.90	126.36	121.13	124.51	125.59	127.99	125.80	129.27	109.08	63.64	60.73	10.72	0.00	276.00
Put	7.50	1/16/2010	226.20	221.15	213.98	206.67	196.37	202.74	204.91	209.23	205.33	211.72	175.41	97.48	92.74	14.53	0.00	472.50
Put	10.00	1/16/2010	328.05	319.60	307.74	295.51	278.49	288.41	291.96	298.55	292.59	302.53	246.88	133.07	126.54	20.50	0.00	685.00
Put	12.50	1/16/2010	424.20	411.75	393.95	376.32	351.71	365.70	370.84	380.04	371.70	385.59	308.05	155.33	147.01	17.15	0.00	912.50
Put	15.00	1/16/2010	527.49	510.52	486.19	462.12	429.34	447.81	454.81	466.84	455.92	474.05	372.86	181.99	172.12	19.54	0.00	1,150.00
Put	17.50	1/16/2010	633.04	611.05	579.51	548.43	506.97	530.37	539.47	554.55	540.84	563.54	436.42	206.81	195.39	21.61	0.00	1,387.50
Put	20.00	1/16/2010	731.20	703.86	664.51	625.81	575.15	603.72	615.10	633.27	616.68	643.85	492.54	227.22	214.37	23.17	0.00	1,635.00
Put	22.50	1/16/2010	825.68	792.52	744.82	697.97	638.07	671.99	685.81	707.24	687.79	719.73	541.59	242.09	227.84	24.18	0.00	1,885.00
Put	25.00	1/16/2010	916.94	877.64	821.06	765.68	696.36	735.89	752.34	776.80	754.58	790.30	590.35	257.69	242.50	25.23	0.00	2,135.00
Put	30.00	1/16/2010	1065.53	1013.02	937.42	863.83	774.66	825.33	847.11	876.86	849.54	892.92	653.03	273.28	256.03	26.05	0.00	2,637.50
Put	35.00	1/16/2010	1178.49	1112.15	1016.77	925.55	819.11	881.45	908.74	942.67	911.28	960.98	693.38	281.29	262.85	26.42	0.00	3,137.50
Put	40.00	1/16/2010	1270.83	1190.60	1076.21	968.20	847.37	920.52	952.95	990.37	956.39	1011.68	723.03	287.84	268.68	26.73	0.00	3,637.50
Put	45.00	1/16/2010	1334.73	1241.07	1108.72	985.82	849.44	931.66	968.51	1007.71	972.37	1026.01	745.45	302.17	282.90	27.39	0.00	4,135.00
Put	50.00	1/16/2010	1330.46	1224.35	1076.47	942.22	797.89	887.27	928.05	965.32	933.47	982.10	726.48	298.32	279.46	27.25	0.00	4,637.50
Put	55.00	1/16/2010	1339.79	1221.87	1061.57	915.99	759.68	850.15	894.36	931.95	900.34	948.54	702.82	273.57	254.72	25.70	0.00	5,135.00
Put	60.00	1/16/2010	1358.68	1230.41	1060.11	907.12	748.10	841.75	887.48	924.87	892.96	941.52	694.06	267.89	249.17	25.25	0.00	5,635.00
Put	65.00	1/16/2010	1404.70	1267.56	1092.03	935.86	773.90	864.07	907.97	945.15	913.37	961.69	718.51	295.14	276.54	27.07	0.00	6,135.00
Put	70.00	1/16/2010	1390.17	1246.79	1066.54	909.00	745.19	835.87	875.97	912.96	881.44	929.33	678.18	259.61	241.17	24.56	0.00	6,635.00
Put	75.00	1/16/2010	1396.12	1244.36	1063.57	907.22	743.11	833.48	873.54	910.34	878.82	926.68	683.03	265.04	246.65	24.98	0.00	7,135.00
Put	80.00	1/16/2010	1387.11	1233.62	1054.24	898.33	735.71	825.37	868.97	905.59	874.21	921.83	679.41	257.58	239.10	24.35	0.00	7,635.00
Put	90.00	1/16/2010	1397.69	1249.41	1069.60	914.68	752.55	842.47	886.42	922.67	891.58	938.72	698.78	288.46	270.38	26.66	0.00	8,635.00
Put	100.00	1/16/2010	1384.53	1238.02	1058.94	905.06	744.27	833.54	877.27	913.18	882.35	929.06	691.59	285.94	268.05	26.49	0.00	9,635.00

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

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

Appendix D

Type of Security	Estimated Average Recovery Per Damaged Security	Estimated Average Cost Per Damaged Security
Common Stock	$0.02	$0.004
Options	$0.59	$0.11
Common Stock Offering	$0.03	$0.01
Senior Unsecured Notes*	$2.11	$0.38
Subordinated Notes*	$2.34	$0.42
Preferred Stock Offerings	$0.24	$0.04
Principal Protected Notes (PPN) Offerings*	$2.11	$0.38

* The estimated recovery amounts and costs are based upon $1000 face value of notes.

UW Notice

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

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

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

- Multiple settlements have been reached in the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation*, No. 08-CV-5523-LAK (S.D.N.Y.) (the "Action"). This notice addresses the settlements reached with all but one of the underwriters named as defendants in the Action (the "Underwriter Settlement").[1] The initial settlement was reached with the first group of settling Underwriter Defendants in the amount of $417,000,000 pursuant to a Stipulation of Settlement and Release executed on December 2, 2011 (the "First Underwriter Stipulation"). The second settlement was reached with the second group of settling Underwriter Defendants[2] for additional monetary recoveries in the aggregate amount of $9,218,000 pursuant to a Stipulation of Settlement and Release executed on December 9, 2011 (the "Second Underwriter Stipulation" and together with the First Underwriter Stipulation, the "Stipulations"). The Second Underwriter Stipulation largely adopts the terms of the First Underwriter Stipulation. This notice is directed at all persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A hereto (the "Lehman Securities") pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby (the "Underwriter Class").[3]

- The Underwriter Settlement is comprised of $426,218,000 in cash (the "Underwriter Settlement Amount") plus any interest or income earned thereon (the "Underwriter Settlement Fund") for the benefit of the Underwriter Class. Estimates of average recovery per damaged security are set forth on Appendix C hereto. Underwriter Class Members should note, however, that these are only estimates based on the overall number of potentially damaged securities in the Underwriter Class. Some Underwriter Class Members may recover more or less than these estimated amounts depending on, among other factors, how many Underwriter Class Members submit claims, when and the prices at which their Lehman Securities were purchased, acquired or sold, and what security they purchased, acquired or sold. In addition, as set forth in Question 19 below, Lead Counsel (as defined below) will seek approval for attorneys' fees in an amount not to exceed 17.5% of the Underwriter Settlement Amount, plus interest thereon, and for reimbursement of costs incurred by Lead Counsel and other counsel to Named Plaintiffs (as defined below) in connection with commencing and prosecuting the Action and the costs and expenses of the Lead Plaintiffs (as defined below) (collectively, the "Litigation Expenses") in an amount not to exceed $2.5 million, plus interest thereon. The total amount of Litigation Expenses awarded by the Court will be paid to Lead Counsel from the D&O Settlement and the Underwriter Settlement in *pro rata* amounts. If the Court approves Lead Counsel's application for attorneys' fees and Litigation Expenses (as set forth in Question 19 below), the estimated average cost per damaged security will be as set forth on Appendix C hereto.

- If the Underwriter Settlement is approved by the Court, it will result in (i) the distribution of the Underwriter Settlement Fund, minus certain Court-approved fees, costs and expenses as described herein, to investors who submit valid claim forms; (ii) the release of the Settling Underwriter Defendants (as defined below) and certain other related parties, as identified in Question 1 below, from further lawsuits that are based on, arise out of, or relate in any way to the facts and claims alleged, or that could have been alleged, in the Action; and (iii) the dismissal with prejudice of the claims against the Settling Underwriter Defendants. The Underwriter Settlement also avoids the costs and risks of further litigation against these defendants.

- The Underwriter Settlement does not resolve claims against any other defendant in the Action, and the Action will continue against Ernst & Young, LLP ("E&Y"), Lehman Brothers Holdings Inc.'s outside auditor during the relevant time period, and the remaining, non-settling underwriter defendant, UBS Financial Services, Inc. (the "Non-Settling Defendants"). Please Note: The Underwriter Settlement is separate and apart from the D&O Settlement, the proposed $90 million settlement Lead Plaintiffs reached with certain of Lehman's officers and directors during the relevant time period. You should have received a notice for the D&O Settlement along with this Notice. *See* Question 6 below for more details. You are not automatically in both settlements as they cover different securities in some instances, so you should read both notices to determine if you are eligible to participate in each settlement.

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

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

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM POSMARKED NO LATER THAN MAY 17, 2012	The only way to get a payment. Instructions as to how to request a claim form are contained below.
EXCLUDE YOURSELF BY MARCH 22, 2012	Get no payment. The only option that might let you sue the defendants that settled concerning the claims being resolved in the Underwriter Settlement.
OBJECT BY MARCH 22, 2012	Write to the Court about why you do not like the Underwriter Settlement or any aspect thereof.
GO TO A HEARING ON APRIL 12, 2012 AT 4:00 PM	Ask to speak in Court about the fairness of the Underwriter Settlement.
DO NOTHING	Get no payment. Give up rights.

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

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why was this Notice Issued?

A U.S. Court authorized this Notice to inform you about a settlement reached with certain of the defendants (the Settling Underwriter Defendants) in a class action lawsuit. This Notice explains the lawsuit, the Underwriter Settlement and your legal rights and options in connection with the Underwriter Settlement before the Court decides whether to give "final approval" to the Underwriter Settlement. The Honorable Lewis A. Kaplan of the United States District Court for the Southern District of New York is presiding over the case known as *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiffs are referred to as Lead Plaintiffs. The Underwriter Defendants who have agreed to settle (*i.e.*, A.G. Edwards & Sons, Inc.; ABN AMRO Inc.; ANZ Securities, Inc.; Banc of America Securities LLC; BBVA Securities Inc.; BNP Paribas; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Caja de Ahorros y Monte de Piedad de Madrid; Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank); CIBC World Markets Corp.; Citigroup Global Markets Inc.; Charles Schwab & Co., Inc.; Commerzbank Capital Markets Corp.; Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets); DZ Financial Markets LLC; Edward D. Jones & Co., L.P.; Fidelity Capital Markets Services (a division of National Financial Services LLC); Fortis Securities LLC; BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.); HSBC Securities (USA) Inc.; HVB Capital Markets, Inc.; Incapital LLC; ING Financial Markets LLC; Loop Capital Markets, LLC; Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC); Merrill Lynch, Pierce, Fenner & Smith Inc.; Mizuho Securities USA Inc.; Morgan Stanley & Co. Inc.; MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners); Muriel Siebert & Co., Inc. and Siebert Capital Markets; nabCapital Securities, LLC (n/k/a nabSecurities, LLC); National Australia Bank Ltd.; Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC); Raymond James & Associates, Inc.; RBC Capital Markets LLC (f/k/a RBC Dain Rauscher Inc.); RBS Greenwich Capital (n/k/a RBS Securities Inc.); Santander Investment Securities Inc.; Scotia Capital (USA) Inc.; SG Americas Securities LLC; Sovereign Securities Corporation LLC; SunTrust Robinson Humphrey, Inc.; TD Securities (USA) LLC; UBS Securities LLC; Utendahl Capital Partners, L.P.; Wachovia Capital Finance; Wachovia Securities, LLC (n/k/a Wells Fargo Securities, LLC) Wells Fargo Securities, LLC and Williams Capital) are referred to as the "Settling Underwriter Defendants." The proposed Underwriter Settlement will resolve all claims against the Settling Underwriter Defendants and certain other released parties (the "Released Underwriter Parties" as set forth in paragraph 1(gg) of the First Underwriter Stipulation and paragraph 1(gg) of Exhibit A to the Second Underwriter Stipulation) only; it will not resolve the claims against the Non-Settling Defendants, which Lead Plaintiffs will continue to pursue.

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

2. What is this lawsuit about?

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

3. Why is this a class action?

In a class action lawsuit, one or more persons or entities known as class representatives – in this case the "Lead Plaintiffs" are Alameda County Employees' Retirement Association, Government of Guam Retirement Fund, Northern Ireland Local Government Officers' Superannuation Committee, City of Edinburgh Council as Administering Authority of the Lothian Pension Fund, and Operating Engineers Local 3 Trust Fund – assert legal claims on behalf of all persons and entities with similar legal claims.[4] The Lead Plaintiffs sued on behalf of others who have similar claims. All of these people together are referred to as a "settlement class" or as "settlement class members." One Court resolves the issues for all settlement class members, except for any persons or entities who choose to exclude themselves from the settlement class (*see* Question 17 below), if the Court determines that a class action is an appropriate method to do so.

4. Why is there an Underwriter Settlement?

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

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

5. Are the other defendants included in this Underwriter Settlement?

No. The Underwriter Settlement includes only the Settling Underwriter Defendants and the lawsuit is continuing against E&Y, Lehman's outside auditor during the relevant time period, and UBS Financial Services, Inc., an additional underwriter of certain Lehman offerings as set forth in the Complaint. A copy of the Complaint can be found on the settlement website at www.LehmanSecuritiesLitigationSettlement.com. Further, the Lehman directors and officers named in the Action (the "Individual Defendants" or "D&O Defendants") have reached a separate $90 million settlement with Lead Plaintiffs. A separate notice addresses the D&O Settlement in detail (the "D&O Notice"). If you did not receive a copy of the D&O Notice along with this Notice, you can obtain a copy by visiting the settlement website listed above or by contacting the claims administrator.

6. What is the D&O settlement and am I included in that Settlement?

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

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

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

WHO IS IN THE UNDERWRITER SETTLEMENT

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

7. How do I know if I am part of the Underwriter Settlement?

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

8. Are there exceptions to being included?

Yes. Excluded from the Underwriter Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity, defined below) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the "Underwriter Settlement Class Period") owned, a majority interest, (iv) members of Defendants' immediate families and the legal representatives, heirs, successors or assigns of any such excluded party, and (v) Lehman. "Lehman" means LBHI and those of its subsidiaries and affiliates that, together with LBHI, are debtors in the Lehman Bankruptcy Proceedings or the LBI SIPA Proceeding. The Underwriter Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First Underwriter Stipulation, who purchased or otherwise acquired Lehman Securities (each, a "Managed Entity"). Also excluded are any persons or entities who timely and validly request exclusion from the Underwriter Class as set forth in this Notice. If you requested exclusion from the D&O Settlement, you are not automatically excluded from the Underwriter Settlement. You must specifically indicate that you wish to be excluded from the "Underwriter Settlement."

9. I'm still not sure if I'm included.

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

THE UNDERWRITER SETTLEMENT BENEFITS – WHAT YOU GET

10. What does the Underwriter Settlement provide?

A settlement fund for $426,218,000 (the "Underwriter Settlement Fund") has been established. If the Underwriter Settlement is approved, the Underwriter Settlement Fund, less Court-awarded attorneys' fees and expenses, the costs of administering the Underwriter Settlement and taxes, if any (the "Underwriter Net Settlement Fund"), will be distributed to eligible Underwriter Class Members.

11. How much will my payment be?

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

All Claim Forms must be postmarked no later than May 17, 2012 addressed as follows:

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

Unless otherwise ordered by the Court, any Underwriter Class Member who fails to submit a properly completed and signed Claim Form within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the Underwriter Settlement, but will in all other respects be subject to the provisions of the Stipulations entered into by the Settling Parties and the final judgment entered by the Court.

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

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

12. What am I giving up as part of the Underwriter Settlement?

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

The Settling Parties will also seek, among other things, a judgment reduction order in connection with the Judgment in the Action. A judgment reduction order generally reduces the liability of non-settling defendants and/or certain other parties for common damages by the greater of the settlement amount paid by or on behalf of the settling defendants for common damages or the percentage share of responsibility of the settling defendants for common damages.[5]

13. How can I get a payment?

If you are an Underwriter Class Member you will need to submit a Claim Form and the necessary supporting documentation to establish your potential eligibility to share in the Underwriter Net Settlement Fund. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator, www.LehmanSecuritiesLitigationSettlement.com, to request that a Claim Form be mailed to you. Submitting a Claim Form does not necessarily guarantee that you will receive a payment. Please refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the Underwriter Settlement Fund will be allocated.

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

14. When will I get my payment?

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

EXCLUDING YOURSELF FROM THE UNDERWRITER SETTLEMENT

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

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

15. If I exclude myself, can I get money from the Underwriter Settlement?

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

16. If I do not exclude myself, can I sue later?

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

17. How do I get out of the Underwriter Settlement?

To exclude yourself from the Underwriter Class, you must send a letter by mail saying that you want to be excluded from the Underwriter Class in the *In re Lehman Brothers Equity/Debt Securities Litigation – Settling Underwriter Defendants Settlement*, Case No. 08-CV-5523 (LAK). Be sure to include your name, address and telephone number. You must also include information concerning your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of Lehman Securities. The request for exclusion must be signed by the person or entity requesting exclusion. Requests for exclusion will not be valid if they do not include the information set forth above. You must mail your exclusion request so that it is **received** no later than **March 22, 2012** to:

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

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

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

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

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

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

19. How will the lawyers be paid?

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

OBJECTING TO THE UNDERWRITER SETTLEMENT

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

20. How do I tell the Court if I do not like the Underwriter Settlement?

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

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

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

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

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

THE COURT'S FAIRNESS HEARING

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

22. When and where will the Court decide whether to approve the Underwriter Settlement?

The Court will hold a fairness hearing at 4:00 p.m., on April 12, 2012, before the Honorable Lewis A. Kaplan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St, New York, NY 10007, Courtroom 12D. At this hearing, the Court will consider whether the Underwriter Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Kaplan will listen to people who have asked to speak at the hearing. Judge Kaplan may also consider Lead Counsel's application for attorneys' fees and Litigation Expenses at this time. The fairness hearing may occur on a different date without additional notice, so it is a good idea to check www.LehmanSecuritiesLitigationSettlement.com for updated information.

23. Do I have to come to the fairness hearing?

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

24. May I speak at the fairness hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in the *In re Lehman Brothers Equity/Debt Securities Litigation*, Case No. 08-MD-CV-5523 (LAK)." Be sure to include your name, address, telephone number, your signature, and also identify your transactions in Lehman Securities, including the date(s), price(s), type(s) and amount(s) of all purchases, acquisitions, and sales of the eligible Lehman Securities. Your notice of intention to appear must be received no later than March 22, 2012, and must be sent to the Clerk of the Court, Lead Counsel, and Representative Counsel for the Settling Underwriter Defendants, at the addresses listed in Question 20 above. You cannot speak at the hearing if you exclude yourself from the Underwriter Class.

IF YOU DO NOTHING

25. What happens if I do nothing at all?

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

GETTING MORE INFORMATION

26. How do I get more information?

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

INFORMATION FOR BROKERS AND OTHER NOMINEES

27. What if I bought Lehman Securities for a beneficial owner?

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

(1) provide the names and addresses of such persons and entities to the Claims Administrator, GCG, and GCG, will send a copy of the Notice and Claim Form to the beneficial owners; or

(2) send a copy of the Notice and Claim Form by first class mail to the beneficial owners of such Lehman Securities. You can request copies of these documents by contacting the Claims Administrator or print and download copies by going to www.LehmanSecuritiesLitigationSettlement.com.

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

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

Dated: January 18, 2012

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

Appendix A

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

Appendix B

PLAN OF ALLOCATION FOR THE UNDERWRITER NET SETTLEMENT FUND

A. Preliminary Matters

Pursuant to the settlements with the Settling Underwriter Defendants[1] (the "Underwriter Settlement"), the Settling Underwriter Defendants have caused to be paid $426,218,000 in cash (the "Underwriter Settlement Amount"). The Underwriter Settlement Amount and the interest earned thereon is the "Underwriter Gross Settlement Fund." The Underwriter Gross Settlement Fund, after deduction of Court-approved attorneys' fees and Litigation Expenses, notice and administration expenses, and taxes and tax expenses, is the "Underwriter Net Settlement Fund." The Underwriter Net Settlement Fund will be distributed to Underwriter Class Members who are entitled to share in the distribution, who submit timely and valid Proofs of Claim ("Authorized Claimants"), and whose payment from the Underwriter Net Settlement Fund would equal or exceed fifty dollars ($50.00).

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

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

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

Each person or entity claiming to be an Authorized Claimant will be required to submit a Proof of Claim Form ("Claim Form"), signed under penalty of perjury and supported by such documents as specified in the Claim Form, postmarked on or before May 17, 2012 to the address set forth in the accompanying Claim Form. To the extent that you have already submitted a Claim Form in connection with the settlement reached with the director and officer defendants (the "D&O Settlement"), it is unnecessary to submit another Claim Form for purposes of participating in this Underwriter Settlement.

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

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

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

B. Definitions

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

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

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

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

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

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

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

C. Eligible Securities

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

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

FIFO Matching: If an Underwriter Class Member has more than one purchase/acquisition or sale of Eligible Securities, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis, such that sales will be matched against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Underwriter Settlement Class Period.

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

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

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

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

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

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

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

D. Recognized Losses for Lehman Preferred Stock

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

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

b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the $25 per share issue price) *minus* the sale price per share;

c) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the $25 per share issue price) *minus* the greater of (i) the sale price per share or (ii) the closing price per share of $0.01 on October 28, 2008;

d) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per share (not to exceed the $25 per share issue price) *minus* $0.01 per share.

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

E. Recognized Losses for Lehman Senior Unsecured and Subordinated Notes

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

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

b) *if sold between June 9, 2008 and October 28, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1) *minus* the sale price per note;

c) *if sold after October 28, 2008*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1) *minus* the greater of (i) the sale price per note or (ii) the closing price per note on October 28, 2008 as shown on Exhibit 1;

d) *if still held as of the date the Claim Form is filed*, the Recognized Loss or Recognized Gain is the purchase/acquisition price per note (not to exceed the respective issue price per note as shown on Exhibit 1), *minus* the closing price per note on October 28, 2008 as shown on Exhibit 1.

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

F. Distribution Amount

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

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

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

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

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

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

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

Exhibit 1
Lehman Notes and Preferred Stock

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

1 Issue Price and Value as of the Lawsuit Date are denominated in per share for the 2008-02-05 7.95% Non-cumulative Perpetual Preferred Stock, Series J (52520W317) and in Per $1,000 of Face Value for the Notes.
2 Actual Closing Price Per Note.
3 Because reliable pricing data was not available for this security, the average of Closing Prices for five Notes (CUSIP Nos. 52517P4C2, 52517P5X5, 52517P5Y3, 5252M0BZ9, and 5252M0FD4) on October 28, 2008 for which reliable pricing data was available was utilized.
4 Issue date information unavailable for these securities. Par Amount assumed to be $1,000 per note.

Exhibit 2
Allocation of Underwriter Settlement Amount

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

Appendix C

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

Claim Form

Must be Postmarked
No Later Than
May 17, 2012

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

LBE

CLAIMANT IDENTIFICATION:

Claim Number:

Control Number:

PROOF OF CLAIM

THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE AND POSTMARKED NO LATER THAN MAY 17, 2012 TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUNDS IN CONNECTION WITH THE D&O SETTLEMENT AND/OR THE UNDERWRITER SETTLEMENT.

TABLE OF CONTENTS

SECTION A - CLAIMANT INFORMATION

LAST NAME (CLAIMANT)

FIRST NAME (CLAIMANT)

Last Name (Beneficial Owner if Different From Claimant)

First Name (Beneficial Owner)

Last Name (Co-Beneficial Owner)

First Name (Co-Beneficial Owner)

Company/Other Entity (If Claimant Is Not an Individual)

Contact Person (If Claimant is Not an Individual)

Trustee/Nominee/Other

Account Number (If Claimant Is Not an Individual)

Trust/Other Date (If Applicable)

Address Line 1

Address Line 2 (If Applicable)

City

State

Zip Code

Foreign Province

Postal Code

Foreign Country

Telephone Number (Day)

Telephone Number (Night)

Beneficial Owner's Employer Identification Number or Social Security Number

Email Address *(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)*

IF YOU FAIL TO SUBMIT A COMPLETE CLAIM BY MAY 17, 2012 YOUR CLAIM IS SUBJECT TO REJECTION OR YOUR PAYMENT MAY BE DELAYED.

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

SECTION B – GENERAL INSTRUCTIONS

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

B. TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION FROM ONE OR BOTH OF THE NET SETTLEMENT FUNDS CREATED BY THE SETTLEMENTS, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, POSTMARKED NO LATER THAN MAY 17, 2012, ADDRESSED AS FOLLOWS:

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

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

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

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

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

D. IF YOU ARE NOT A MEMBER OF EITHER OF THE SETTLEMENT CLASSES DESCRIBED ABOVE, OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, FILED A REQUEST FOR EXCLUSION FROM EACH OF THE SETTLEMENT CLASSES OF WHICH YOU ARE A MEMBER, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT(S) IF YOU ARE NOT A MEMBER OF THE RELEVANT SETTLEMENT CLASS (AS DESCRIBED ABOVE). THUS, IF YOU REQUEST EXCLUSION AND ARE EXCLUDED FROM ONE OR BOTH OF THE SETTLEMENT CLASSES, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED WITH RESPECT TO THE SETTLEMENT OR SETTLEMENTS FROM WHICH YOU WERE EXCLUDED.

E. All D&O Class Members will be bound by the terms of the Judgment entered in the Action in connection with the D&O Settlement WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the D&O Class is received by March 22, 2012. The Judgment in connection with the D&O Settlement will release and enjoin the filing or continued

SECTION B – GENERAL INSTRUCTIONS (CONTINUED)

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

F. All Underwriter Class Members will be bound by the terms of the Judgment entered in the Action in connection with the UW Settlement WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the Underwriter Class is received by March 22, 2012. The Judgment in connection with the UW Settlement will release and enjoin the filing or continued prosecution of the Settled Claims (defined in paragraph 1(ii) of the Stipulation of Settlement and Release dated December 2, 2011 and paragraph 1(ii) of Exhibit A to the Stipulation of Settlement and Release dated December 9, 2011 (the two stipulations shall be jointly referred to as the "UW Stipulations")) against the Settling Underwriter Defendants (as set forth in the UW Notice) and certain parties related to the Settling Underwriter Defendants (*i.e.*, the "Released Underwriter Parties" as set forth in the UW Stipulations).

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

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

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

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

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

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

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Lehman Securities; and

(c) furnish herewith evidence of their authority to bind the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

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

(a) own(ed) the Lehman Securities you have listed in the Claim Form; or

(b) are expressly authorized to act on behalf of the owner thereof.

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

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

SECTION C - SCHEDULE OF TRANSACTIONS IN COMMON STOCK

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

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

shares

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

IF NONE, CHECK HERE

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

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

IF NONE, CHECK HERE

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

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

shares

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

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX

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

SECTION D - SCHEDULE OF TRANSACTIONS IN PREFERRED STOCK

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

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

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

IF NONE, CHECK HERE ☐

Insert Code Indicated Above	Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase Price Per Share	Aggregate Cost (excluding commissions, taxes, and fees)
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
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Please note: Information requested with respect to your purchases/acquisitions of Lehman Securities from September 16, 2008 through and including the date you submitted your Claim Form is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Claim(s) pursuant to the Plans of Allocation for the respective Settlements.

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

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

SECTION D - SCHEDULE OF TRANSACTIONS IN PREFERRED STOCK (CONTINUED)

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

2. **SALES:** Separately list each and every sale, including free deliveries, of preferred stock during the period from the opening of trading on the **relevant initial offering dates listed above** through and including the close of trading on **the date you submit your Claim Form** (must be documented).

IF NONE, CHECK HERE ☐

Insert Code Indicated Above	Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Amount Received (excluding commissions, taxes, and fees)
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
	/ /		.	
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	/ /		.	
	/ /		.	

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

Insert Code Indicated Above	Number of Shares Held

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

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

SECTION E - SCHEDULE OF TRANSACTIONS IN SENIOR UNSECURED NOTES AND SUBORDINATED NOTES

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

Insert Code Indicated on Pages 14-16	Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Principal Amount	Price per Unit Purchased	Aggregate Cost (excluding commissions, taxes, and fees)
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
	/ /		.	.
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Please note: Information requested with respect to your purchases/acquisitions of Lehman Securities from September 16, 2008 through and including the date you submitted your Claim Form is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Claim(s) pursuant to the Plans of Allocation for the respective Settlements.

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

SECTION E - SCHEDULE OF TRANSACTIONS IN SENIOR UNSECURED NOTES AND SUBORDINATED NOTES (CONTINUED)

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

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

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

Insert Code Indicated on Pages 14-16	Principal Amount

Insert Code Indicated on Pages 14-16	Principal Amount

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

SECTION F - SCHEDULE OF TRANSACTIONS IN CALL OPTIONS

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

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

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

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

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

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

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

SECTION G - SCHEDULE OF TRANSACTIONS IN PUT OPTIONS

1. **BEGINNING HOLDINGS:** At the opening of trading on **June 12, 2007**, I was obligated on the following put option contracts (must be documented):

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

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

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

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

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

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

SECTION H – RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON THE NEXT PAGE.

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

SECTION I – CERTIFICATION

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

1. that I (we) have read the Notices, the Plans of Allocation and the Claim Form, including the releases provided for in the Settlements;

2. that the Claimant(s) is (are) members of one or both of the Settlement Classes, as defined in the Notices, and is (are) not one of the individuals or entities excluded from the Settlement Classes (as set forth in the Notices and above in Section B, paragraph C);

3. that the Claimant(s) has (have) not submitted a request for exclusion from the Settlement Class(es) of which he, she or it is a member;

4. that the Claimant(s) owns(ed) the Lehman Securities identified in the Claim Form and have not assigned the claim against the Released Parties and/or the Released Underwriter Parties, as applicable, to another, or that, in signing and submitting this Claim Form, the Claimant(s) has (have) the authority to act on behalf of the owner(s) thereof;

5. that the Claimant(s) has (have) not submitted any other claim covering the same purchases, acquisitions, sales, or holdings of Lehman Securities and knows of no other person having done so on his/her/its/their behalf;

6. that the Claimant(s) submits (submit) to the jurisdiction of the Court with respect to his/her/its/their claim and for purposes of enforcing the releases set forth herein;

7. that I (we) agree to furnish such additional information with respect to this Claim Form as the Claims Administrator or the Court may require;

8. that the Claimant(s) waives (waive) the right to trial by jury, to the extent it exists, and agrees (agree) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;

9. that I (we) acknowledge that the Claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and

10. that the Claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because: (i) the Claimant(s) is (are) exempt from backup withholding; or (ii) the Claimant(s) has (have) not been notified by the IRS that he/she/it/they is (are) subject to backup withholding as a result of a failure to report all interest or dividends; or (iii) the IRS has notified the Claimant(s) that he/she/it/they is (are) no longer subject to backup withholding. If the IRS has notified the Claimant(s) that he/she/it/they is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the Claimant(s) is (are) not subject to backup withholding in the certification above.

SECTION I – CERTIFICATION (CONTINUED)

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

_____
Signature of Claimant

_____ _____
Print Name of Claimant Date

_____
Signature of Joint Claimant, if any

_____ _____
Print Name of Joint Claimant, if any Date

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

_____
Signature of Person Completing Form

_____ _____
Print Name of Person Completing Form Date

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

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, **POSTMARKED NO LATER THAN MAY 17, 2012**, ADDRESSED AS FOLLOWS:

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

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by May 17, 2012 and if a postmark is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

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

LIST OF NOTES
NOTES LISTED BY ISSUE DATE

Code	Security	Issue Date*	Cusip
01	100% Principal Protection Notes Linked to a Global Index Basket	March 30, 2007	52520W564 524908VP2
02	Performance Securities with Partial Protection Linked to a Global Index Basket	March 30, 2007	52520W556 524908VQ0
03	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	April 30, 2007	52517PX63
04	Performance Securities with Partial Protection Linked to a Global Index Basket	April 30, 2007	52520W515
05	100% Principal Protection Notes Linked to a Currency Basket	May 31, 2007	52520W440
06	Medium-Term Notes, Series I	June 15, 2007	52517P2S9
07	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	June 29, 2007	52517P2P5
08	6% Notes Due 2012	July 19, 2007	52517P4C2
09	6.50% Subordinated Notes due 2017	July 19, 2007	524908R36
10	6.875% Subordinated Notes Due 2037	July 19, 2007	524908R44
11	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component	July 31, 2007	524908K25
12	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	July 31, 2007	52517P3H2
13	Partial Principal Protection Notes Linked to a Basket of Global Indices	August 1, 2007	524908J92
14	Annual Review Notes with Contingent Principal Protection Linked to an Index	August 22, 2007	52517P4Y4
15	Medium-Term Notes, Series I	August 29, 2007	52517P4T5
16	100% Principal Protection Notes Linked to an International Index Basket	August 31, 2007	52522L186
17	100% Principal Protection Notes Linked to a Global Index Basket	August 31, 2007	52522L889
18	6.2% Notes Due 2014	September 26, 2007	52517P5X5
19	7% Notes Due 2027	September 26, 2007	52517P5Y3
20	Performance Securities with Partial Protection Linked to a Global Index Basket	September 28, 2007	52522L244
21	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	September 28, 2007	52517P5K3
22	Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket	October 31, 2007	52520W341
23	Return Optimization Securities Linked to an Index	October 31, 2007	52522L319
24	Return Optimization Securities Linked to an Index	October 31, 2007	52522L335
25	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	October 31, 2007	52522L293
26	100% Principal Protection Notes Linked to an Asian Currency Basket	November 30, 2007	52520W333
27	Return Optimization Securities with Partial Protection Linked to the S&P® 500 Index	November 30, 2007	52522L459

* The Issue Dates presented in this chart are presented solely for the purpose of identifying the specific security and are not meant to be the first dates on which an investor could have traded in the respective security. If your trade occurs before the Issue Date presented in this chart, such trade will be considered for the purposes of calculating your claim.

LIST OF NOTES
NOTES LISTED BY ISSUE DATE (CONTINUED)

Code	Security	Issue Date	Cusip
28	Medium-Term Notes, Series I	December 5, 2007	5252M0AU1
29	Medium-Term Notes, Series I	December 7, 2007	5252M0AW7
30	6.75% Subordinated Notes Due 2017	December 21, 2007	5249087M6
31	Medium-Term Notes, Series I	December 28, 2007	5252M0AY3
32	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index	December 31, 2007	52522L491
33	5.625% Notes Due 2013	January 22, 2008	5252M0BZ9
34	Medium-Term Notes, Series I	January 30, 2008	5252M0BX4
35	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	January 31, 2008	52517P4N8
36	100% Principal Protection Notes Linked to an Asian Currency Basket	January 31, 2008	52520W325
37	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index	January 31, 2008	52522L525
38	Lehman Notes, Series D	February 5, 2008	52519FFE6
39	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index	February 8, 2008	52522L657
40	Medium-Term Notes, Series I Principal Protected Notes Linked to MarQCuS Portfolio A (USD) Index	February 14, 2008	5252M0DK0
41	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund	February 20, 2008	5252M0DH7
42	Medium-Term Notes, Series I	February 27, 2008	5252M0CQ8
43	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	February 29, 2008	5252M0CZ8
44	Return Optimization Securities With Partial Protection Notes Linked to the S&P 500® Index	February 29, 2008	52522L574
45	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index	February 29, 2008	52522L566
46	100% Principal Protection Notes Linked to an Asian Currency Basket	February 29, 2008	52523J412
47	Medium-Term Notes, Series I	March 13, 2008	5252M0EH6
48	Return Optimization Securities With Partial Protection Notes Linked to the S&P 500® Index	March 31, 2008	52522L806
49	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index	March 31, 2008	52522L814
50	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR® Fund	March 31, 2008	52522L871

LIST OF NOTES
NOTES LISTED BY ISSUE DATE (CONTINUED)

Code	Security	Issue Date	Cusip
51	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index	March 31, 2008	52522L798
52	Medium-Term Notes, Series I	April 21, 2008	5252M0EY9
53	Medium-Term Notes, Series I	April 21, 2008	5252M0FA0
54	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices	April 23, 2008	52523J172
55	6.875% Notes Due 2018	April 24, 2008	5252M0FD4
56	Lehman Notes, Series D	April 29, 2008	52519FFM8
57	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	May 7, 2008	5252M0FR3
58	7.50% Subordinated Notes Due 2038	May 9, 2008	5249087N4
59	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	May 15, 2008	52523J206
60	Medium-Term Notes, Series I	May 19, 2008	5252M0FH5
61	Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index	May 30, 2008	52523J230
62	Annual Review Notes with Contingent Principal Protection Linked to the S&P 500® Index	June 13, 2008	5252M0GM3
63	Medium-Term Notes, Series I	June 26, 2008	5252M0GN1
64	100% Principal Protection Absolute Return Barrier Notes	June 30, 2008	52523J248
65	100% Principal Protection Absolute Return Barrier Notes	June 30, 2008	52523J255

CHECKLIST REGARDING PROOF OF CLAIM FORM

1. Please sign the release and certification on the enclosed Claim Form. If this Claim Form is being made on behalf of joint Claimants, then both must sign.

2. Remember to attach only copies of acceptable supporting documentation.

3. Please do not highlight any portion of the Claim Form or any supporting documents.

4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.

5. Keep copies of the completed Claim Form and documentation for your own records.

6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-800-505-6901.

7. If your address changes in the future, or if the Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.

8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the below address or at 1-800-505-6901, or visit www.LehmanSecuritiesLitigationSettlement.com.

THE PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN MAY 17, 2012 AND MUST BE MAILED TO:

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

Cover Letter

***In re Lehman Brothers Equity/Debt Securities Litigation*,**
Case No. 08-CV-5523 (LAK)

Dear Madam/Sir:

You are being sent the two enclosed Notices because you may be entitled to share in either or both of the two proposed settlements achieved in the class action *In re Lehman Brothers Equity/Debt Securities Litigation*, No. 08-CV-5523 (LAK) (S.D.N.Y.). Both settlements are subject to Court approval.

The first settlement, if approved, is for $90,000,000 in cash and will resolve all claims against certain of Lehman Brothers' former officers and directors and certain related entities (the "D&O Settlement"). You may be entitled to share in this settlement if you:

> (1) purchased or acquired certain Lehman securities identified in Appendix A at pp. 9-10 of the enclosed Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "D&O Notice") pursuant or traceable to the Shelf Registration Statement and were damaged thereby, or (2) purchased or acquired any Lehman Structured Notes identified in Appendix B at pp. 11-13 of the enclosed D&O Notice pursuant or traceable to the Shelf Registration Statement and were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options between June 12, 2007 and September 15, 2008, through and inclusive, and were damaged thereby (the "D&O Class"), as described further in the enclosed D&O Notice.

The second settlement, if approved, is for $426,218,000 in cash and will resolve all claims against certain entities that were underwriters of certain Lehman offerings (the "Underwriter Settlement"). You may be entitled to share in this settlement if you:

> purchased or acquired certain Lehman securities identified in Appendix A at p. 11 of the enclosed Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Underwriter Notice") pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby (the "Underwriter Class"), as described further in the enclosed Underwriter Notice.

If either or both classes described above apply to you, you should read the relevant Notice(s) carefully. You should also complete the enclosed claim form (called the Proof of Claim). This claim form applies to both settlements; if you are eligible to share in either or both settlements, you only need to complete the form once. However, you must complete the claim form and mail it back to us postmarked no later than **May 17, 2012**. Mail the claim form to:

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

Details about the settlements, including your rights with respect to them, are included in the enclosed Notices. Additional copies of the Notices and Proof of Claim form can be downloaded from the website specifically created for the settlements, www.LehmanSecuritiesLitigationSettlement.com.

Sincerely,

GCG
Claims Administrator

EXHIBIT B

***In re Lehman Brothers Equity/Debt Securities Litigation*,**
Case No. 08-CV-5523 (LAK)

IMPORTANT: INFORMATION FOR BROKERS AND OTHER NOMINEES

The following settlements have been achieved in the above-noted action: (i) a settlement with the directors and officers (the "D&O Settlement"); and (ii) settlements with all but one of the Underwriter Defendants (collectively, the "Underwriter Settlement"). The details of each settlement are set forth in its own notice. Copies of the two notices are enclosed as well as the Proof of Claim form that applies to both settlements and a cover letter to potential class members (collectively the "Notice Packet").

PLEASE NOTE: The D&O Settlement includes all the securities covered by the Underwriter Settlement as well as additional securities. Therefore, for purposes of the search for providing notice to beneficial owners with respect to both settlements, you need only search once based on the securities referred to in the notice for the D&O Settlement.

Specifically, if you (i) bought any of the preferred stock or notes identified in Appendix A or Appendix B to the D&O Notice ***at any time***, and/or (ii) bought any Lehman common stock or call options or sold any Lehman put options during the period from June 12, 2007 through September 15, 2008, inclusive, as a nominee for a beneficial owner, the Court has directed that, within fourteen (14) days after you receive this Notice Packet, you ***must*** either:

(1) forward the list of names and addresses of the beneficial owners that you identified to the Claims Administrator, GCG, at the address indicated below and GCG will then mail the Notice Packet to the beneficial owners; or

(2) request additional Notice Packets from GCG and then send the entire Notice Packet by first class mail to the identified beneficial owners yourself. You can request additional copies of the Notice Packet by contacting GCG at the address below or you can print and download copies by going to www.LehmanSecuritiesLitigationSettlement.com. ***If you elect to do the mailing yourself, you should retain your mailing list for use in connection with future mailings that may occur in the Action.***

If you verify and provide details about your assistance with either of these options, you may be reimbursed from the settlement funds for the actual expenses you incur, including postage and/or the reasonable costs of determining the names and addresses of beneficial owners. Please send any requests for reimbursement, along with appropriate supporting documentation, to:

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

If you have any questions regarding these procedures, you can contact GCG at the address above or call GCG at 800-505-6901.

EXHIBIT C

AFFIDAVIT

STATE OF TEXAS)
)
CITY AND COUNTY OF DALLAS)

I, Albert Fox, being duly sworn, depose and say that I am the Advertising Clerk of the Publisher of THE WALL STREET JOURNAL, a daily national newspaper of general circulation throughout the United States, and that the notice attached to this Affidavit has been regularly published in THE WALL STREET JOURNAL for National distribution for

1 insertion(s) on the following date(s):

JAN-30-2012;

ADVERTISER: LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION;

and that the foregoing statements are true and correct to the best of my knowledge.

Sworn to before me this
30 day of January 2012

Notary Public

DONNA HESTER
Notary Public, State of Texas
My Commission Expires
October 29, 2014

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

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

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

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

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and Orders of the United States District Court for the Southern District of New York, that the above-captioned litigation ("Action") has been preliminarily certified as a class action for the purposes of settlement only and that the following settlements have been proposed: (i) a settlement with certain Lehman officers and directors during the relevant period (the "Individual Defendants" or "D&O Defendants") for $90,000,000 in cash (the "D&O Settlement"), and (ii) settlements with certain alleged underwriters of certain Lehman offerings (the "Settling Underwriter Defendants") for a total amount of $426,218,000 in cash (the "UW Settlement") (together, the "Settlements"). The Settlements resolve only claims against the D&O Defendants and the Settling Underwriter Defendants, and the claims against the other defendants in the Action will continue. A hearing will be held before the Honorable Lewis A. Kaplan, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007 at 4:00 p.m. on April 12, 2012 to, among other things: determine whether the proposed Settlements should be approved by the Court as fair, reasonable, and adequate; determine whether the proposed Plans of Allocation for distribution of the settlement proceeds should be approved as fair and reasonable; and consider the application of Lead Counsel for an award of attorneys' fees and reimbursement of expenses.

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

If you are a member of the Settlement Classes, to be eligible to share in the distribution of the net settlement funds, you must submit a Claim Form postmarked on or before May 17, 2012. To exclude yourself from the Settlement Class in the D&O Settlement and/or the UW Settlement, you must submit a written request for exclusion such that it is *received* no later than March 22, 2012, in accordance with the instructions set forth in the Notices. Please Note: Submitting a request for exclusion from the Settlement Class in only one of the Settlements *does not* automatically exclude you from the Settlement Class in both Settlements. A request for exclusion that does not specify which Settlement Class you are seeking exclusion from will be interpreted as a request for exclusion from both Settlement Classes. If you are a Settlement Class Member and do not exclude yourself from the respective Settlement Class, you will be bound by the Judgment(s) entered in the Action, including the releases provided for in the Judgment(s), whether or not you submit a Claim Form. If you submit an exclusion, you will have no right to recover money pursuant to the Settlement(s) you requested exclusion from and will be able to pursue any claims against the respective defendants independently. Any objections to the proposed Settlements, the proposed Plans of Allocation, or the request for attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to Lead Counsel for the Settlement Class and counsel for the respective defendants such that they are *received* no later than March 22, 2012, in accordance with the instructions set forth in the Notices.

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

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

David Kessler, Esq.
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
(610) 667-7706
www.ktmc.com

By Order of the Court

EXHIBIT D

INVESTOR'S BUSINESS DAILY®

Affidavit of Publication

Name of Publication:	Investor's Business Daily
Address:	12655 Beatrice Street
City, State, Zip:	Los Angeles, CA 90066
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State of:	California
County of:	Los Angeles

I, **Stephan Johnson**, for the publisher of **Investor's Business Daily,** published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s) for **The Garden City Group, Inc.** was printed in said publication on the following date(s):

January 30th, 2012: LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 30th day of January, 2012, by Stephan Johnson, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____ (Seal)

RICHARD C. BRAND II
Commission # 1923876
Notary Public - California
Los Angeles County
My Comm. Expires Feb 25, 2015

For Friday, January 27, 2012

36 Mos Performance Rating	Fund	2012 % Chg	12Wk % Chg	5 Yr After Tax Rtn	Net Asset Value	NAV Chg
	–A–					
A	† *AcadEmMkt*	+12	+3	–5	17.84n	+.10
	AdvisorOne Funds					
	$ 716 mil 866–811–0225					
C+	Amerigo N	+ 7	+5	–5	13.22n	+.05
	Advisors' Inner Circ					
	$ 1.2 bil 800–791–4226					
C+	EdgwdGrInst	+ 7	+5	+12	12.49n	+.03
	AdvisorTwo					
	$ 2.3 bil 800–618–1872					
D–	FrTRBndInst	+ 2	+2	..	10.57n	+.02
	Alger Funds A					
	$ 2.6 bil 800–992–3863					
A–	Captl Appr	+ 7	+5	+23	15.35	+.08
A–	SmidCpGrw	+ 8	+6	+10	16.28	+.16
A	Spectra	+ 7	+5	+35	12.73	+.06
	Alger Funds I					
	$ 1.4 bil 800–992–3863					
A–	Captl Appr	+ 7	+5	+26	55.55n	+.27
A	**Small Gr**	**+ 8**	**+7**	**+10**	**33.52n**	**+.48**
	Alger Instl					
	$ 2.5 bil 800–992–3863					
A–	Captl Appr p	..	..	+22	21.09n	+.10
A	Sm Cap Gr p	..	..	+9	27.98n	+.41
	Alliance Brnstn A					
	$ 15.9 bil 800–221–5672					
D	BalWealth x	+5	+3	–5x	[illegible]	[illegible]
D	GlbThemeGr x	+12	+2	–8x	65.61	+.27
D	GloblBond	+ 1	+1	+27	8.42	+.01
C–	Gr & Inc x	+ 6	+7	–13x	3.63	..
B–	Growth	+ 6	+5	0	39.11	+.09
A+	HiIncome	+ 3	+4	+31	8.89	+.01
E	IntDivrMu x	+ 1	+3	+17x	14.90	+.01
E	Intl Growth	+ 7	+2	–25	13.58	+.04
E	Intl Val x	+ 9	+3	–48x	11.37	+.02
C+	Lrg Cp Grow	+ 9	+5	+18	26.56	+.03
E	Muni CA	+ 2	+4	+15	11.26	+.02
D–	Muni Natl	+ 2	+4	+15	10.33	+.02
E	Muni NY	+ 2	+4	+16	10	
A+	**SmCapGr x**	**+ 9**	**+ 8**	**+26x**	**36**	
B+	Sml Mid Val x	+ 8	+6	+7x	16.	
A+	SmMidCapGr	+ 9	+6	+20	6.	
	Alliance Brnstn Adv					
	$ 3.2 bil 800–221–5672					
D+	GloblBond x	+ 1	+2	..x	8.	
A+	HiIncome p	..	..	..	8.9	
E	TaxWlthAppr x	+ 8	+5	–22x	11.8	
D–	Wealth Appr x	+ 8	+4	–21x	11.6	
	Alliance Brnstn C					
	$ 4.1 bil 800–221–5672					
D	GloblBond x	+ 1	+4	+26x	8.4	

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) <u>ECF CASE</u>

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

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

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

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and Orders of the United States District Court for the Southern District of New York, that the above-captioned litigation ("Action") has been preliminarily certified as a class action for the purposes of settlement only and that the following settlements have been proposed: (i) a settlement with certain Lehman officers and directors during the relevant period (the "Individual Defendants" or "D&O Defendants") for $90,000,000 in cash (the "D&O Settlement"), and (ii) settlements with certain alleged underwriters of certain Lehman offerings (the "Settling Underwriter Defendants") for a total amount of $426,218,000 in cash (the "UW Settlement") (together, the "Settlements"). The Settlements resolve only claims against the D&O Defendants and the Settling Underwriter Defendants, and the claims against the other defendants in the Action will continue. A hearing will be held before the Honorable Lewis A. Kaplan, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007 at 4:00 p.m. on April 12, 2012 to, among other things: determine whether the proposed Settlements should be approved by the Court as fair, reasonable, and adequate; determine whether the proposed Plans of Allocation for distribution of the settlement proceeds should be approved as fair and reasonable; and consider the application of Lead Counsel for an award of attorneys' fees and reimbursement of expenses.

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

If you are a member of the Settlement Classes, to be eligible to share in the distribution of the net settlement funds, you must submit a Claim Form postmarked on or before May 17, 2012. To exclude yourself from the Settlement Class in the D&O Settlement and/or the UW Settlement, you must submit a written request for exclusion such that it is *received* no later than March 22, 2012, in accordance with the instructions set forth in the Notices. Please Note: Submitting a request for exclusion from the Settlement Class in only one of the Settlements *<u>does not</u>* automatically exclude you from the Settlement Class in both Settlements. A request for exclusion that does not specify which Settlement Class you are seeking exclusion from will be interpreted as a request for exclusion from both Settlement Classes. If you are a Settlement Class Member and do not exclude yourself from the respective Settlement Class, you will be bound by the Judgment(s) entered in the Action, including the releases provided for in the Judgment(s), whether or not you submit a Claim Form. If you submit an exclusion, you will have no right to recover money pursuant to the Settlement(s) you requested exclusion from and will be able to pursue any claims against the respective defendants independently. Any objections to the proposed Settlements, the proposed Plans of Allocation, or the request for attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to Lead Counsel for the Settlement Class and counsel for the respective defendants such that they are *received* no later than March 22, 2012, in accordance with the instructions set forth in the Notices.

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

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By Order of the Court

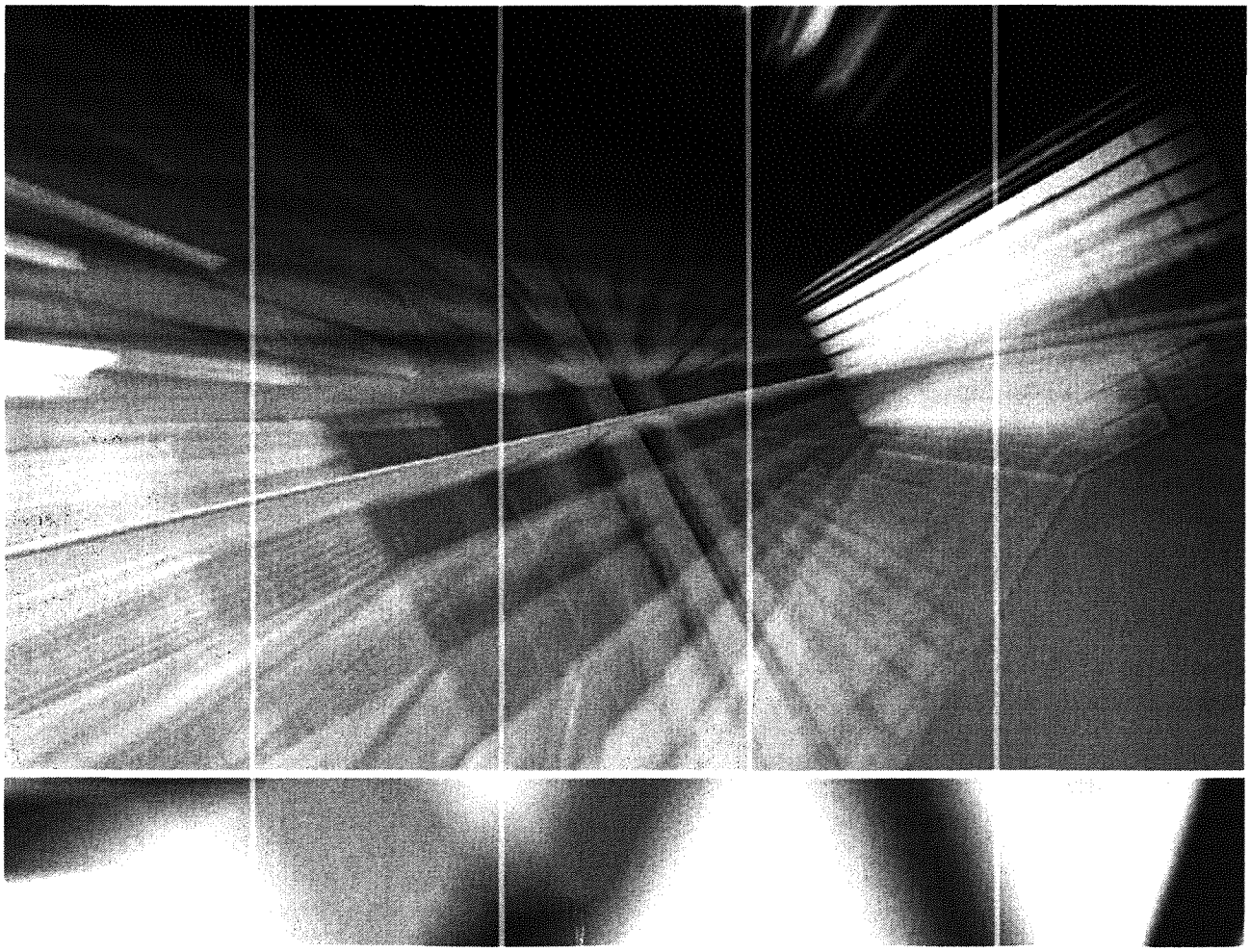
Exhibit 3

CORNERSTONE RESEARCH

Securities Class Action Settlements

2010 Review and Analysis

Ellen M. Ryan
Laura E. Simmons



Cornerstone Research specializes in assisting attorneys with the complex business issues that arise in litigation and regulatory proceedings. Our staff and experts possess distinctive skills and extensive experience in using economic, financial, accounting, and marketing research to analyze the issues of a case and develop effective testimony. We provide objective, state-of-the-art analysis that has earned us a reputation for excellence and effectiveness.

Cornerstone Research maintains a close relationship with many leading faculty and industry experts across the country and, through them, has access to even broader networks of expertise.

Reports like this one are purposely brief, often summarizing published works or other research by Cornerstone Research staff and affiliated experts. The views expressed herein are solely those of the authors, who are responsible for the contents of this report, and do not necessarily represent the views of Cornerstone Research.

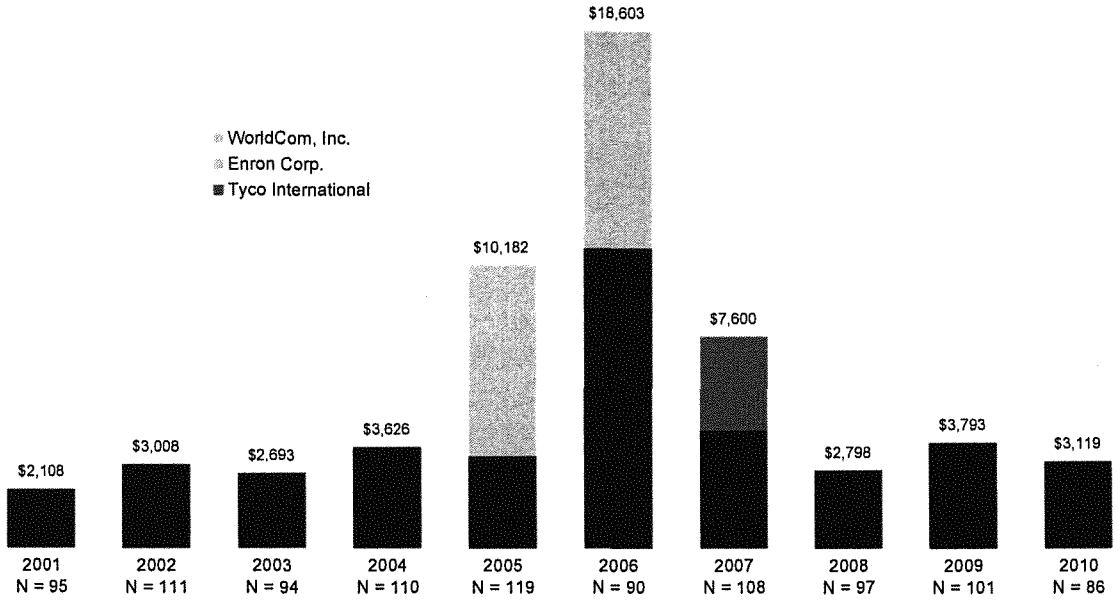
Additional information about our research and analysis in securities class action filings and settlements can be found at www.cornerstone.com/securities.

INTRODUCTION

The number of Private Securities Litigation Reform Act (Reform Act) settlements approved in 2010 was the lowest in more than 10 years. In 2010 there were 86 court-approved securities class action settlements, involving $3.1 billion in total settlement funds. The number of settlements approved in 2010 decreased by approximately 15 percent compared with 2009, and the dollar value of these settlements declined by more than 17 percent, from $3.8 billion in 2009 to $3.1 billion in 2010.[1]

Figure 1

TOTAL SETTLEMENT DOLLARS
2001–2010
Dollars in Millions



Settlement dollars adjusted for inflation; 2010 dollar equivalent figures shown.

This report highlights these findings and provides further detail on settlement summary statistics, the methods used to estimate damages, the state of credit-crisis-related settlements, and an analysis of case characteristics. This report draws upon and updates information provided in our previous reports. Our research sample includes more than 1,200 securities class actions settled from 1996 through 2010. Cases in our sample are limited to those involving allegations of fraudulent inflation in the price of a corporation's common stock. These settlements are identified by RiskMetric Group's Securities Class Action Services (SCAS).[2] In our study, the designated settlement year corresponds to the year in which the hearing to approve the settlement was held. Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.[3]

CASES SETTLED IN 2010

In contrast to the declining trend in the number and total value of settlements in 2010, the median settlement amount for cases settled in 2010 increased to $11.3 million from $8.0 million reported in 2009. This represents a year-over-year increase of more than 40 percent. Not only is this the largest percentage increase in the median settlement amount in the last 10 years, it is also the first time during that same period that the median settlement amount, even when adjusted for inflation, exceeded $10 million.

Conversely, the average settlement amount decreased slightly from $37.2 million reported in 2009 to $36.3 million in 2010 and remains substantially below the average of $54.8 million for all post–Reform Act settlements through 2009. If we exclude the top three post–Reform Act settlements illustrated in Figure 1 (WorldCom, Enron, and Tyco) from this analysis, the average settlement amount of $36.3 million in 2010 is still lower than the resulting historical average of $38.8 million for cases settled from 1996 through 2009.

Figure 2

SETTLEMENT SUMMARY STATISTICS

Dollars in Millions

	2010	Through 2009
Minimum	$0.5	$0.1
Median	$11.3	$7.6
Average	$36.3	$54.8
Maximum	$624.0	$7,822.8
Total Amount	$3,118.5	$61,575.1

Settlement dollars adjusted for inflation; 2010 dollar equivalent figures shown. Excluding the top three settlements illustrated in Figure 1, the average and total values are $38.8 million and $43,509.9 million, respectively, for all settlements through 2009.

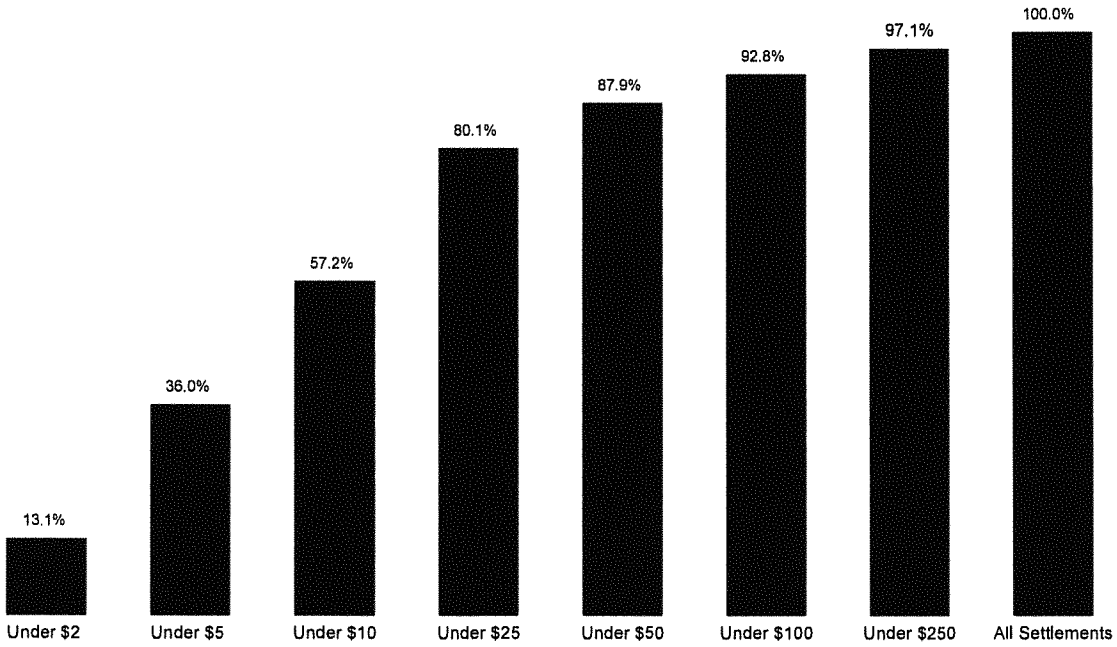
The decline in the 2010 average settlement is due to a decline in very large settlements. For the third consecutive year, in 2010 no single securities class action settlement exceeded $1 billion, and the average of the top five "mega-settlements" in 2010 (settlements in excess of $100 million) declined more than 30 percent from the average for 2009 mega-settlements.

Continuing a trend observed in our prior year's report, the average length of time from case filing to settlement approval increased to 4.1 years for cases settled in 2010 compared to 3.9 years for cases settled in 2009. The greatest number of cases settled in 2010 involved firms operating in the telecommunications and technology sectors, which had 16 and 17 cases, respectively. There were 11 settlements related to issuers in the finance sector in 2010, down from 18 cases in 2009. Median settlement values for this sector were the highest—$31.3 million—compared with other identified sectors in our study, and the technology sector held the second spot with a median settlement amount of $20 million. Overall, while a relatively low number of cases have settled to date from among the nearly 200 class actions identified as being related to the credit crisis,[4] the relatively high median settlement value for the finance sector was due in large part to such cases. See page 12 for additional discussion of credit-crisis-related actions.

Notwithstanding the increase in the median settlement amount to more than $11 million in 2010, across all post–Reform Act settlements, more than half of the cases have settled for less than $10 million (see Figure 3). Approximately 80 percent of post–Reform Act cases have settled for less than $25 million, and only 7 percent of cases have settled for more than $100 million.[5] Thus, while large settlements tend to receive substantial attention, they occur infrequently.

Figure 3

DISTRIBUTION OF SETTLEMENT AMOUNTS
1996–2010
Dollars in Millions



Settlement dollars adjusted for inflation; 2010 dollar equivalent figures shown.

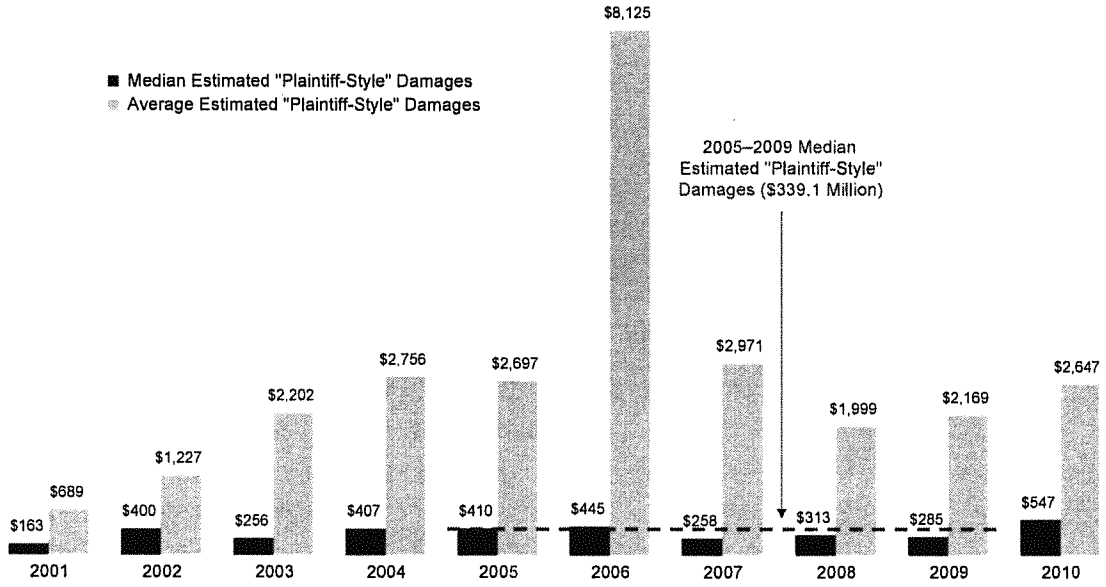
SETTLEMENTS AND "DAMAGES ESTIMATES"

For purposes of our research, we use a highly simplified approach to estimate so-called "plaintiff-style" damages, which is based on a modified version of a calculation method historically used by plaintiffs in securities class actions.[6] We make no attempt to link these simplified calculations of shareholder losses to the allegations included in the associated court pleadings. Accordingly, we do not intend for any damages estimates presented in this report to be indicative of actual economic damages borne by shareholders. While various models and alternative calculations could be used to assess defendants' potential exposure in securities class actions, our application of a consistent method allows us to identify and examine certain trends in estimated "plaintiff-style" damages.[7]

For cases settled in 2010, median estimated "plaintiff-style" damages increased more than 60 percent from the median over the previous five years. This represents the highest median estimated "plaintiff-style" damages reported for all post–Reform Act years.

Figure 4

MEDIAN AND AVERAGE ESTIMATED "PLAINTIFF-STYLE" DAMAGES
2001–2010
Dollars in Millions



Estimated "plaintiff-style" damages are adjusted for inflation based on class-end dates.

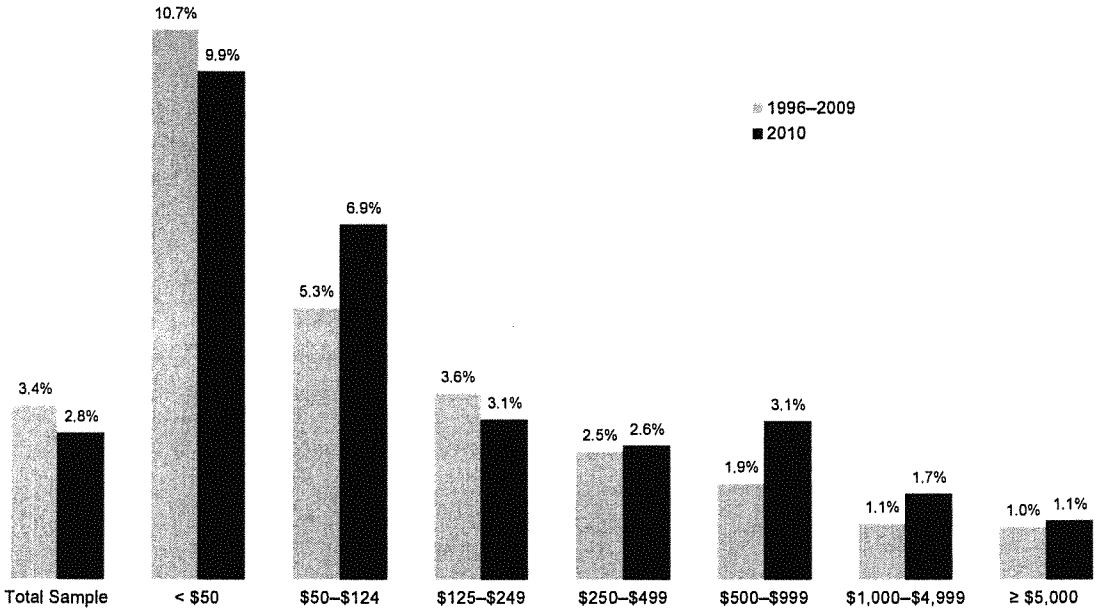
While a number of observable factors contribute to settlement outcomes, our research continues to support that the most important factor in explaining settlement amounts is estimated "plaintiff-style" damages. Accordingly, considering the increase in the median settlement amount for 2010, it is not surprising that median estimated "plaintiff-style" damages also increased in 2010, as observed in Figure 4.

As we have described in prior reports, settlements generally increase as "plaintiff-style" damages increase; however, settlements as a *percentage* of estimated "plaintiff-style" damages generally decrease as damages increase (see Figure 5). This is particularly true for very large cases.

Figure 5

MEDIAN SETTLEMENTS AS A PERCENTAGE OF ESTIMATED "PLAINTIFF-STYLE" DAMAGES BY DAMAGE RANGE

Dollars in Millions



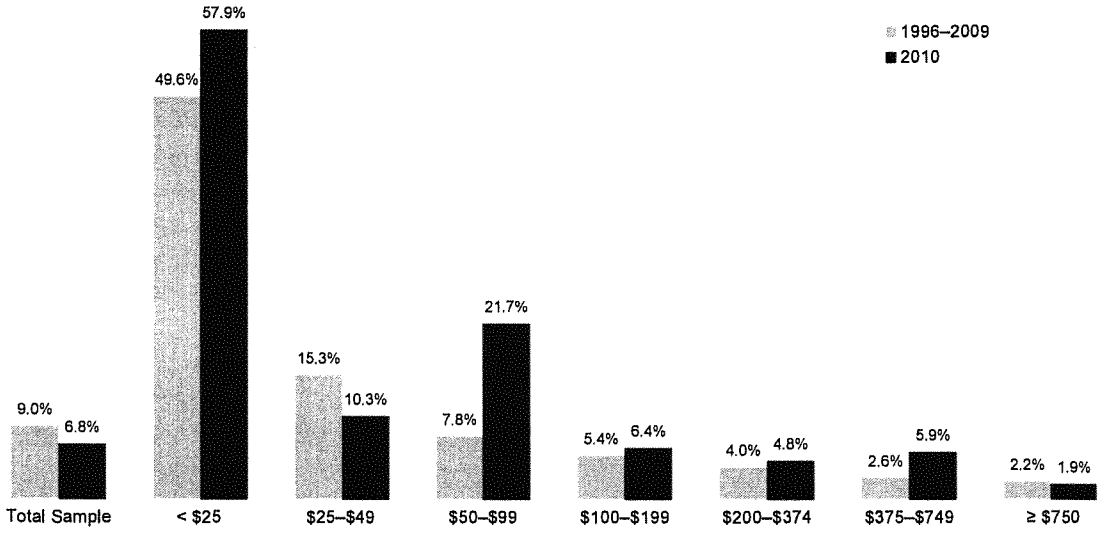
Disclosure Dollar Loss (DDL) is another simplified measure of shareholder losses. DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.[8] As in the case of estimated "plaintiff-style" damages, we do not attempt to link DDL to the allegations included in the associated court pleadings. Thus, as this measure does not isolate movements in the defendant's stock price that are related to case allegations, it is not intended to represent an estimate of damages. Nor does this measure capture additional stock price declines during the alleged class period that may affect certain purchasers' potential damages claims. The DDL calculation also does not apply a model of investors' share-trading behavior to estimate the number of shares damaged.[9]

Following a trend observed in recent years, the median inflation-adjusted DDL associated with settled cases increased to $158.1 million in 2010, representing more than a 10 percent increase from 2009. Consistent with the pattern discussed earlier in this report regarding estimated "plaintiff-style" damages, we find that settlements as a percentage of DDL generally decline as DDL increases. Reflecting this finding, the increase in median DDL in 2010 was accompanied by a decrease in median settlement values as a percentage of DDL (6.8 percent in 2010 compared with 9.0 percent from 1996 through 2009).

Figure 6

MEDIAN SETTLEMENTS AS A PERCENTAGE OF DDL BY DDL RANGE

Dollars in Millions



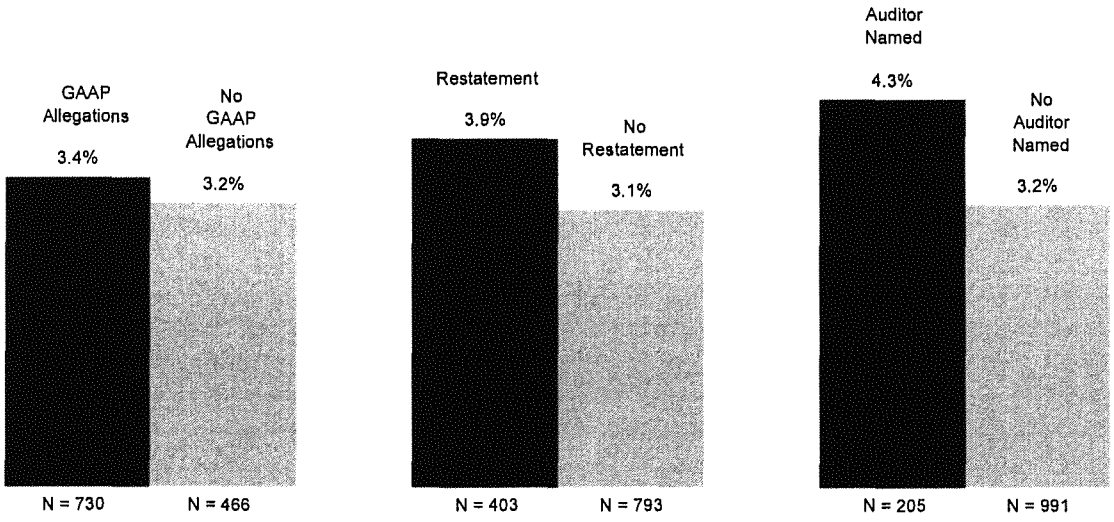
ANALYSIS OF CASE AND SETTLEMENT CHARACTERISTICS

In addition to estimated "plaintiff-style" damages and DDL, there are a number of other important determinants of settlement outcomes, which we have identified from among more than 60 variables that we collect and analyze as part of our research. In this section, we provide information regarding several of these factors.

Certain variables that we study are related to accounting allegations. In 2010 allegations related to violations of generally accepted accounting principles (GAAP) were included in approximately 70 percent of settled cases compared with 65 percent for cases settled in 2009. These cases continued to be resolved with statistically significant larger settlement amounts than cases not involving accounting allegations. According to the *Accounting Class Action Filings and Settlements Report* issued by Cornerstone Research in 2010,[10] a review of securities class actions from 2004 through 2009 found that filings that do not include accounting allegations are more likely to be dismissed than filings with accounting allegations. The report concludes that "[t]he fact that accounting cases are less likely to be dismissed may be due to the greater complexity of these cases relative to non-accounting cases." Given that the proportion of settlements involving accounting cases has increased over the last few years, the complexity of these cases may also have contributed to an increasing interval between the filing date and the settlement date that we observe among settlements approved in 2009 and 2010. Consistent with an increase in case complexity, for cases settled during 2009 and 2010, we observe a significant increase in the number of federal docket entries, reflecting the activity level of court pleadings, notices, appearances, and rulings.

Figure 7

MEDIAN SETTLEMENTS AS A PERCENTAGE OF
ESTIMATED "PLAINTIFF-STYLE" DAMAGES AND ACCOUNTING ALLEGATIONS
1996–2010

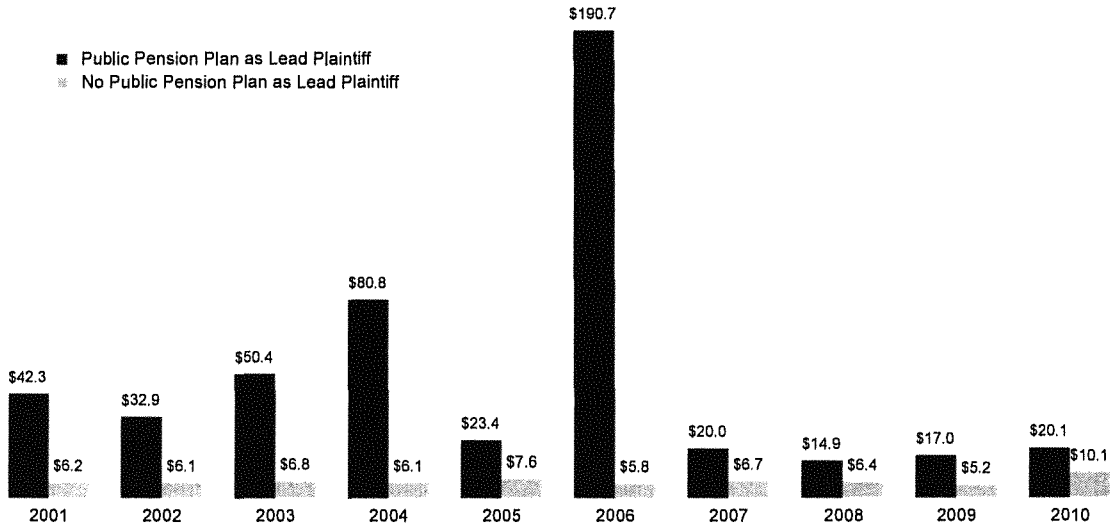


Outside auditors were named in less than 20 percent of post–Reform Act settlements through 2010. However, as shown in Figure 7, cases in which an outside auditor was named as a defendant have settled for relatively higher percentages of estimated "plaintiff-style" damages, even compared with the set of all cases in which improper accounting allegations were made.

Institutional investors continue to increase their participation in post–Reform Act class actions as lead plaintiffs. In 2010 institutions served as lead plaintiffs in more than 67 percent of settlements—the highest proportion to date among post–Reform Act settlements.

Figure 8

MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSION PLANS
2001–2010
Dollars in Millions



Settlement dollars adjusted for inflation; 2010 dollar equivalent figures shown.

We find that the presence of public pension plans as lead plaintiffs is associated with significantly higher settlement amounts.[11] This observation could be explained by these relatively sophisticated investors choosing to participate in stronger cases. In addition, public pension plans tend to be involved in larger cases in which they, as the plaintiffs, may have the potential for a higher-magnitude claim against the defendants. However, a statistical analysis of settlement amounts and participation of public pension plans as lead plaintiffs shows that even when controlling for estimated "plaintiff-style" damages (case size) and other observable factors that affect settlement amounts (such as the nature of the allegations), the presence of a public pension plan as a lead plaintiff is still associated with a statistically significant increase in settlement size.[12] A list of control variables considered when testing the effect of public pension plans serving as lead plaintiffs can be found on page 16.

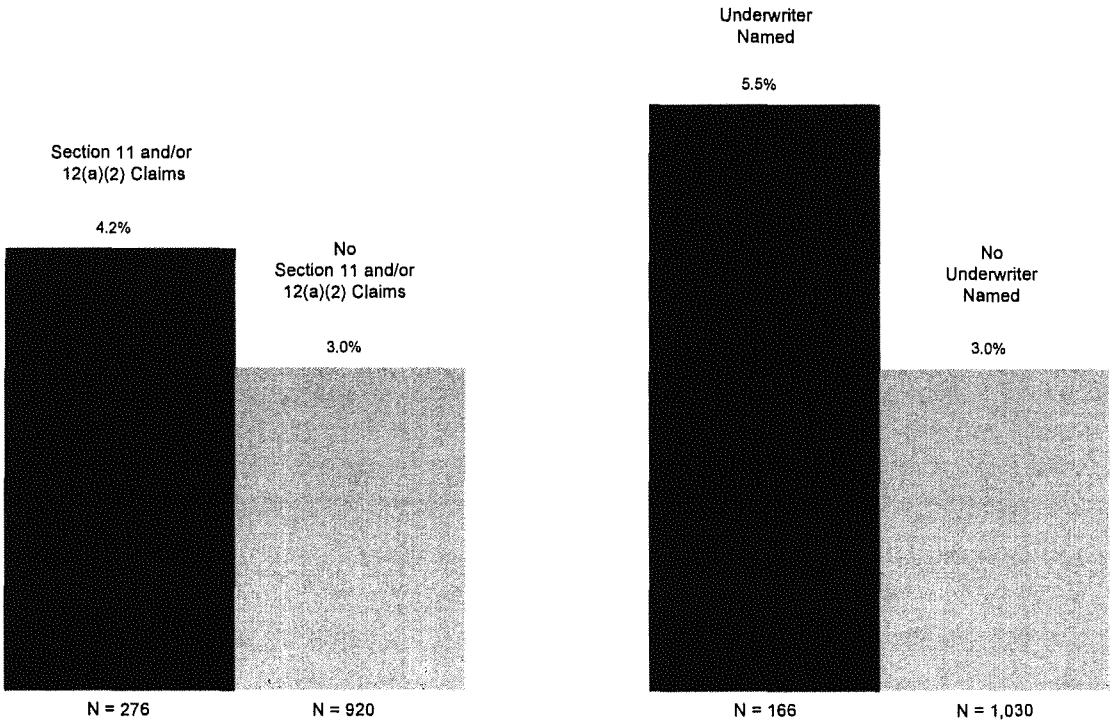
Approximately 34 percent of settlements in 2010 involved Section 11 and/or 12(a)(2) claims, whereas such claims had been included in only 22 percent of cases settled through 2009. Recent data from *Securities Class Action Filings—2010 Year in Review* (*2010 Filings Report*), released by the Stanford Law School Securities Class Action Clearinghouse in cooperation with Cornerstone Research, suggest that this percentage will continue to increase, as case filings involving these claims have reached historical highs in recent years.

The percentage of settlements involving underwriters increased sharply in 2010 to 24 percent compared with less than 15 percent for all settlements through 2009. The increase in 2010 can be traced to an increase in case filings involving underwriters in 2007. In fact, approximately 50 percent of all 2010 settlements involving underwriters relate to cases filed in 2007.

Median settlement amounts and median settlements as a percentage of estimated "plaintiff-style" damages continued to be higher for cases involving Section 11 and/or 12(a)(2) claims as compared with cases without these claims. Settlements as a percentage of estimated "plaintiff-style" damages are even higher in cases involving an underwriter as a named defendant. The presence of underwriter defendants is highly correlated with the presence of Section 11 and/or 12(a)(2) claims. Accordingly, multiple regression analysis shows that, after controlling for the presence of an underwriter defendant and other factors, Section 11 and/or 12(a)(2) claims are not associated with a statistically significant increase in settlement amounts.

Figure 9

MEDIAN SETTLEMENTS AS A PERCENTAGE OF
ESTIMATED "PLAINTIFF-STYLE" DAMAGES AND SHARE ISSUANCE ALLEGATIONS
1996–2010



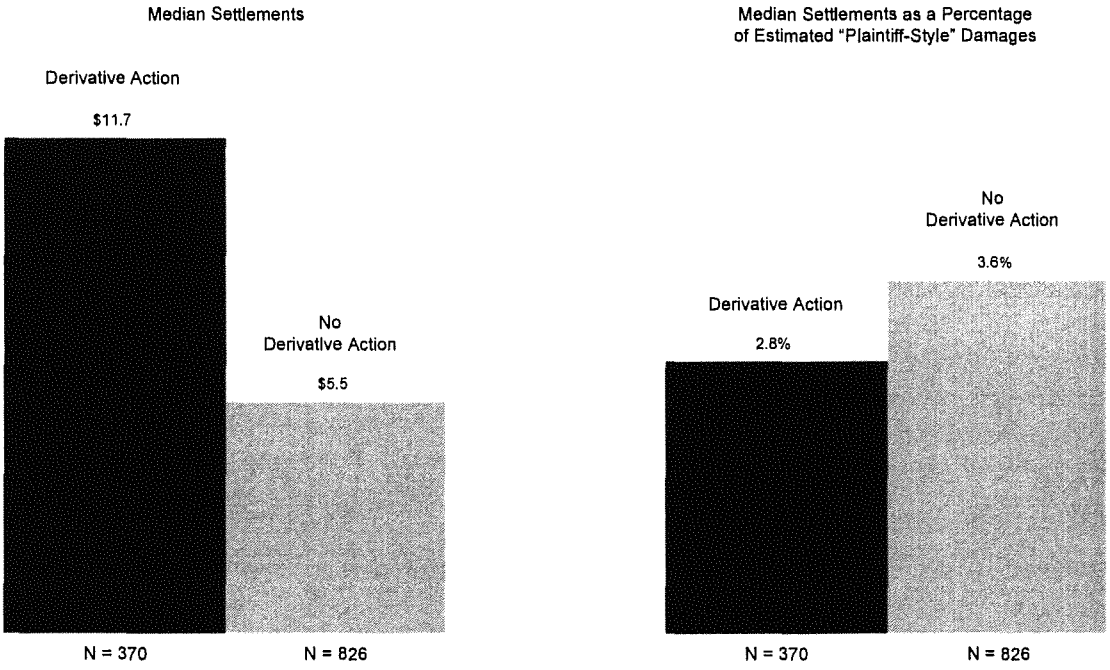
Only 55 cases in our research sample did not involve Rule 10b-5 claims (i.e., involved only Section 11 and/or 12(a)(2) claims). The median settlement amount of $3.6 million for these cases is lower than the median settlement amount for cases involving Rule 10b-5 claims, while median settlements as a percentage of estimated "plaintiff-style" damages are higher at 9.5 percent.[13]

The number of cases involving companion derivative actions decreased in 2010 compared with 2009. Slightly more than 40 percent of cases settled in 2010 were accompanied by a derivative action filing compared with more than 45 percent of cases in 2009. The 2010 percentage is still higher than the post–Reform Act average of 30 percent. Although settlement of a derivative action does not necessarily result in a cash payment,[14] settlement amounts for class actions that are accompanied by derivative actions (whether coinciding with the settlement of the underlying class action or occurring at a different time) are significantly higher than those for cases without companion derivative actions.

Using a regression analysis to control for estimated "plaintiff-style" damages and other observable factors that influence securities class action settlements, we find that cases involving companion derivative actions are associated with significantly higher settlement amounts. It is particularly important to analyze the association between companion derivative actions and class action settlement amounts in a multivariate context (i.e., allowing multiple variables to be considered simultaneously). In addition to their association with higher estimated "plaintiff-style" damages, class actions accompanied by derivative actions tend to be associated with other factors discussed in this report, including accounting allegations, related actions brought by the Securities and Exchange Commission (SEC), and public pension plans as lead plaintiffs—all of which are important determinants of settlement amounts.

Figure 10

MEDIAN SETTLEMENTS AND DERIVATIVE ACTIONS
1996–2010
Dollars in Millions

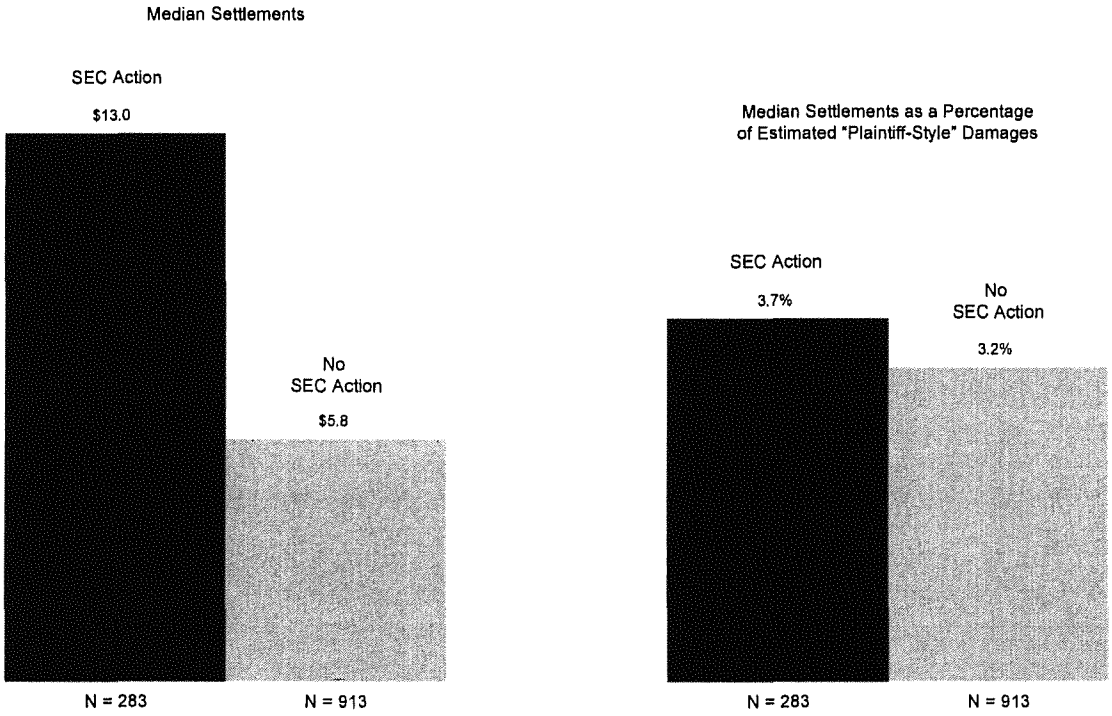


When considered as a percentage of estimated "plaintiff-style" damages, settlements for cases with accompanying derivative actions are slightly lower than for cases with no identifiable derivative action. This lower percentage likely reflects the larger estimated "plaintiff-style" damages that are associated with these cases. In fact, the median estimated "plaintiff-style" damages settlement for cases involving derivative actions is more than twice that for cases without an accompanying derivative action.

The percentage of settled cases that involved a remedy of a corresponding SEC action (evidenced by the filing of a litigation release or administrative proceeding) prior to the settlement of the class action increased to 30 percent in 2010 compared with 20 percent for all cases settled through 2009. This increase is not necessarily surprising considering the widely reported increase in SEC enforcement activity in recent years. Cases that involve SEC actions are associated with significantly higher settlements, as well as higher settlements as a percentage of estimated "plaintiff-style" damages.

Figure 11

MEDIAN SETTLEMENTS AND SEC ACTIONS
1996–2010
Dollars in Millions



THE STATE OF CREDIT-CRISIS CLASS ACTIONS

Credit-crisis-related cases generally were filed between 2007 and 2009 and have settled at a slower rate than traditional cases. See the *2010 Filings Report* for further discussion. Of the nearly 200 credit-crisis cases filed, only 15 have settled based on our review.

CREDIT-CRISIS-RELATED SETTLEMENTS

Dollars in Millions

	Case	Settlement Amount		Case	Settlement Amount
1	Countrywide Financial Corp.	$624.0	9	Beazer Homes USA, Inc.	$30.5
2	Merrill Lynch & Co., Inc.	$475.0	10	Toll Brothers	$25.0
3	New Century Financial Corp.	$124.8	11	Accredited Home Lenders Holding Co.	$22.0
4	MoneyGram International, Inc.	$80.0	12	General Growth Properties, Inc.	$15.5
5	American Home Mortgage Investment Corp.	$37.3	13	Luminent Mortgage Capital, Inc.	$8.0
6	Ambac Financial Group, Inc.	$33.0	14	WSB Financial Group, Inc.	$4.9
7	RAIT Financial Trust	$32.0	15	Hovnanian Enterprises, Inc.	$4.0
8	The PMI Group, Inc.	$31.3			

Periodically we receive inquiries regarding the comparison of the characteristics of credit-crisis cases with those of traditional cases. Below we present summary statistics that illustrate some of these comparisons; however, any inferences drawn from these comparisons are preliminary, given the small number of these settlements to date. Since most settlements of credit-crisis cases occurred during 2009 and 2010, our comparison group comprises non-credit-crisis cases settled during this same time period. As shown, credit-crisis cases have settled for higher amounts but lower percentages of estimated "plaintiff-style" damages compared with non-credit-crisis cases. While the proportion of credit-crisis settlements accompanied by SEC actions is roughly the same as for other types of cases, the percentage of settlements involving contributions from third-party codefendants is significantly higher. In addition, the proportion of credit-crisis cases involving GAAP violations is slightly higher than for non-credit-crisis cases; however, the proportion of settlements associated with financial statement restatements is substantially lower.[15]

CREDIT-CRISIS-RELATED SETTLEMENTS VERSUS POST–REFORM ACT SETTLEMENTS

Dollars in Millions

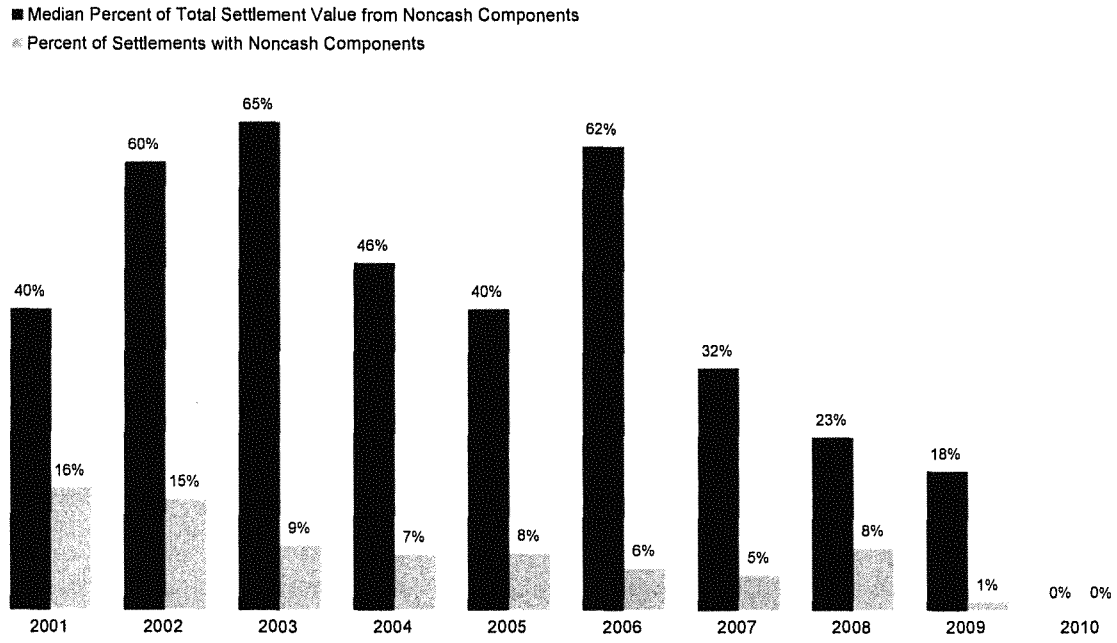
	Settlement Amount		Settlements as a Percentage of Estimated Damages		Percent of Cases That Include			
	Median	Average	Median	Average	SEC Actions	Contribution from Codefendant(s)	GAAP Violations	Financial Restatements
Credit-Crisis-Related	$31.3	$103.1	2.3%	3.2%	20%	13%	53%	13%
Non-Credit-Crisis-Related	$10.0	$31.6	2.7%	4.9%	25%	7%	68%	47%

The percentage of settlements involving noncash components (such as common stock or warrants) has declined substantially over the years following the passage of the Reform Act. In 2010, for the first time in the history of our study, there were no settlements that included noncash components in the agreed-upon settlement fund.

The inclusion of noncash components in settlements is associated with a statistically significant increase in settlement value, even when controlling for other factors such as estimated "plaintiff-style" damages and the nature of the allegations.

Figure 12

NONCASH COMPONENTS OF SETTLEMENT FUNDS
2001–2010



SETTLEMENTS BY PLAINTIFF LEAD COUNSEL AND JURISDICTION

In recent years, we reported that the share of plaintiff law firms' representation as lead or colead counsel had been shifting. During 2009 and 2010, the five firms most frequently involved with securities class action settlements as lead or colead plaintiff counsel remained the same as in the prior two years, although their relative positions shifted slightly. Specifically, the law firm of Robbins Geller Rudman & Dowd (Robbins Geller), formerly known as Coughlin Stoia Geller Rudman & Robbins, retained the position as the most active firm, involved in 30 percent of settled cases. However, with a 10 percent share, Bernstein Litowitz Berger & Grossmann moved into the number two spot, replacing Barroway Topaz Kessler Meltzer & Check (Barroway). The three remaining firms, Barroway, Labaton Sucharow, and Milberg, were each involved as lead or colead counsel in 7 percent of settlements during 2009 and 2010.

The data in Figure 13 show that Robbins Geller was associated with the highest median settlements as a percentage of estimated "plaintiff-style" damages. However, when controlling for other important determinants of settlement amounts, including estimated "plaintiff-style" damages, the presence of Robbins Geller as lead or colead counsel is not associated with a statistically significant increase in settlement amounts.

Figure 13

PLAINTIFF LAW FIRM BY PERCENTAGE OF SETTLED CASES
2009–2010

Plaintiff Law Firm	Percent of Settled Cases	Median Settlements as a Percentage of Estimated "Plaintiff-Style" Damages
Robbins Geller Rudman & Dowd	30%	3.4%
Bernstein Litowitz Berger & Grossmann	10%	2.7%
Barroway Topaz Kessler Meltzer & Check	7%	2.2%
Labaton Sucharow	7%	1.8%
Milberg	7%	1.2%

Figure displays those firms involved with more than 5 percent of settled cases approved during the two years 2009 and 2010.

The Second and Ninth Circuits have been the dominant circuits for securities class action activity dating back to the passage of the Reform Act. Based on recent data for case filings, we expect this trend to continue.[16] Although these circuits consistently represent the top two in settlement volume, their relative activity levels have varied year by year, largely reflecting concentrations of cases by industry sector (i.e., the concentration of technology firms in the Ninth Circuit and financial sector firms in the Second Circuit). As previously noted, 2010 settlements were dominated by cases involving technology and telecommunications firms; consistent with this, the Ninth Circuit had the largest number of settlements in 2010, with 32 settlements.

Figure 14

SETTLEMENTS BY FEDERAL COURT CIRCUIT

Dollars in Millions

	Number of Cases		Median Settlements	
Circuit	2010	Through 2009	2010	Through 2009
First	1	70	$6.0	$6.6
Second	21	193	$12.5	$9.9
Third	7	112	$10.0	$7.6
Fourth	3	37	$7.5	$7.8
Fifth	5	91	$10.5	$6.0
Sixth	6	55	$12.1	$15.0
Seventh	3	52	$4.3	$9.8
Eighth	1	39	$80.0	$9.5
Ninth	32	280	$13.8	$7.7
Tenth	2	46	$8.1	$7.9
Eleventh	4	108	$2.3	$5.1
All Federal Cases	**85**	**1,083**	**$11.3**	**$7.6**

Settlement dollars adjusted for inflation; 2010 dollar equivalent figures shown.

CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

Features of securities cases that may affect settlement outcomes are often correlated, as noted in this report. Regression analysis makes it possible to examine the effects of these factors simultaneously. Accordingly, as part of our ongoing research on securities class action settlements, we applied regression analysis to study factors associated with settlement outcomes. Analysis performed on our sample of post–Reform Act cases settled through December 2010 reveals that variables that are important determinants of settlement amounts, either independently or in combination, include:[17, 18]

- Simplified estimated "plaintiff-style" damages
- DDL
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- Indicator of the year in which the settlement occurred
- Indicator of whether intentional misstatements or omissions in financial statements were reported by the issuer
- Indicator of whether a corresponding SEC action against the issuer or other defendants is involved
- Indicator of whether an accountant is a named codefendant
- Indicator of whether an underwriter is a named codefendant
- Indicator of whether a companion derivative action is filed
- Indicator of whether a public pension plan is a lead plaintiff
- Indicator of whether noncash components, such as common stock or warrants, make up a portion of the settlement fund
- Indicator of whether securities other than common stock are alleged to be damaged
- Indicator of whether estimated "plaintiff-style" damages are greater than $1 billion

Settlements are higher when estimated "plaintiff-style" damages, DDL, defendant asset size, or number of docket entries are higher. Settlements are also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a corresponding SEC action, an accountant named as codefendant, an underwriter named as codefendant, a corresponding derivative action, a public pension fund involved as lead plaintiff, a noncash component to the settlement, or securities other than common stock alleged to be damaged. Settlements are lower if the settlement occurred in 2002 or later. In addition, reflecting the fact that settlements in relation to damages are lower for large cases, settlements are lower if estimated "plaintiff-style" damages exceed $1 billion (when the variable representing the amount of estimated "plaintiff-style" damages is also included in the regression).

CONCLUDING REMARKS

It is possible that the challenging economic environment that continued through 2010 contributed to the lower number of settlements approved during the year. However, the more likely cause for this decline is a combination of the substantial drop in the number of cases filed during 2006 (see *Securities Class Action Filings—2010 Year in Review* issued by the Stanford Law School Securities Class Action Clearinghouse in cooperation with Cornerstone Research referred to earlier in this report) and the fact that to date, credit-crisis cases have generally taken longer to settle. Since the number of case filings has been increasing since 2006 and credit-crisis cases are now becoming a much smaller population of filed cases, the decline in the number of cases settled in 2010 is not expected to persist.

As previously noted, for the first time in more than 10 years, the median settlement amount surpassed $10 million. In addition, in 2010 median estimated "plaintiff-style" damages were higher than in any prior year in the history of our study. In contrast to prior years in which significant changes in settlement trends have primarily been driven by the presence or absence of very large cases, these findings represent a broad-based shift in securities class action settlements.

As discussed in the *2010 Filings Report*, the median DDL has increased for cases filed in recent years. Given the association between DDL and settlement amounts, higher median settlement amounts may continue in future years.

SAMPLE AND DATA SOURCES

Our database is limited to cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases filed only by bondholders, preferred stockholders, etc.) and cases alleging fraudulent depression in price. Our sample is also limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the University of Chicago Booth Center for Research in Security Prices (CRSP), Standard & Poor's Compustat, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, and public press.

ENDNOTES

1 Our categorization is based on the timing of the settlement approval. If a new partial settlement exceeds the then-current settlement fund amount by 50 percent or more, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount, but the settlement hearing date is not changed.

2 Available on a subscription basis.

3 Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.

4 Sources for the categorization of "credit crisis" include the Stanford Law School Securities Class Action Clearinghouse in cooperation with Cornerstone Research and the *D&O Diary* (www.dandodiary.com).

5 The total settlement value is based on an agreed-upon amount at the time of settlement, including the disclosed value of any noncash components. Figures do not reflect attorneys' fees, additional amounts that may be paid to the class from related derivative or SEC settlements, or amounts that may have been settled by opt-out investors.

6 Our simplified "plaintiff-style" model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are determined from a market-adjusted backward value line. For cases involving only Section 11 and/or 12(a)(2) claims, damages are determined from a model that caps the purchase price at the offering price. A volume reduction of 50 percent for shares traded on NASDAQ and 20 percent for shares listed on NYSE or Amex is used. Finally, no adjustments for institutions, insiders, or short sellers are made to the float.

7 Thirteen settlements out of the more than 1,200 cases in our sample were excluded from calculations involving estimated "plaintiff-style" damages for lack of available stock price data. The WorldCom settlement was also excluded from these calculations because most of the settlements in that matter related to liability associated with bond offerings (and our research does not compute damages related to securities other than common stock).

8 DDL calculated for the class-ending disclosure that resulted in the first filed complaint.

9 DDL information is presented in Figure 6 to provide a benchmark for the convenience of readers, since the measure is simple to compute and, as stated, does not require application of a trading model.

10 Cornerstone Research. 2010. *Accounting Class Action Filings and Settlements, Review and Analysis, 2004–2009.*

11 The extraordinarily high median settlement amount for public-pension-led settlements in 2006 was driven by six separate settlements in excess of $1 billion.

12 This regression analysis may not control for the potential endogeneity in the choice by public pension plans to participate in a class action.

13 The median settlement as a percentage of estimated damages for cases with only Section 11 and/or 12(a)(2) claims was lower in 2010 than for prior years' settlements. For nine of the settlements approved in 2010, claims were limited to Section 11 and/or Section 12(a)(2) claims. The median settlement for these nine matters was $5.9 million, with a median settlement value of 7.3 percent of estimated "plaintiff-style" damages.

14 Derivative cases are often resolved with changes made to the issuer's corporate governance practices, accompanied by little or no cash payment; this continues to be true despite the increase in corporate controls introduced after the passage of the Sarbanes-Oxley Act of 2002. For purposes of the analyses in this report, a derivative action—generally a case filed against officers and directors on behalf of the issuer corporation—must have allegations similar to the class action in nature and time period to be considered an accompanying action.

15 It is important to note, however, that the characteristics of credit-crisis-related cases that have settled to date could potentially differ from those of the remaining group of cases yet to be resolved.

16 Stanford Law School Securities Class Action Clearinghouse in cooperation with Cornerstone Research. 2011. *Securities Class Action Filings—2010 Year in Review.*

17 Our settlement database includes publicly available and measurable information about settled cases. Nonpublic or nonmeasurable factors, such as relative case merits or the limits of available insurance, are not reflected in the model to the extent that such factors are not correlated with the variables that are accessible to us (that is, publicly available and measurable factors).

18 Due to the presence of a small number of extreme observations in the data, we apply logarithmic transformations to settlement amounts, estimated damages, DDL, the defendant's total assets, and the number of docket entries.

ABOUT THE AUTHORS

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M.B.A., American Graduate School of International Management
B.A., Saint Mary's College

Ellen Ryan is a manager in the securities practice in Cornerstone Research's Boston office. She has consulted on economic and financial issues in a variety of cases, including securities class action lawsuits, financial institution breach of contract matters, and antitrust litigation. Ms. Ryan also has worked with testifying witnesses in corporate governance and breach of fiduciary duty matters. Prior to joining Cornerstone Research, Ms. Ryan worked for Salomon Brothers in New York and Tokyo. Currently Ms. Ryan focuses on post–Reform Act settlement research as well as general practice area business and research.

Laura E. Simmons, College of William & Mary
Ph.D., University of North Carolina at Chapel Hill
M.B.A., University of Houston
B.B.A., University of Texas at Austin

Laura Simmons is an assistant professor in the Mason School of Business at the College of William & Mary and a senior advisor at Cornerstone Research. She is a certified public accountant and has over seventeen years of experience in accounting practice and economic and financial consulting. Her consulting experience has focused on damage and liability issues in securities litigation, as well as accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, and research on securities lawsuits.

Dr. Simmons's research on pre– and post–Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. Dr. Simmons was a consultant at Cornerstone Research for over ten years, most recently as a principal. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at settlement.database@cornerstone.com. The authors request that you reference Cornerstone Research in any reprint of the charts and tables included in this study.

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Exhibit 4A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF ROBERT L. GAUMER FOR ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND PLANS OF ALLOCATION AND AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, Robert L. Gaumer, Chief Counsel of Alameda County Employees' Retirement Association, hereby declare under penalty of perjury as follows:

1. I am a duly authorized representative of Alameda County Employees' Retirement Association ("ACERA"), a Court-appointed lead plaintiff in this securities class action (the "Action").

2. Established in 1948, ACERA provides retirement, disability, and death benefits to the employees, retirees, and former employees of the County of Alameda. ACERA manages $5.6 billion in assets for over 10,000 members. ACERA is located at 475 14th Street, Suite 1000, Oakland, California.

3. I have served as Chief Counsel since April 12, 2005. As Chief Counsel, my current duties include, but are not limited to, overseeing all shareholder litigation in which the Fund is engaged, working closely with the Board by conducting legal research of complex pension issues and formulating policies and bylaws. In addition, I make recommendations to the

Board on governance matters, such as the Fair Political Practices Commission Conflict of Interest reporting requirements and the Ralph M. Brown Act Open Public Meeting laws.

4. I submit this Declaration on behalf of ACERA and in support of (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration, based on my involvement in monitoring and overseeing both the prosecution of the Action and the negotiations leading to the proposed settlement with the director and officer defendants (the "D&O Settlement") and the proposed settlements with the settling underwriter defendants (the "Underwriter Settlements" and, together with the D&O Settlement, the "Settlements"). I could and would testify competently to the matters set forth herein if called upon to do so.

5. By Order dated July 31, 2008, the Court appointed ACERA as one of the five lead plaintiffs in the Action.[1] In fulfillment of its responsibilities as a lead plaintiff, and on behalf of all members of the classes preliminarily certified, for settlement purposes only, in connection with the D&O Settlement (the "D&O Settlement Class") and the Underwriter Settlements (the "Underwriter Settlement Class" and, together with the D&O Settlement Class, the "Settlement Classes"), ACERA performed its role as a lead plaintiff in pursuit of a favorable result in this Action.

6. Since being appointed as a lead plaintiff in July 2008, ACERA has devoted substantial time in connection with its role in the case. On behalf of ACERA, I, or members of my staff working at my direction, have, among other things: (a) reviewed significant filings in

[1] By Order Concerning Proposed Settlement with the Director and Officer Defendants dated December 15, 2011 and Order Concerning Proposed Settlement with the Settling Underwriter Defendants dated December 15, 2011, the Court preliminarily certified Lead Plaintiffs as class representatives for purposes of effectuating the Settlements.

the Action; (b) received regular reports regarding developments in the Action; (c) participated in telephonic and email communications with Lead Counsel (primarily through direct communications with Darren J. Check, Esq. of Kessler Topaz Meltzer & Check, LLP) regarding case strategy; and (d) consulted with Lead Counsel during the course of their efforts to mediate and negotiate the Settlements, including by participating in discussions concerning appropriate amounts to settle the various claims asserted in the Action against the respective settling defendants and by obtaining and conveying appropriate settlement authority to Lead Counsel.

7. ACERA strongly endorses approval of the Settlements by the Court. Based on its involvement throughout the prosecution and resolution of the Action with the settling defendants, ACERA approved the decisions to enter into both the D&O Settlement and the Underwriter Settlements. ACERA did so with an appreciation of the strengths and weaknesses of Lead Plaintiffs' claims against each group of settling defendants, the limitations on the ability to pay, and the hurdles Lead Plaintiffs would have been required to overcome with respect to each group of settling defendants in order to prove liability, causation, and the full amount of damages at trial.

8. Based on the foregoing, ACERA believes that each Settlement represents an excellent recovery for the respective Settlement Classes in the face of substantial litigation risks. Accordingly, ACERA strongly recommends approval of the D&O Settlement and the Underwriter Settlements as fair, reasonable and adequate.

9. ACERA also supports Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. ACERA has discussed with Kessler Topaz Meltzer & Check, LLP Lead Counsel's intention to apply for an award of attorneys' fees equal to 16% of the settlement funds obtained from the D&O Settlement (the "D&O Settlement Fund") and 16%

of the settlement funds obtained from the Underwriter Settlements (the "Underwriter Settlement Fund"), plus reimbursement of litigation expenses not to exceed $2.5 million (to be paid from the respective settlement funds in *pro rata* amounts), subject to approval by the Court.

10. For the foregoing reasons, ACERA respectfully requests that the Court approve in full (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

11. I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of ACERA.

Executed this 6th day of March, 2012

Robert L. Gaumer, *Chief Counsel*
Alameda County Employees' Retirement Association

Exhibit 4B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF GERARD A. CRUZ FOR THE GOVERNMENT OF GUAM RETIREMENT FUND IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND PLANS OF ALLOCATION AND AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, Gerard A. Cruz, Treasurer of the Board of Trustees of the Government of Guam Retirement Fund ("GGRF" or the "Fund"), hereby declare under penalty of perjury as follows:

1. I am a duly authorized representative of GGRF, a Court-appointed lead plaintiff in this securities class action (the "Action").

2. GGRF was established in 1951 to provide annuities and other benefits to its members. Additionally, GGRF provides benefits to the surviving spouses and minor children of deceased employees and retirees. GGRF is located at 424 Route 8, Maite, Guam 96910.

3. I currently serve as Treasurer of the Board of Trustees of the Fund. Under Guam law, the responsibility for the operations of the Fund is vested in the Board of Trustees.

4. I submit this Declaration on behalf of GGRF and in support of (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Plans of Allocation and (b) Lead Counsel's Motion for Attorneys' Fees and Reimbursement of Expenses. I have personal knowledge of the matters set forth in this Declaration, based on my involvement in, and

communications with members of the GGRF staff involved in, monitoring and overseeing both the prosecution of the Action and the negotiations leading to the proposed settlement with the director and officer defendants (the "D&O Settlement") and the proposed settlements with the settling underwriter defendants (the "Underwriter Settlements" and, together with the D&O Settlement, the "Settlements"). I could and would testify competently to the matters set forth herein if called upon to do so.

5. By Order dated July 31, 2008, the Court appointed GGRF as one of the five lead plaintiffs in the Action.[1] In fulfillment of its responsibilities as a lead plaintiff, and on behalf of all members of the classes preliminarily certified, for settlement purposes only, in connection with the D&O Settlement (the "D&O Settlement Class") and the Underwriter Settlements (the "Underwriter Settlement Class" and, together with the D&O Settlement Class, the "Settlement Classes"), GGRF performed its role as a lead plaintiff in pursuit of a favorable result in this Action.

6. Since being appointed as a lead plaintiff in July 2008, GGRF has devoted substantial time in connection with its role in the case. On behalf of GGRF, I and others working at my direction, including GGRF Director Paula M. Blas, have, among other things: (a) reviewed significant filings in the Action; (b) received regular reports regarding developments in the Action; (c) participated in telephonic and email communications with Lead Counsel (primarily through direct communications with Blair Nicholas, David Stickney, and Jon Worm of Bernstein Litowitz Berger & Grossmann LLP ("Bernstein Litowitz")) regarding case strategy and related matters; and (d) consulted with Lead Counsel during the course of their efforts to mediate and negotiate the Settlements, including by participating in discussions concerning

[1] By Order Concerning Proposed Settlement with the Director and Officer Defendants dated December 15, 2011 and Order Concerning Proposed Settlement with the Settling Underwriter Defendants dated December 15, 2011, the Court preliminarily certified Lead Plaintiffs as class representatives for purposes of effectuating the Settlements.

appropriate amounts to settle the various claims asserted in the Action against the respective settling defendants and by obtaining and conveying appropriate settlement authority to Lead Counsel.

7. GGRF strongly endorses approval of the Settlements by the Court. Based on its involvement throughout the prosecution and resolution of the Action with the settling defendants, GGRF approved the decisions to enter into both the D&O Settlement and the Underwriter Settlements. The Fund did so with an appreciation of the strengths and weaknesses of Lead Plaintiffs' claims against each group of settling defendants, the limitations on the ability to pay, and the hurdles Lead Plaintiffs would have been required to overcome with respect to each group of settling defendants in order to prove liability, causation, and the full amount of damages at trial.

8. Based on the foregoing, GGRF believes that each Settlement represents an excellent recovery for the respective Settlement Classes in the face of substantial litigation risks. Accordingly, GGRF strongly recommends approval of the D&O Settlement and the Underwriter Settlements as fair, reasonable and adequate.

9. GGRF also supports Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses. GGRF has discussed with Bernstein Litowitz Lead Counsel's intention to apply for an award of attorneys' fees equal to 16% of the settlement funds obtained from the D&O Settlement (the "D&O Settlement Fund") and 16% of the settlement funds obtained from the Underwriter Settlements (the "Underwriter Settlement Fund"), plus reimbursement of litigation expenses not to exceed $2.5 million (to be paid from the respective settlement funds in *pro rata* amounts), subject to approval by the Court.

10. For the foregoing reasons, GGRF respectfully requests that the Court approve in full (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Plans of Allocation and (b) Lead Counsel's Motion for Attorneys' Fees and Reimbursement of Expenses.

11. I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf ofGGRF.

Executed this 6TH day of March, 2012

Gerard A. Cruz, Treasurer

Exhibit 4C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF DAVID MURPHY FOR THE NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS' SUPERANNUATION COMMITTEE IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND PLANS OF ALLOCATION AND AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, David Murphy, Secretary of the Northern Ireland Local Government Officers' Superannuation Committee ("NILGOSC"), hereby declare under penalty of perjury as follows:

1. I am a duly authorized representative of NILGOSC, a Court-appointed lead plaintiff in this securities class action (the "Action").

2. NILGOSC administers the Local Government Pension Scheme for Northern Ireland, United Kingdom. NILGOSC is a tax-approved defined benefit occupational pension scheme established on April 1, 1950. Membership is open to employees working in local government and to employees in the public sector who are not eligible to join another scheme. As of March 31, 2011, the Scheme's assets under management was valued at £3.953 billion. NILGOSC is located at Templeton House, 411 Holywood Road, Belfast BT4 2LP.

3. I have served as Secretary since 1 November 2011. As Secretary, my current duties include responsibility for the executive management of the pension scheme together with the supervision and management of its investment portfolio and ensuring the highest level of

service is provided to members and employers. I am also, inter alia, empowered to authorize expenditure, approve legal proceedings and to contract with third parties.

4. I submit this Declaration on behalf of NILGOSC and in support of (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration, based on my involvement in monitoring and overseeing both the prosecution of the Action and the negotiations leading to the proposed settlement with the director and officer defendants (the "D&O Settlement") and the proposed settlements with the settling underwriter defendants (the "Underwriter Settlements" and, together with the D&O Settlement, the "Settlements"). I could and would testify competently to the matters set forth herein if called upon to do so.

5. By Order dated July 31, 2008, the Court appointed NILGOSC as one of the five lead plaintiffs in the Action.[1] In fulfillment of its responsibilities as a lead plaintiff, and on behalf of all members of the classes preliminarily certified, for settlement purposes only, in connection with the D&O Settlement (the "D&O Settlement Class") and the Underwriter Settlements (the "Underwriter Settlement Class" and, together with the D&O Settlement Class, the "Settlement Classes"), NILGOSC performed its role as a lead plaintiff in pursuit of a favorable result in this Action.

6. Since being appointed as a lead plaintiff in July 2008, NILGOSC has devoted substantial time in connection with its role in the case. On behalf of NILGOSC, I, or members of my staff working at my direction, have, among other things: (a) reviewed significant filings in

[1] By Order Concerning Proposed Settlement with the Director and Officer Defendants dated December 15, 2011 and Order Concerning Proposed Settlement with the Settling Underwriter Defendants dated December 15, 2011, the Court preliminarily certified Lead Plaintiffs as class representatives for purposes of effectuating the Settlements.

the Action; (b) received regular reports regarding developments in the Action from my counsel; (c) participated in telephonic and email communications with Lead Counsel (primarily through direct communications with Robert M. Roseman of Spector Roseman Kodroff & Willis ("Spector Roseman"), my counsel, regarding case strategy; and (d) consulted with my counsel during the course of their efforts to mediate and negotiate the Settlements, including by participating in discussions concerning appropriate amounts to settle the various claims asserted in the Action against the respective settling defendants and by obtaining and conveying appropriate settlement authority to Lead Counsel.

7. NILGOSC strongly endorses approval of the Settlements by the Court. Based on its involvement throughout the prosecution and resolution of the Action with the settling defendants, NILGOSC approved the decisions to enter into both the D&O Settlement and the Underwriter Settlements. NILGOSC did so with an appreciation of the strengths and weaknesses of Lead Plaintiffs' claims against each group of settling defendants, the limitations on the ability to pay, and the hurdles Lead Plaintiffs would have been required to overcome with respect to each group of settling defendants in order to prove liability, causation, and the full amount of damages at trial.

8. Based on the foregoing, NILGOSC believes that each Settlement represents an excellent recovery for the respective Settlement Classes in the face of substantial litigation risks. Accordingly, NILGOSC strongly recommends approval of the D&O Settlement and the Underwriter Settlements as fair, reasonable and adequate.

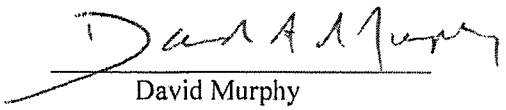
9. NILGOSC also supports Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. NILGOSC has discussed with Spector Roseman, its counsel, Lead Counsel's intention to apply for an award of attorneys' fees equal to 16% of the

settlement funds obtained from the D&O Settlement (the "D&O Settlement Fund") and 16% of the settlement funds obtained from the Underwriter Settlements (the "Underwriter Settlement Fund"), plus reimbursement of litigation expenses not to exceed $2.5 million (to be paid from the respective settlement funds in *pro rata* amounts), subject to approval by the Court.

10. For the foregoing reasons, NILGOSC respectfully requests that the Court approve in full (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

11. I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of NILGOSC.

Executed this 5th day of March, 2012



David Murphy

Exhibit 4D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF CLARE SCOTT FOR CITY OF EDINBURGH COUNCIL AS ADMINISTERING AUTHORITY OF THE LOTHIAN PENSION FUND IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND PLANS OF ALLOCATION AND AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, Clare Scott, Investment & Pensions Service Manager of the City of Edinburgh Council as Administering Authority of the Lothian Pension Fund ("Lothian"), hereby declare under penalty of perjury as follows:

1. I am a duly authorized representative of Lothian, a Court-appointed lead plaintiff in this securities class action (the "Action").

2. Lothian is located in Edinburgh, Scotland and pays pensions to former employees of the City Council, East, Mid and West Lothian Councils, the former Regional and District Councils, and the Lothian and Borders Fire and Rescue Service, as well as a number of public sector organizations. The Lothian Pension Fund has over 100 associated employers and over 65,000 members and has assets under management of over £ 2.5 billion.

3. I have just recently been promoted to Investment & Pension Service Manager. Before that I served for five years as Lothian's Investment Manager. In this capacity I have

supervised the Action and interacted with and supervised Lothian's counsel – Labaton Sucharow LLP.

4. I submit this Declaration on behalf of Lothian and in support of (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration, based on my involvement in monitoring and overseeing both the prosecution of the Action and the negotiations leading to the proposed settlement with the director and officer defendants (the "D&O Settlement") and the proposed settlements with the settling underwriter defendants (the "Underwriter Settlements" and, together with the D&O Settlement, the "Settlements").

5. By Order dated July 31, 2008, the Court appointed Lothian as one of the five lead plaintiffs in the Action.[1] In fulfillment of its responsibilities as a lead plaintiff, and on behalf of all members of the classes preliminarily certified, for settlement purposes only, in connection with the D&O Settlement (the "D&O Settlement Class") and the Underwriter Settlements (the "Underwriter Settlement Class," and together with the D&O Settlement Class, the "Settlement Classes"), Lothian performed its role as a lead plaintiff in pursuit of a favorable result in this Action.

6. Since being appointed as a lead plaintiff in July 2008, Lothian has devoted substantial time in connection with its role in the case. On behalf of Lothian, I, or members of my staff working at my direction, have, among other things: (a) reviewed significant filings in

[1] By Order Concerning Proposed Settlement with the Director and Officer Defendants dated December 15, 2011 and Order Concerning Proposed Settlement with the Settling Underwriter Defendants dated December 15, 2011, the Court preliminarily certified Lead Plaintiffs as class representatives for purposes of effectuating the Settlements.

the Action; (b) received regular reports in writing and in person regarding developments in the Action; (c) participated in in-person, telephonic and email communications with counsel (primarily through direct communications with Thomas Dubbs and Eric Belfi of Labaton Sucharow LLP) regarding case strategy; and (d) consulted with counsel during the course of their efforts to mediate and negotiate the Settlements, including discussion concerning appropriate settlement amounts.

7. Lothian strongly endorses approval of the Settlements by the Court. Based on its involvement throughout the prosecution and resolution of the Action with the settling defendants, Lothian approved the decisions to enter into both the D&O Settlement and the Underwriter Settlements. Lothian did so with an appreciation of the strengths and weaknesses of Lead Plaintiffs' claims against each group of settling defendants, the limitations on the ability to pay, and the hurdles Lead Plaintiffs would have been required to overcome with respect to each group of settling defendants in order to prove liability, causation, and the full amount of damages at trial.

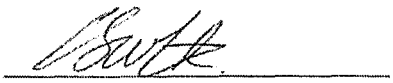
8. Based on the foregoing, Lothian believes that each Settlement represents an excellent recovery for the respective Settlement Classes in the face of substantial litigation risks. Accordingly, Lothian strongly recommends approval of the D&O Settlement and the Underwriter Settlements as fair, reasonable and adequate.

9. Lothian also supports Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. Lothian has discussed Lead Counsel's intention to apply for an award of attorneys' fees equal to 16% of the settlement funds obtained from the D&O Settlement (the "D&O Settlement Fund") and 16% of the settlement funds obtained from the Underwriter Settlements (the "Underwriter Settlement Fund"), plus reimbursement of

litigation expenses not to exceed $2.5 million (to be paid from the respective settlement funds in pro rata amounts), subject to approval by the Court.

10. Lothian respectfully requests that the Court approve in full (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

Executed this 7th day of March 2012



Clare Scott

Exhibit 4E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-CV-5523-LAK	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF THOMAS J. HENDRICKS FOR OPERATING ENGINEERS LOCAL 3 TRUST FUND IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND PLANS OF ALLOCATION AND AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, Thomas J. Hendricks, Executive Director of Operating Engineers Local 3 Trust Fund, hereby declare under penalty of perjury as follows:

1. I am a duly authorized representative of the Pension Trust Fund for Operating Engineers Pension Plan ("Operating Engineers"), a Court-appointed lead plaintiff in this securities class action (the "Action").

2. Operating Engineers is located in Alameda, California, and provides a pension plan for working and retired members throughout its four-state jurisdiction. Operating Engineers manages $2.8 billion in assets for its members.

3. I have served as Executive Director during the course of this litigation. As Executive Director, my duties include maintaining adequate accounting records, internal controls and financial management. I also report to the Board of Trustees and support the efforts of the Operating Engineers Mission, which is to provide quality retirement benefits for the participants.

4. I submit this Declaration on behalf of Operating Engineers and in support of (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants

and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. I have personal knowledge of the matters set forth in this Declaration, based on my involvement in monitoring and overseeing both the prosecution of the Action and the negotiations leading to the proposed settlement with the director and officer defendants (the "D&O Settlement") and the proposed settlements with the settling underwriter defendants (the "Underwriter Settlements" and, together with the D&O Settlement, the "Settlements"). I could and would testify competently to the matters set forth herein if called upon to do so.

5. By Order dated July 31, 2008, the Court appointed Operating Engineers as one of the five lead plaintiffs in the Action.[1] In fulfillment of its responsibilities as a lead plaintiff, and on behalf of all members of the classes preliminarily certified, for settlement purposes only, in connection with the D&O Settlement (the "D&O Settlement Class") and the Underwriter Settlements (the "Underwriter Settlement Class" and, together with the D&O Settlement Class, the "Settlement Classes"), Operating Engineers performed its role as a lead plaintiff in pursuit of a favorable result in this Action.

6. Since being appointed as a lead plaintiff in July 2008, Operating Engineers has devoted substantial time in connection with its role in the case. On behalf of Operating Engineers, I, or members of my staff working at my direction, have, among other things: (a) reviewed significant filings in the Action; (b) received regular reports regarding developments in the Action; (c) participated in telephonic and email communications with Lead Counsel (primarily through direct communications with Joseph E. White and Maya Saxena of Saxena White P.A.) regarding case strategy; and (d) consulted with Counsel during the course of their

[1] By Order Concerning Proposed Settlement with the Director and Officer Defendants dated December 15, 2011 and Order Concerning Proposed Settlement with the Settling Underwriter Defendants dated December 15, 2011, the Court preliminarily certified Lead Plaintiffs as class representatives for purposes of effectuating the Settlements.

efforts to mediate and negotiate the Settlements, including by participating in discussions concerning appropriate amounts to settle the various claims asserted in the Action against the respective settling defendants and by obtaining and conveying appropriate settlement authority to Lead Counsel.

7. Operating Engineers strongly endorses approval of the Settlements by the Court. Based on its involvement throughout the prosecution and resolution of the Action with the settling defendants, Operating Engineers approved the decisions to enter into both the D&O Settlement and the Underwriter Settlements. Operating Engineers did so with an appreciation of the strengths and weaknesses of Lead Plaintiffs' claims against each group of settling defendants, the limitations on the ability to pay, and the hurdles Lead Plaintiffs would have been required to overcome with respect to each group of settling defendants in order to prove liability, causation, and the full amount of damages at trial.

8. Based on the foregoing, Operating Engineers believes that each Settlement represents an excellent recovery for the respective Settlement Classes in the face of substantial litigation risks. Accordingly, Operating Engineers strongly recommends approval of the D&O Settlement and the Underwriter Settlements as fair, reasonable and adequate.

9. Operating Engineers also supports Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses. Operating Engineers has discussed with Saxena White Lead Counsel's intention to apply for an award of attorneys' fees equal to 16% of the settlement funds obtained from the D&O Settlement (the "D&O Settlement Fund") and 16% of the settlement funds obtained from the Underwriter Settlements (the "Underwriter Settlement Fund"), plus reimbursement of litigation expenses not to exceed $2.5 million (to be paid from the respective settlement funds in *pro rata* amounts), subject to approval by the Court.

10. For the foregoing reasons, Operating Engineers respectfully requests that the Court approve in full (a) Lead Plaintiffs' Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (b) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

11. I declare under penalty of perjury under the laws of the United States of America that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Operating Engineers.

Executed this 6th day of March, 2012

Thomas J. Hendricks

Exhibit 5

Memorandum

To: Clerk of the Court
United States District Court For The Southern District of New York
500 Pearl Street
New York, NY 10007

From: c/o: Raymond Gao
e-Pollination Enterprise, Inc.
P.O. Box 452212
Garland, TX 75045-2212
Email: lehmanshareholders@are4.us

Regarding: Objection to the Proposed Settlement of Lehman Brothers Securities, D&O Case (08-CV-5523, 09-MD-2017, 08-CV-5523-LAK)

Dear Clerk of the Court,

This letter presents to you our vigorous objections to the Proposed Settlement of the Lehman Brothers Securities cases (08-CV-5523, 09-MD-2017). Irrefutable facts lead to the conclusion that this proposal is an effort in perpetrating financial frauds. If this proposal is allowed to pass, it will be an act in defrauding honest investors; hence, undermining standard financial (securities) regulations, breaking legal precedence, and violating the laws of United States.

We are current and long-term holders of Lehman Brother Inc. security instruments.

Lehman Brothers, Inc. (LBHI) was the 4th largest investment banker on the Wall Street. It had sold billion dollars of investment grade securities, common stock, bond, preferred stock, and indices to investors around the world. SEC allowed those transactions on the premise that the LBHI was a financial sound company, having passed all internal and external financial audits.

In this proposed settlement, there are several grave errors.

1. Per Exhibit 1, page 19, the proposal common stock values for following dates:
    a. September 10, 2008 - $2.86.
    b. September 11, 2008 - $0.27
    c. September 12 – September 15, 2008, - $0.00
2. However, per NASDAQ stock transaction records.

Date	Open	High	Low	Close	Volume	Adjusted Close
9/10/2008	9.15	9.25	6.93	7.25	256k	7.25

9/11/2008	4.47	5.30	3.79	4.22	473k	4.22
9/12/2008	3.84	4.06	3.17	3.65	307k	3.65
9/15/2008	0.26	0.34	0.15	0.21	462k	0.21

That proposal tries to lump September 12nd stock price together with September 15th price. That is across 4 different days (over the weekend). Is this tactic a first step in defrauding investors? It is like borrowing $10,000 from the bank, paying back $5, and arbitrary proclaiming that the loan was paid in full.

3. Per Exhibit 2 &3, the proposal used October 28, 2008 as the date of record for preferred stocks. Why did the author select two different dates, 9/11 vs. 10/28? What was his motive? Hasn't there any news to report between 9/11 and 10/28? This is no ordinary change of dates. Is this a second step to defraud honest investors?
4. In exhibit 4, there are many negative numbers. Stock options (calls/puts) work similar to insurance policy. As a standard practice, the option acquirer(s) pays a premium to the option writer(s) for the right of buying and selling stock at preset prices. Have you ever heard of a stock option writer paying acquirer(s) money to sell insurance policies? If that were to happen, the entire Option Industry will go bankrupt immediately. Perhaps, AIG should have hired this author and avoided bankruptcy!
5. Why was this proposal author fudging numbers and dates? Is this a plot to defraud both investors of LBHI securities and the Option Industry?
6. Furthermore, the author of this proposal limits a window between June 12, 2007 and September 15, 2008. Why did he do that? What is so special for this time period? You can question him for explanation. This discriminatory practice poses additional damage and irreparable harm to holders of all securities, i.e. common, preferred, bond, swap, mini-bond, ...
7. In the proposal, only certain security classes holders are eligible / required for filing. Why is that? Is he discriminating against non-selected security holders? Are those other security class(es) holders not eligible for compensation?
8. Investors of LBHI have never authorized Bernstein Litowitz Berger & Grossman, or Kessler Topaz Meltzer & Check, or Dechert LLP as our legal representatives. Why are we required to send our financial details to them? Is the proposal author in collusion with those law firms to defraud investors?
9. Why is he setting March 22, 2012 as the deadline to file objections? LBHI is currently under the chapter 11 (reorganization) code. The company is not under the chapter 7 (liquidation) proceeding. The company still holds significant assets, both financial instruments and real estate properties. LBHI recently is purchasing Archstone for several billion dollars. This means the company might be relisted on the stock exchange, once it leaves bankruptcy status.
10. LBHI has not held any shareholder annual meeting since 2007. Is the proposal author trying to force selling LBHI to a third party, i.e. another bank

or bank holding companies, at the expense of current security holders? We, shareholders, have not authorized any plan to sell this company.

Hence, we vigorous protest the proposed motions involving Proposed Settlement of Lehman Brothers Securities, D&O Case (08-CV-5523, 09-MD-2017, 08-CV-5523-LAK). American legal system is designed to be fair to all stakeholders, both large and small. We, shareholders along with our chosen legal representatives, request that the judge presiding over Lehman Brothers Bankruptcy case to immediately bar following law firms from this case on the ground that they maybe in collusion with the market makers of LBHI security instruments, defrauding investors and undermining U.S. security laws and regulations.

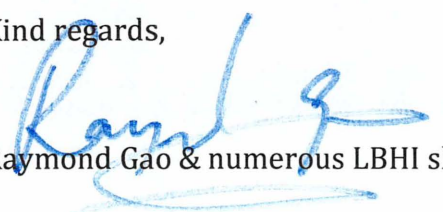
- Bernstein Litowitz Berger & Grossman
- Kessler Topaz Meltzer & Check
- Dechert LLP

Financial information is very valuable and shall remain private. To protect shareholders interest, we request that the judge to order LBHI perform following tasks.

1. Immediately hold annual shareholder meeting.
2. Election of officers and directors of the LBHI company and subsidiaries.
3. Immediately publish financial reports for this quarter as well as for financial years for 2008 – 2011.
4. Publish ownership report, who are current major shareholders, i.e. over 4% voting power?
5. Give accurate forecast for company's activities, i.e. sales prediction for upcoming quarter, employee head counts, break-even point
6. Expected date to leave the bankruptcy court & relisting on a major stock exchange, i.e. NASDAQ or NYSE.

Thank you very much for your help.

Kind regards,



Raymond Gao & numerous LBHI shareholders

Cc:

- Bernstein Litowitz Berger & Grossman
- Kessler Topaz Meltzer & Check
- Dechert LLP

Exhibit 6

Jane Eisenberg

[redacted]
Chestnut Hill, MA 02467
(617) [redacted]

2/14/12

United States District Court for the Southern District of New York
Clerk of the Court
500 Pearl Street
New York, NY 10007

Bernstein Litowitz Berger & Grossman LLP
David Stickney
12481 High Bluff Drive, Suite 300
San Diego, CA 92130-3582

Kessler Topaz Meltzer & Check, LLP
David Kessler
John Kehoe
280 King of Prussia Road
Radnor, PA 19087

Dechert LLP
Adam J. Wasserman
1095 Avenue of the Americas
New York, NY 10036

Cleary Gottleib Steen & Hamilton, LLP
Mitchell Lowenthal
Victor L. Hou
Roger Cooper
One Liberty Plaza
New York, NY 10006

Howard Rice Nemerovski Canady Falk & Rabkin PC
Kenneth G. Hausman
Three Embarcadero Center, Seventh Floor
San Francisco, CA 94111-4024

Dear Sirs:

With respect to the multiple settlements proposed for the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation,* Nos. 08-CV-5523-LAK, 08-CV-5523, and 09-MD-2017 (S.D.N.Y.), I would like to object that Lehman Brothers 6.375% Preferred Securities, Series K has not been included in the list of securities to be addressed by the settlement. The mis-representation of the value of Lehman Brothers by its management and by broker/dealers was largely generic across all related securities. There is no good reason why holders of some Lehman Brothers securities should be excluded from this settlement.

Sincerely,

Jane Eisenberg

Must be Postmarked
No Later Than
May 17, 2012

Lehman Brothers Holdings Inc. Derivative Settlement
c/o GCG
PO Box 9821
Dublin, OH 43017-5721
1-800-505-6901

LBE

LBE0224927772

CLAIMANT IDENTIFICATION:
Claim Number: 01242295
Control Number: 0260313135

08656 /19/2 ******AUTO**5-DIGIT 02467
MURRAY ALAN EISENBERG ← Jane E. Eisenberg
[redacted]
CHESTNUT HILL MA 02467-3157

PROOF OF CLAIM

THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE AND POSTMARKED NO LATER THAN MAY 17, 2012 TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUNDS IN CONNECTION WITH THE D&O SETTLEMENT AND/OR THE UNDERWRITER SETTLEMENT.

TABLE OF CONTENTS

Exhibit 7

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

SCHEDULE OF PLAINTIFFS' COUNSEL'S LODESTAR AND EXPENSES APPLIED FOR

TAB	FIRM	HOURS	LODESTAR	EXPENSES
7A	Bernstein Litowitz Berger & Grossmann LLP	41,413.50	$16,945,545.00	$787,435.93
7B	Kessler Topaz Meltzer & Check, LLP	23,372.63	9,592,649.65	452,312.69
7C	Girard Gibbs LLP	373.54	247,074.10	5,107.35
7D	Grant & Eisenhofer P.A.	4,141.10	1,427,257.00	89,480.74
7E	Kirby McInerney LLP	4,692.50	1,694,625.00	110,714.88
7F	Labaton Sucharow LLP	9,446.00	3,968,044.00	44,278.19
7G	Law Offices of Bernard M. Gross, P.C.	1,524.75	758,867.50	57,154.33
7H	Law Offices of James V. Bashian, P.C.	254.70	149,506.50	56.40
7I	Lowenstein Sandler PC	1,272.00	665,842.00	7,505.40
7J	Murray Frank LLP	467.60	261,440.00	331.56
7K	Pomerantz Haudek Grossman & Gross LLP	46.00	17,250.00	406.01
7L	Saxena White P.A.	2,436.25	998,868.75	12,049.76
7M	Spector Roseman Kodroff & Willis, P.C.	2,315.75	1,025,126.25	52,558.12
7N	Zwerling, Schachter & Zwerling, LLP	119.80	67,414.50	277.91
	TOTAL:	**91,876.12**	**$37,819,510.25**	**$1,619,669.27**

Exhibit 7A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF DAVID R. STICKNEY, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

DAVID R. STICKNEY, declares as follows:

1. I am a member of the law firm of BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with services rendered in the above-captioned action (the "Action"), as well as for reimbursement of expenses incurred by my firm in connection with the Action.

2. My firm, which served as co-Lead Counsel in this Action, was involved in all aspects of the prosecution and settlements reached in the Action as set forth in the Joint Declaration of David Stickney and David Kessler in Support of (A) Lead Plaintiffs' Motion for Final Approval of Proposed Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation, and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Joint Declaration" or "Joint Decl.").

3. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's 2012 billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

4. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular rates which have been accepted in other securities or shareholder litigation.

5. The total number of hours expended on this Action by my firm performing work from inception through February 15, 2012 is 41,413.50. The total lodestar for that work is $16,945,545.00, consisting of $15,477,856.25 for attorneys' time and $1,467,688.75 for professional support staff time. These numbers do not include the time incurred by my firm that was solely related to their ongoing litigation against the non-settling defendants or the time incurred in presenting their Fee and Expense Application to the Court.

6. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $787,435.93 in unreimbursed expenses in connection with the work performed in the

Action from inception through February 29, 2012, excluding expenses related solely to the ongoing litigation against the non-settling defendants.

8. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

9. My firm was responsible for maintaining the litigation fund created by Lead Counsel (the "Litigation Fund"). Attached hereto as Exhibit 3 is a schedule reflecting the contributions to and disbursements from the Litigation Fund.

10. With respect to the standing of my firm, attached hereto as Exhibit 4 is a brief biography of my firm and attorneys in my firm who were principally involved in this Action.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 8, 2012.

DAVID R. STICKNEY

625990

Exhibit 1

EXHIBIT 1

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

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

TIME REPORT

From Inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Max Berger	556.75	975.00	$542,831.25
Sean Coffey	150.00	850.00	127,500.00
Beata Farber	22.50	700.00	15,750.00
Avi Josefson	336.75	650.00	218,887.50
Blair Nicholas	32.50	800.00	26,000.00
Gerald Silk	145.00	800.00	116,000.00
Steven Singer	277.00	800.00	221,600.00
David Stickney	1,661.00	800.00	1,328,800.00
David Wales	26.00	750.00	19,500.00
Senior Counsel			
Rochelle Hansen	49.75	675.00	33,581.25
Elizabeth Lin	1,403.25	600.00	841,950.00
Niki Mendoza	221.00	600.00	132,600.00
Brett M. Middleton	501.50	590.00	295,885.00
Associates			
Michael Blatchley	10.00	440.00	4,400.00
David Duncan	90.75	425.00	38,568.75
Ann Lipton	117.50	490.00	57,575.00
David Thorpe	1,134.50	450.00	510,525.00
Boaz Weinstein	222.00	550.00	122,100.00
Jon F. Worm	1,966.00	500.00	983,000.00
Staff Associates			
Nick Goseland	98.50	350.00	34,475.00
Brian Short	290.50	375.00	108,937.50
Catherine Tierney	17.00	425.00	7,225.00

NAME	HOURS	HOURLY RATE	LODESTAR
Staff Attorneys			
Marguerite Middaugh	666.00	340.00	226,440.00
Mimi Afshar	410.50	340.00	139,570.00
Endre Algover	407.75	395.00	161,061.25
Christine Barrett	688.50	340.00	234,090.00
Justus Benjamin	655.00	340.00	222,700.00
Christopher A. Brewster	355.25	395.00	140,323.75
Tanya Calzo	421.50	340.00	143,310.00
Darcie Czaijkowski	656.00	340.00	223,040.00
Sanjeev Dave	653.75	395.00	258,231.25
Jenny Dixon	399.50	395.00	157,802.50
Ryan Donnelly	643.75	340.00	218,875.00
Riva Eltanal	659.50	370.00	244,015.00
Jack Fischer	396.75	395.00	156,716.25
Teri Gazallo	741.25	340.00	252,025.00
Helen Glynn	696.00	395.00	274,920.00
Sivan Goldman	659.00	340.00	224,060.00
Jennifer Hermann	599.50	375.00	224,812.50
Patrick Hicks	549.25	340.00	186,745.00
Mahdi Ibrahim	717.50	340.00	243,950.00
Tammy Issarapanichkit	421.25	340.00	143,225.00
Naseer Khan	674.00	340.00	229,160.00
Rachelle Lee Warner	648.75	375.00	243,281.25
Colin Morris	737.25	340.00	250,665.00
Shirin Naghavi	144.00	340.00	48,960.00
Khamsay Nainani	369.75	340.00	125,715.00
Danielle G. Nelson	262.00	395.00	103,490.00
Angela Parsons	608.00	395.00	240,160.00
Marion Passmore	341.50	395.00	134,892.50
Rachel Pimentel-McCole	397.50	375.00	149,062.50
Michelle Powers	687.25	375.00	257,718.75
Ariadna Ramirez	681.00	340.00	231,540.00
Sarah Robinson-McElroy	691.00	340.00	234,940.00
John Rogers	170.00	340.00	57,800.00
Kira M. Rubel	12.00	310.00	3,720.00
Scott Schnebbe	754.25	395.00	297,928.75
Carolina Scofield	741.25	395.00	292,793.75
Matthew Semmer	756.50	375.00	283,687.50
Robert Setterbo	692.75	340.00	235,535.00
Blaine Sheppard	696.00	375.00	261,000.00
Gerald Sherwin	67.50	340.00	22,950.00
Michele Shipp	420.25	375.00	157,593.75
Jamie A. Steward	392.50	395.00	155,037.50

NAME	HOURS	HOURLY RATE	LODESTAR
Alexis Stierman	387.75	340.00	131,835.00
Emily Stuart	557.25	375.00	208,968.75
Jerome R. Synold	628.25	375.00	235,593.75
Isabelle Talleyrand	740.00	395.00	292,300.00
Stepheney Windsor	655.25	375.00	245,718.75
Alexander Zarrinneshan	694.50	340.00	236,130.00
Megan Zellmer	723.75	340.00	246,075.00
Financial Analysts			
Nick DeFilippis	30.50	465.00	14,182.50
Adam Weinschel	112.75	375.00	42,281.25
Amanda Beth Hollis	49.50	295.00	14,602.50
Rochelle Moses	39.00	295.00	11,505.00
Sharon Safran	45.50	295.00	13,422.50
Ryan S. Ting	168.00	235.00	39,480.00
Communications			
Dalia El-Newehy	66.50	205.00	13,632.50
Case Analyst			
Clayton Ramsey	625.50	225.00	140,737.50
Investigators			
Amy Bitkower	458.00	465.00	212,970.00
Lisa C. Burr	264.25	265.00	70,026.25
Jaclyn Chall	181.75	265.00	48,163.75
David Kleinbard	30.75	345.00	10,608.75
Joelle (Sfeir) Landino	507.25	265.00	134,421.25
Litigation Support			
Riki Smyth	94.75	260.00	24,635.00
Andrea R. Webster	33.50	290.00	9,715.00
Document Clerks			
Michael Andres	170.25	190.00	32,347.50
Michael Maloney	39.00	175.00	6,825.00
Paralegals			
Maureen Duncan	59.25	290.00	17,182.50
Erik Andrieux	18.00	225.00	4,050.00
Dena Bielasz	1,458.75	265.00	386,568.75
Sam Jones	747.00	245.00	183,015.00
Amy Neil	42.00	265.00	11,130.00

NAME	HOURS	HOURLY RATE	LODESTAR
Kelly Nester	58.25	225.00	13,106.25
Brandy Roberts	27.25	230.00	6,267.50
Ranae G. Wooley	27.25	250.00	6,812.50
TOTAL LODESTAR	**41,413.50**		**$16,945,545.00**

Exhibit 2

EXHIBIT 2

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

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

EXPENSE REPORT

From Inception through February 29, 2012

CATEGORY	AMOUNT
Court Fees	$ 1,028.39
Service of Process	2,990.97
On-Line Legal Research*	80,326.32
On-Line Factual Research*	32,497.84
Document Management/Litigation Support	2,819.00
Telephone	1,687.04
Postage & Express Mail	3,589.80
Hand Delivery Charges	358.72
Local Transportation	652.04
Internal Copying	19,581.75
Out of Town Travel	31,140.82
Working Meals	1,691.47
Court Reporters and Transcripts	897.53
Special Publications	142.14
Staff Overtime	8,141.67
Experts	6,585.00
Contributions to Plaintiffs' Litigation Fund	504,850.00
SUBTOTAL:	**$698,980.50**
Outstanding Invoices:	
Document Management	$88,455.43
TOTAL EXPENSES:	**$787,435.93**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 3

EXHIBIT 3

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

CONTRIBUTIONS TO AND DISBURSEMENTS FROM THE LITIGATION FUND

From Inception through February 29, 2012

CONTRIBUTIONS:

Firm	Amount
Bernstein Litowitz Berger & Grossmann LLP	$504,850.00
Kessler Topaz Meltzer & Check, LLP	336,200.00
Grant & Eisenhofer P.A.	56,000.00
Kirby McInerney LLP	110,000.00
Labaton Sucharow LLP	16,800.00
Law Offices of Bernard M. Gross, P.C.	54,500.00
TOTAL CONTRIBUTED:	**$1,078,350.00**

DISBURSEMENTS:

Category of Expense	Amount Disbursed
Experts/Consultants	$672,184.81
Investigators	66,585.87
Court Reporters & Transcripts	1,038.60
Outside Copying	406.34
Document Management	17,141.80
Mediator/Neutral Fees	320,992.58
TOTAL DISBURSED:	**$1,078,350.00**

Exhibit 4

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

ATTORNEYS AT LAW

NEW YORK • CALIFORNIA • LOUISIANA

FIRM RESUME

Visit our web site at www.blbglaw.com for the most up-to-date information on the firm, its lawyers and practice groups.

Bernstein Litowitz Berger & Grossmann LLP, a national law firm with offices located in New York, California and Louisiana, prosecutes class and private actions on behalf of individual and institutional clients. The firm's litigation practice areas include securities class and direct actions in federal and state courts; corporate governance and shareholder rights litigation, including claims for breach of fiduciary duty and proxy violations; mergers and acquisitions and transactional litigation; intellectual property; alternative dispute resolution; distressed debt and bankruptcy; civil rights and employment discrimination; consumer class actions and antitrust. We also handle, on behalf of major institutional clients and lenders, more general complex commercial litigation involving allegations of breach of contract, accountants' liability, breach of fiduciary duty, fraud, and negligence.

We are the nation's leading firm in representing institutional investors in securities fraud class action litigation. The firm's institutional client base includes the New York State Common Retirement Fund, the California Public Employees Retirement System (CalPERS), and the Ontario Teachers' Pension Plan Board, the largest public pension funds in North America, collectively managing nearly $500 billion in assets; the Los Angeles County Employees' Retirement Association (LACERA); the Chicago Municipal, Police and Labor Retirement Systems; the State of Wisconsin Investment Board; the Retirement Systems of Alabama; the Connecticut Retirement Plans and Trust Funds; the City of Detroit Pension Systems; the Houston Firefighters' and Municipal Employees' Pension Funds; the Louisiana School, State, Teachers and Municipal Police Retirement Systems; the Public School Teachers' Pension and Retirement Fund of Chicago; the New Jersey Division of Investment of the Department of the Treasury; TIAA-CREF and other private institutions; as well as numerous other public and Taft-Hartley pension entities.

Since its founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has litigated some of the most complex cases in history and has obtained over $20 billion on behalf of investors. Unique among its peers, the firm has negotiated the largest settlements ever agreed to by public companies related to securities fraud, and obtained four of the ten largest securities recoveries in history.

As Co-Lead Counsel for the Class representing Lead Plaintiff the New York State Common Retirement Fund in *In re WorldCom, Inc. Securities Litigation*, arising from the financial fraud and subsequent bankruptcy at WorldCom, Inc., we obtained unprecedented settlements totaling more than $6 billion from the investment bank defendants who underwrote WorldCom bonds, the second largest securities recovery in history. Additionally, the former WorldCom Director Defendants agreed to pay over $60 million to settle the claims against them. An unprecedented first for outside directors, $24.75 million of that amount is coming out of the pockets of the individuals – 20% of their collective net worth. Also, after four weeks of trial, Arthur Andersen, WorldCom's former auditor, settled for $65 million. In July 2005, settlements were reached with the former executives of WorldCom, bringing the total obtained for the Class to over $6.15 billion.

The firm was also Co-Lead Counsel in *In re Cendant Corporation Securities Litigation*, which settled for more than $3 billion in cash. This settlement, the largest sums ever recovered from a public company and a public accounting firm, includes some of the most significant corporate governance changes ever achieved through securities class action litigation. The firm represented Lead Plaintiffs CalPERS, the New York State Common Retirement Fund, and the New York City Pension Funds on behalf of all purchasers of Cendant securities during the Class Period. The firm also recovered over $1.3 billion for investors in Nortel Networks, and the settlements in *In re McKesson HBOC Inc. Securities Litigation* totaled over $1 billion in monies recovered for investors. Additionally, the firm was lead counsel in the celebrated *In re Washington Public Power Supply System Litigation*, which, after seven years of litigation and three months of jury trial, resulted in what was then the largest securities fraud recovery ever – over $750 million.

A leader in representing institutional shareholders in litigation arising from the widespread stock options backdating scandals of recent years, the firm recovered nearly $920 million in ill-gotten compensation directly from former officers and directors in the *UnitedHealth Group, Inc. Shareholder Derivative Litigation*. The largest derivative recovery in history, the settlement is notable for holding individual wrongdoers accountable for their role in illegally backdating stock options, as well as for the company's agreement to far-reaching reforms to curb future executive compensation abuses. (Court approval of the recovery is pending.)

The firm's prosecution of Arthur Andersen LLP, for Andersen's role in the 1999 collapse of the Baptist Foundation of Arizona ("BFA"), received intense national and international media attention. As lead trial counsel for the defrauded BFA investors, the firm obtained a cash settlement of $217 million from Andersen in May 2002, after six days of what was scheduled to be a three month trial. The case was covered in great detail by *The Wall Street Journal, The New York Times, The Washington Post*, "60 Minutes II," National Public Radio, and the BBC, as well as various other international news outlets.

The firm is also a recognized leader in representing the interests of shareholders in M&A litigation arising from transactions that are structured to unfairly benefit the company's management or directors at the shareholder's expense. For example, in the high-profile *Caremark Takeover Litigation*, the firm obtained a landmark ruling from the Delaware Court of Chancery ordering Caremark's board to disclose previously withheld information, enjoin a shareholder vote on CVS' merger offer, and grant statutory appraisal rights to Caremark shareholders. CVS was ultimately forced to raise its offer by $7.50 per share, equal to more than $3 billion in additional consideration to Caremark shareholders.

Equally important, Bernstein Litowitz Berger & Grossmann LLP has successfully advanced novel and socially beneficial principles by developing important new law in the areas in which we litigate.

The firm served as co-lead counsel on behalf of Texaco's African-American employees in *Roberts v. Texaco Inc*., which similarly resulted in a recovery of $176 million, the largest settlement ever in a race discrimination case. The creation of a Task Force to oversee Texaco's human resources activities for five years was unprecedented and served as a model for public companies going forward.

More recently, BLB&G prosecuted the *In re Pfizer, Inc. Derivative Litigation*, which resulted in a historic $75 million dedicated fund to be used solely to support the activities of an unprecedented Regulatory and Compliance Committee created in the settlement, which not only materially enhances the Pfizer board's oversight but may set a new benchmark of good corporate governance for all highly regulated companies. The action arose from Pfizer's illegal marketing of prescription drugs which resulted in one of the largest health care frauds in history.

In addition, on behalf of twelve public pension funds, including the New York State Common Retirement Fund, CalPERS, LACERA, and other institutional investors, the firm successfully prosecuted *McCall v. Scott*, a derivative suit filed against the directors and officers of Columbia/HCA Healthcare Corporation, the subject of the largest health care fraud investigation in history. This settlement included a landmark corporate governance plan which went well beyond all recently enacted regulatory reforms, greatly enhancing the corporate governance structure in place at HCA.

The firm also represents intellectual property holders who are victims of infringement in litigation against some of the largest companies in the world. Our areas of specialty practice include patents, copyrights, trademarks, trade dress, and trade-secret litigation, and our attorneys are recognized by industry observers for their excellence.

In the consumer field, the firm has gained a nationwide reputation for vigorously protecting the rights of individuals and for achieving exceptional settlements. In several instances, the firm has obtained recoveries for consumer classes that represented the entirety of the class' losses – an extraordinary result in consumer class cases.

Our firm is dedicated to litigating with the highest level of professional competence, striving to secure the maximum possible recovery for our clients in the most efficient and professionally responsible manner. In those cases where we have served as either lead counsel or as a member of plaintiffs' executive committee, the firm has recovered billions of dollars for our clients.

THE FIRM'S PRACTICE AREAS

Securities Fraud Litigation

Securities fraud litigation is the cornerstone of the firm's litigation practice. Since its founding, the firm has tried and settled many high profile securities fraud class actions and continues to play a leading role in major securities litigation pending in federal and state courts. Moreover, since passage of the Private Securities Litigation Reform Act of 1995, which sought to encourage institutional investors to become more pro-active in securities fraud class action litigation, the firm has become the nation's leader in representing institutional investors in securities fraud and derivative litigation. The firm has the distinction of having prosecuted many of the most complex and high-profile cases in securities law history, recovering billions of dollars and obtaining unprecedented corporate governance reforms on behalf of our clients.

The firm also pursues direct actions in securities fraud cases when appropriate. By selectively opting-out of certain securities class actions we seek to resolve our clients' claims efficiently and for substantial multiples of what they might otherwise recover from related class action settlements.

The attorneys in the securities fraud litigation practice group have extensive experience in the laws that regulate the securities markets and in the disclosure requirements of corporations that issue publicly traded securities. Many of the attorneys in this practice group also have accounting backgrounds. The group has access to state-of-the-art, online financial wire services and databases, which enables it to instantaneously investigate any potential securities fraud action involving a public company's debt and equity securities.

Corporate Governance and Shareholders' Rights

The corporate governance and shareholders' rights practice group prosecutes derivative actions, claims for breach of fiduciary duty and proxy violations on behalf of individual and institutional investors in state and federal courts throughout the country. The group has prosecuted actions challenging numerous highly publicized corporate transactions which violated fair process and fair price, and the applicability of the business judgment rule. The group has also addressed issues of corporate waste, shareholder voting rights claims, and executive compensation. As a result of the firm's high profile and widely recognized capabilities, the corporate governance practice group is increasingly in demand by institutional investors who are exercising a more assertive voice with corporate boards regarding corporate governance issues and the board's accountability to shareholders.

The firm is actively involved in litigating numerous cases in this area of law, an area that has become increasingly important in light of efforts by various market participants to buy companies from their public shareholders "on the cheap."

Employment Discrimination and Civil Rights

The employment discrimination and civil rights practice group prosecutes class and multi-plaintiff actions, and other high impact litigation against employers and other societal institutions that violate federal or state employment, anti-discrimination, and civil rights laws. The practice group represents diverse clients on a wide range of issues including Title VII actions, race, gender, sexual orientation and age discrimination suits, sexual harassment and "glass ceiling" cases in which otherwise qualified employees are passed over for promotions to managerial or executive positions.

Bernstein Litowitz Berger & Grossmann LLP is committed to effecting positive social change in the workplace and in society. The practice group has the necessary financial and human resources to ensure that the class action approach to discrimination and civil rights issues is successful. This litigation method serves to empower employees and other civil rights victims, who are usually discouraged from pursuing litigation because of personal financial

limitations, and offers the potential for effecting the greatest positive change for the greatest number of people affected by discriminatory practice in the workplace.

Intellectual Property

BLB&G's Intellectual Property Litigation practice group is dedicated to protecting the creativity and innovation of individuals and firms. Patent cases exemplify the type of complex, high-stakes litigation in which we specialize. Our areas of concentration include patent, trademark, false advertising, copyright, and trade-secret litigation. We have successfully prosecuted these actions against infringers in both federal and state courts across the country, in foreign courts and before administrative bodies. The firm is currently prosecuting patent cases on behalf of inventors in a variety of industries including electronics, liquid crystal display ("LCD") panels, and computer technology.

General Commercial Litigation and Alternative Dispute Resolution

The General Commercial Litigation practice group provides contingency fee representation in complex business litigation and has obtained substantial recoveries on behalf of investors, corporations, bankruptcy trustees, creditor committees and other business entities. We have faced down powerful and well-funded law firms and defendants — and consistently prevailed.

However, not every dispute is best resolved through the courts. In such cases, BLB&G Alternative Dispute practitioners offer clients an accomplished team and a creative venue in which to resolve conflicts outside of the litigation process. BLB&G has extensive experience — and a marked record of successes — in ADR practice. For example, in the wake of the credit crisis, we successfully represented numerous former executives of a major financial institution in arbitrations relating to claims for compensation. Our attorneys have led complex business-to-business arbitrations and mediations domestically and abroad representing clients before all the major arbitration tribunals, including the American Arbitration Association (AAA), FINRA, JAMS, International Chamber of Commerce (ICC) and the London Court of International Arbitration.

Distressed Debt and Bankruptcy Creditor Negotiation

BLB&G Distressed Debt and Bankruptcy Creditor Negotiation group has obtained billions of dollars through litigation on behalf of bondholders and creditors of distressed and bankrupt companies, as well as through third party litigation brought by bankruptcy trustees and creditor's committees against auditors, appraisers, lawyers, officers and directors, and others defendant who may have contributed to a clients' losses. As counsel, we advise institutions and individuals nationwide in developing strategies and tactics to recover assets presumed lost as a result of bankruptcy. Our record in this practice area is characterized by extensive trial experience in addition to completion of successful settlements.

Consumer Advocacy

The consumer advocacy practice group at Bernstein Litowitz Berger & Grossmann LLP prosecutes cases across the entire spectrum of consumer rights, consumer fraud, and consumer protection issues. The firm represents victimized consumers in state and federal courts nationwide in individual and class action lawsuits that seek to provide consumers and purchasers of defective products with a means to recover their damages. The attorneys in this group are well versed in the vast array of laws and regulations that govern consumer interests and are aggressive, effective, court-tested litigators. The consumer practice advocacy group has recovered hundreds of millions of dollars for millions of consumers throughout the country. Most notably, in a number of cases, the firm has obtained recoveries for the class that were the entirety of the potential damages suffered by the consumer. For example, in actions against MCI and Empire Blue Cross, the firm recovered all of the damages suffered by the class. The group achieved its successes by advancing innovative claims and theories of liabilities, such as obtaining decisions in Pennsylvania and Illinois appellate courts that adopted a new theory of consumer damages in mass marketing cases. Bernstein Litowitz Berger & Grossmann LLP is, thus, able to lead the way in protecting the rights of consumers.

THE COURTS SPEAK

Throughout the firm's history, many courts have recognized the professional competence and diligence of the firm and its members. A few examples are set forth below.

Judge Denise Cote (United States District Court for the Southern District of New York) has noted, several times on the record, the quality of BLB&G's representation of the Class in *In re WorldCom, Inc. Securities Litigation*. Judge Cote on December 16, 2003:

> "I have the utmost confidence in plaintiffs' counsel . . . they have been doing a superb job. . . . The Class is extraordinarily well represented in this litigation."

In granting final approval of the $2.575 billion settlement obtained from the Citigroup Defendants, Judge Cote again praised BLB&G's efforts:

> "The magnitude of this settlement is attributable in significant part to Lead Counsel's advocacy and energy....The quality of the representation given by Lead Counsel...has been superb...and is unsurpassed in this Court's experience with plaintiffs' counsel in securities litigation. Lead Counsel has been energetic and creative…. Its negotiations with the Citigroup Defendants have resulted in a settlement of historic proportions."

* * *

In February 2005, at the conclusion of trial of *In re Clarent Corporation Securities Litigation*, The Honorable Charles R. Breyer of the United States District Court for the Northern District of California praised the efforts of counsel: "It was the best tried case I've witnessed in my years on the bench….[A]n extraordinarily civilized way of presenting the issues to you [the jury]….We've all been treated to great civility and the highest professional ethics in the presentation of the case…. The evidence was carefully presented to you….They got dry subject matter and made it interesting… [brought] the material alive… good trial lawyers can do that…. I've had fascinating criminal trials that were far less interesting than this case. [I]t's a great thing to be able to see another aspect of life… It keeps you young…vibrant… [and] involved in things… These trial lawyers are some of the best I've ever seen."

* * *

"I do want to make a comment again about the excellent efforts…[these] firms put into this case and achieved. Earlier this year, I wrote a decision in *Revlon* where I actually replaced plaintiff's counsel because they hadn't seemed to do the work, or do a good job…In doing so, what I said and what I meant was that I think class and derivative litigation is important; that I am not at all critical of class and derivative litigation, and that I think it has significant benefits in terms of what it achieves for stockholders, or it can. It doesn't have to act as a general tax for the sale of indulgences for deals. This case, I think, shows precisely the type of benefits that you can achieve for stockholders and how representative litigation can be a very important part of our corporate governance system. So, if you had book ends, you would put the *Revlon* situation on one book end and you'd put this case on the other book end. You'd hold up the one as an example of what not to do, and you hold up this case as an example of what to do."

Vice Chancellor J. Travis Laster, Delaware Court of Chancery praising the firm's work in the *Landry's Restaurants, Inc. Shareholder Litigation* on October 6, 2010

* * *

In granting the Court's approval of the resolution and prosecution of *McCall v. Scott*, a shareholder derivative lawsuit against certain former senior executives of HCA Healthcare (formerly Columbia/HCA), Senior Judge Thomas A. Higgins (United States District Court, Middle District of Tennessee) said that the settlement "confers an

exceptional benefit upon the company and the shareholders by way of the corporate governance plan. . . . Counsel's excellent qualifications and reputations are well documented in the record, and they have litigated this complex case adeptly and tenaciously throughout the six years it has been pending. They assumed an enormous risk and have shown great patience by taking this case on a contingent basis, and despite an early setback they have persevered and brought about not only a large cash settlement but sweeping corporate reforms that may be invaluable to the beneficiaries."

* * *

Judge Walls (District of New Jersey), in approving the $3.2 billion *Cendant* settlement, said that the recovery from all defendants, which represents a 37% recovery to the Class, "far exceeds recovery rates of any case cited by the parties." The Court also held that the $335 million separate recovery from E&Y is "large" when "[v]iewed in light of recoveries against accounting firms for securities damages." In granting Lead Counsel's fee request, the Court determined that "there is no other catalyst for the present settlement than the work of Lead Counsel. . . . This Court, and no other judicial officer, has maintained direct supervision over the parties from the outset of litigation to the present time. In addition to necessary motion practice, the parties regularly met with and reported to the Court every five or six weeks during this period about the status of negotiations between them. . . . [T]he Court has no reason to attribute a portion of the Cendant settlement to others' efforts; Lead Counsel were the only relevant material factors for the settlement they directly negotiated." The Court found that "[t]he quality of result, measured by the size of settlement, is very high. . . . The Cendant settlement amount alone is over three times larger than the next largest recovery achieved to date in a class action case for violations of the securities laws, and approximately ten times greater than any recovery in a class action case involving fraudulent financial statements. . . The E&Y settlement is the largest amount ever paid by an accounting firm in a securities class action." The Court went on to observe that "the standing, experience and expertise of the counsel, the skill and professionalism with which counsel prosecuted the case and the performance and quality of opposing counsel were high in this action. Lead Counsel are experienced securities litigators who ably prosecuted the action." The Court concluded that this Action resulted in "excellent settlements of uncommon amount engineered by highly skilled counsel with reasonable cost to the class."

* * *

After approving the settlement in *Alexander v. Pennzoil Company*, the Honorable Vanessa D. Gilmore of the United States District Court for the Southern District of Texas ended the settlement hearing by praising our firm for the quality of the settlement and our commitment to effectuating change in the workplace. "... the lawyers for the plaintiffs ... did a tremendous, tremendous job. ... not only in the monetary result obtained, but the substantial and very innovative programmatic relief that the plaintiffs have obtained in this case ... treating people fairly and with respect can only inure to the benefit of everybody concerned. I think all these lawyers did an outstanding job trying to make sure that that's the kind of thing that this case left behind."

* * *

On February 23, 2001, the United States District Court for the Northern District of California granted final approval of the $259 million cash settlement in *In re 3Com Securities Litigation*, the largest settlement of a securities class action in the Ninth Circuit since the Private Securities Litigation Reform Act was passed in 1995, and the fourth largest recovery ever obtained in a securities class action. The district court, in an Order entered on March 9, 2001, specifically commented on the quality of counsel's efforts and the settlement, holding that "counsel's representation [of the class] was excellent, and ... the results they achieved were substantial and extraordinary." The Court described our firm as "among the most experienced and well qualified in this country in [securities fraud] litigation."

* * *

United States District Judge Todd J. Campbell of the Middle District of Tennessee heard arguments on Plaintiffs' Motion for Preliminary Injunction in *Cason v. Nissan Motor Acceptance Corporation Litigation*, the highly publicized discriminatory lending class action, on September 5, 2001. He exhibited his own brand of candor in commenting on the excellent work of counsel in this matter: "In fact, the lawyering in this case... is as good as I've seen in any case. So y'all are to be commended for that."

* * *

In approving the $30 million settlement in the *Assisted Living Concepts, Inc. Securities Litigation*, the Honorable Ann L. Aiken of the Federal District Court in Oregon, praised the recovery and the work of counsel. She stated that, "...without a doubt...this is a...tremendous result as a result of very fine work...by the...attorneys in this case."

* * *

The Honorable Judge Edward A. Infante of the United States District Court for the Northern District of California expressed high praise for the settlement and the expertise of plaintiffs' counsel when he approved the final settlement in the *Wright v. MCI Communications Corporation* consumer class action. "The settlement. . . . is a very favorable settlement to the class. . . . to get an 85% result was extraordinary, and plaintiffs' counsel should be complimented for it on this record. . . . The recommendations of experienced counsel weigh heavily on the court. The lawyers before me are specialists in class action litigation. They're well known to me, particularly Mr. Berger, and I have confidence that if Mr. Berger and the other plaintiffs' counsel think this is a good, well-negotiated settlement, I find it is." The case was settled for $14.5 million.

* * *

At the *In re Computron Software, Inc. Securities Litigation* settlement hearing, Judge Alfred J. Lechner, Jr. of the United States District Court for the District of New Jersey approved the final settlement and commended Bernstein Litowitz Berger & Grossmann's efforts on behalf of the Class. "I think the job that was done here was simply outstanding. I think all of you just did a superlative job and I'm appreciat[ive] not only for myself, but the court system and the plaintiffs themselves. The class should be very, very pleased with the way this turned out, how expeditiously it's been moved."

* * *

The *In re Louisiana-Pacific Corporation Securities Litigation*, filed in the United States District Court, District of Oregon, was a securities class action alleging fraud and misrepresentations in connection with the sale of defective building materials. Our firm, together with co-lead counsel, negotiated a settlement of $65.1 million, the largest securities fraud settlement in Oregon history, which was approved by Judge Robert Jones on February 12, 1997. The Court there recognized that ". . . the work that is involved in this case could only be accomplished through the unique talents of plaintiffs' lawyers . . . which involved a talent that is not just simply available in the mainstream of litigators."

* * *

Judge Kimba M. Wood of the United States District Court for the Southern District of New York, who presided over the six-week securities fraud class action jury trial in *In re ICN/Viratek Securities Litigation*, also recently praised our firm for the quality of the representation afforded to the class and the skill and expertise demonstrated throughout the litigation and trial especially. The Court commented that ". . . plaintiffs' counsel did a superb job here on behalf of the class. . . This was a very hard fought case. You had very able, superb opponents, and they put you to your task. . . The trial work was beautifully done and I believe very efficiently done. . ."

* * *

Similarly, the Court in the *In re Prudential-Bache Energy Income Partnership Securities Litigation*, United States District Court, Eastern District of Louisiana, recognized Bernstein Litowitz Berger & Grossmann LLP's ". . . professional standing among its peers." In this case, which was settled for $120 million, our firm served as Chair of the Plaintiffs' Executive Committee.

* * *

In the landmark securities fraud case, *In re Washington Public Power Supply System Litigation* (United States District Court, District of Arizona), the district court called the quality of representation "exceptional," noting that "[t]his was a case of overwhelmingly unique proportions. . . a rare and exceptional case involving extraordinary services on behalf of Class plaintiffs." The Court also observed that "[a] number of attorneys dedicated significant portions of their professional careers to this litigation, . . . champion[ing] the cause of Class members in the face of commanding and vastly outnumbering opposition. . . [and] in the face of uncertain victory. . . . [T]hey succeeded admirably."

* * *

Likewise, in *In re Electro-Catheter Securities Litigation*, where our firm served as co-lead counsel, Judge Nicholas Politan of the United States District Court for New Jersey said, "Counsel in this case are highly competent, very skilled in this very specialized area and were at all times during the course of the litigation...always well prepared, well spoken, and knew their stuff and they were a credit to their profession. They are the top of the line."

* * *

In our ongoing prosecution of the *In re Bennett Funding Group Securities Litigation*, the largest "Ponzi scheme" fraud in history, partial settlements totaling over $140 million have been negotiated for the class. While the action continues to be prosecuted against other defendants, the United States District Court for the Southern District of New York has already found our firm to have been "extremely competent" and of "great skill" in representing the class.

* * *

Judge Sarokin of the United States District Court for the District of New Jersey, after approving the $30 million settlement in *In re First Fidelity Bancorporation Securities Litigation*, a case in which were lead counsel, praised the ". . . outstanding competence and performance" of the plaintiffs' counsel and expressed "admiration" for our work in the case.

RECENT ACTIONS & SIGNIFICANT RECOVERIES

Bernstein Litowitz Berger & Grossmann LLP is counsel in many diverse nationwide class and individual actions and has obtained many of the largest and most significant recoveries in history. Some examples from our practice groups include:

Securities Class Actions

In re WorldCom, Inc. Securities Litigation -- (United States District Court for the Southern District of New York) The largest securities fraud class action in history. The court appointed BLB&G client the **New York State Common Retirement Fund** as Lead Plaintiff and the firm as Lead Counsel for the class in this securities fraud action arising from the financial fraud and subsequent bankruptcy at WorldCom, Inc. The complaints in this litigation alleged that WorldCom and others disseminated false and misleading statements to the investing public regarding its earnings and financial condition in violation of the federal securities and other laws. As a result, investors suffered tens of billions of dollars in losses. The Complaint further alleged a nefarious relationship between Citigroup subsidiary Salomon Smith Barney and WorldCom, carried out primarily by Salomon employees involved in providing investment banking services to WorldCom (most notably, Jack Grubman, Salomon's star telecommunications analyst), and by WorldCom's former CEO and CFO, Bernard J. Ebbers and Scott Sullivan, respectively. On November 5, 2004, the Court granted final approval of the $2.575 billion cash settlement to settle all claims against the Citigroup defendants. In mid-March 2005, on the eve of trial, the 13 remaining "underwriter defendants," including J.P. Morgan Chase, Deutsche Bank and Bank of America, agreed to pay settlements totaling nearly $3.5 billion to resolve all claims against them, bringing the total over $6 billion. Additionally, by March 21, 2005, the day before trial was scheduled to begin, all of the former WorldCom Director Defendants had agreed to pay over $60 million to settle the claims against them. An unprecedented first for outside directors, $24.75 million of that amount came out of the pockets of the individuals – 20% of their collective net worth. The case generated headlines across the country – and across the globe. In the words of Lynn Turner, a former SEC chief accountant, the settlement sent a message to directors "that their own personal wealth is at risk if they're not diligent in their jobs." After four weeks of trial, Arthur Andersen, WorldCom's former auditor, settled for $65 million. In July 2005, settlements were reached with the former executives of WorldCom, bringing the total obtained for the Class to over $6.15 billion.

In re Cendant Corporation Securities Litigation -- (United States District Court, District of New Jersey) Securities class action filed against Cendant Corporation, its officers and directors and Ernst & Young (E&Y), its auditors. Cendant settled the action for $2.8 billion and E&Y settled for $335 million. The settlements are the third largest in history in a securities fraud action. Plaintiffs alleged that the company disseminated materially false and misleading financial statements concerning CUC's revenues, earnings and expenses for its 1997 fiscal year. As a result of company-wide accounting irregularities, Cendant restated its financial results for its 1995, 1996 and 1997 fiscal years and all fiscal quarters therein. A major component of the settlement was Cendant's agreement to adopt some of the most extensive corporate governance changes in history. The firm represented Lead Plaintiffs **CalPERS –** the **California Public Employees Retirement System**, the **New York State Common Retirement Fund** and the **New York City Pension Funds**, the three largest public pension funds in America, in this action.

Baptist Foundation of Arizona v. Arthur Andersen, LLP -- (Superior Court of the State of Arizona in and for the County of Maricopa) Firm client, the **Baptist Foundation of Arizona Liquidation Trust** ("BFA") filed a lawsuit charging its former auditors, the "Big Five" accounting firm of Arthur Andersen LLP, with negligence in conducting its annual audits of BFA's financial statements for a 15-year period beginning in 1984, and culminating in BFA's bankruptcy in late 1999. Investors lost hundreds of millions of dollars as a result of BFA's demise. The lawsuit alleges that Andersen ignored evidence of corruption and mismanagement by BFA's former senior management team and failed to investigate suspicious transactions related to the mismanagement. These oversights of accounting work, which were improper under generally accepted accounting principles, allowed BFA's undisclosed losses to escalate to hundreds of millions of dollars, and ultimately resulted in its demise. On May 6, 2002, after one week of trial, Andersen agreed to pay $217 million to settle the litigation.

In re Nortel Networks Corporation Securities Litigation -- ("Nortel II") (United States District Court for the Southern District of New York) Securities fraud class action on behalf of persons and entities who purchased or acquired the common stock of Nortel Networks Corporation. The action charged Nortel, and certain of its officers and directors, with violations of the Securities Exchange Act of 1934, alleging that the defendants knowingly or, at a minimum, recklessly made false and misleading statements with respect to Nortel's financial results during the relevant period. BLB&G clients the Ontario Teachers' Pension Plan Board and the Treasury of the State of New Jersey and its Division of Investment were appointed as Co-Lead Plaintiffs for the Class, and BLB&G was appointed Lead Counsel for the Class by the court in July 2004. On February 8, 2006, BLB&G and Lead Plaintiffs announced that they and another plaintiff had reached an historic agreement in principle with Nortel to settle litigation pending against the Company for approximately $2.4 billion in cash and Nortel common stock (all figures in US dollars). The Nortel II portion of the settlement totaled approximately $1.2 billion. Nortel later announced that its insurers had agreed to pay $228.5 million toward the settlement, bringing the total amount of the global settlement to approximately $2.7 billion, and the total amount of the Nortel II settlement to over $1.3 billion.

In re McKesson HBOC, Inc. Securities Litigation -- (United States District Court, Northern District of California) Securities fraud litigation filed on behalf of purchasers of HBOC, McKesson and McKesson HBOC securities. On April 28, 1999, the Company issued the first of several press releases which announced that, due to its improper recognition of revenue from contingent software sales, it would have to restate its previously reported financial results. Immediately thereafter, McKesson HBOC common stock lost $9 billion in market value. On July 14, 1999, the Company announced that it was restating $327.8 million of revenue improperly recognized in the HBOC segment of its business during the fiscal years ending March 31, 1997, 1998 and 1999. The complaint alleged that, during the Class Period, Defendants issued materially false and misleading statements to the investing public concerning HBOC's and McKesson HBOC's financial results, which had the effect of artificially inflating the prices of HBOC's and the Company's securities. On September 28, 2005, the court granted preliminary approval of a $960 million settlement which BLB&G and its client, Lead Plaintiff the **New York State Common Retirement Fund**, obtained from the company. On December 19, 2006, defendant Arthur Andersen agreed to pay $72.5 million in cash to settle all claims asserted against it. On the eve of trial in September 2007 against remaining defendant Bear Stearns & Co. Inc., Bear Stearns, McKesson and Lead Plaintiff entered into a three-way settlement agreement that resolved the remaining claim against Bear Stearns for a payment to the class of $10 million, bringing the total recovery to more than $1.04 billion for the Class.

HealthSouth Corporation Bondholder Litigation -- (United States District Court for the Northern District of Alabama {Southern Division}) On March 19, 2003, the investment community was stunned by the charges filed by the Securities and Exchange Commission against Birmingham, Alabama based HealthSouth Corporation and its former Chairman and Chief Executive Officer, Richard M. Scrushy, alleging a "massive accounting fraud." Stephen M. Cutler, the SEC's Director of Enforcement, said "HealthSouth's fraud represents an appalling betrayal of investors." According to the SEC, HealthSouth overstated its earnings by at least $1.4 billion since 1999 at the direction of Mr. Scrushy. Subsequent revelations disclosed that the overstatement actually exceeded over $2.4 billion, virtually wiping out all of HealthSouth's reported profits for the prior five years. A number of executives at HealthSouth, including its most senior accounting officers – including every chief financial officer in HealthSouth's history – pled guilty to criminal fraud charges. In the wake of these disclosures, numerous securities class action lawsuits were filed against HealthSouth and certain individual defendants. On June 24, 2003, the Honorable Karon O. Bowdre of the District Court appointed the **Retirement Systems of Alabama** to serve as Lead Plaintiff on behalf of a class of all purchasers of HealthSouth bonds who suffered a loss as a result of the fraud. Judge Bowdre appointed BLB&G to serve as Co-Lead Counsel for the bondholder class. On February 22, 2006, the RSA and BLB&G announced that it and several other institutional plaintiffs leading investor lawsuits arising from the scandal had reached a class action settlement with HealthSouth, certain of the company's former directors and officers, and certain of the company's insurance carriers. The total consideration in that settlement was approximately $445 million for shareholders and bondholders. On April 23, 2010, RSA and BLB&G announced that it had reached separate class action settlements with UBS AG, UBS Warburg LLC, Benjamin D. Lorello, William C. McGahan and Howard Capek (collectively, UBS) and with Ernst & Young LLP (E&Y). The total consideration to be paid in the UBS settlement is $100 million in cash and E&Y agreed to pay $33.5 million in cash. Bond purchasers will also receive approximately 5% of the recovery achieved in Alabama state court in a separate action brought on behalf of HealthSouth against UBS and Richard Scrushy. The total settlement for injured HealthSouth bond purchasers will be in excess of $230 million, which should recoup over a third of bond purchaser damages.

Ohio Public Employees Retirement System, et al. v. Freddie Mac, et al. -- (United States District Court for the Southern District of Ohio {Eastern Division}) Securities fraud class action filed on behalf of the **Ohio Public Employees Retirement System** and the **State Teachers Retirement System of Ohio** against the Federal Home Loan Mortgage Corporation ("Freddie Mac") and certain of its current and former officers. The Class included all purchasers of Freddie Mac common stock during the period July 15, 1999 through June 6, 2003. The Complaint alleged that Freddie Mac and certain current or former officers of the Company issued false and misleading statements in connection with Company's previously reported financial results. Specifically, the complaint alleged that the defendants misrepresented the Company's operations and financial results by having engaged in numerous improper transactions and accounting machinations that violated fundamental GAAP precepts in order to artificially smooth the Company's earnings and to hide earnings volatility. On November 21, 2003, Freddie Mac restated its previously reported earnings in connection with these improprieties, ultimately restating more than $5.0 billion in earnings. In October 2005, with document review nearly complete, Lead Plaintiffs began deposition discovery. On April 25, 2006, the parties reported to the Court that they had reached an agreement in principle to settle the case for $410 million. On October 26, 2006, the Court granted final approval of the settlement.

In re Washington Public Power Supply System Litigation -- (United States District Court, District of Arizona) Commenced in 1983, the firm was appointed Chair of the Executive Committee responsible for litigating the action on behalf of the class. The action involved an estimated 200 million pages of documents produced in discovery; the depositions of 285 fact witnesses and 34 expert witnesses; more than 25,000 introduced exhibits; six published district court opinions; seven appeals or attempted appeals to the Ninth Circuit; and a three-month jury trial, which resulted in a settlement of over $750 million – then the largest securities fraud settlement ever achieved.

In re Wachovia Preferred Securities and Bond/Notes Litigation -- (United States District Court, Southern District of New York) Securities class action, filed on behalf of certain Wachovia bonds or preferred securities purchasers, against Wachovia Corp., certain former officers and directors, various underwriters, and its auditor, KPMG LLP. The case alleges that Wachovia provided offering materials that misrepresented and omitted material facts concerning the nature and quality of Wachovia's multi-billion dollar option-ARM (adjustable rate mortgage) "Pick-A-Pay" mortgage loan portfolio, and that Wachovia violated Generally Accepted Accounting Principles ("GAAP") by publicly disclosing loan loss reserves that were materially inadequate at all relevant times. According to the Complaint, these undisclosed problems threatened the viability of the financial institution, requiring it to be "bailed out" during the financial crisis before it was acquired by Wells Fargo & Company in 2008. Wachovia and its affiliated entities settled the action for $590 million, while KPMG agreed to pay $37 million. The combined $627 million recovery is among the 15 largest securities class action recoveries in history and the largest to date obtained in an action arising from the subprime mortgage crisis. It also is believed to be the largest settlement ever in a class action case asserting only claims under the Securities Act of 1933. The case also represents one of a handful of largest securities class action recoveries ever obtained where there were no parallel civil or criminal securities fraud actions brought by government authorities. The settlement is pending subject to final Court approval. The firm represented Co-Lead Plaintiffs **Orange County Employees' Retirement System** and **Louisiana Sheriffs' Pension and Relief Fund** in this action.

In re Lucent Technologies, Inc. Securities Litigation -- (United States District Court for the District of New Jersey) A securities fraud class action filed on behalf of purchasers of the common stock of Lucent Technologies, Inc. from October 26, 1999 through December 20, 2000. In the action, BLB&G served as Co-Lead Counsel for the shareholders and Lead Plaintiffs, the **Parnassus Fund** and **Teamsters Locals 175 & 505 D&P Pension Trust**, and also represented the **Anchorage Police and Fire Retirement System** and the **Louisiana School Employees' Retirement System**. Lead Plaintiffs' complaint charged Lucent with making false and misleading statements to the investing public concerning its publicly reported financial results and failing to disclose the serious problems in its optical networking business. When the truth was disclosed, Lucent admitted that it had improperly recognized revenue of nearly $679 million in fiscal 2000. On September 23, 2003, the Court granted preliminary approval of the agreement to settle this litigation, a package valued at approximately $600 million composed of cash, stock and warrants. The appointment of BLB&G as Co-Lead Counsel is especially noteworthy as it marked the first time since the 1995 passage of the Private Securities Litigation Reform Act that a court reopened the lead plaintiff or lead counsel selection process to account for changed circumstances, new issues and possible conflicts between new and old allegations.

In re Refco, Inc. Securities Litigation -- (United States District Court of the Southern District of New York) Securities fraud class action on behalf of persons and entities who purchased or acquired the securities of Refco, Inc. ("Refco" or the "Company") during the period from July 1, 2004 through October 17, 2005. The lawsuit arises from the revelation that Refco, a once prominent brokerage, had for years secreted hundreds of millions of dollars of uncollectible receivables with a related entity controlled by Phillip Bennett, the Company's Chairman and Chief Executive Officer. This revelation caused the stunning collapse of the Company a mere two months after its August 10, 2005 initial public offering of common stock, As a result, Refco filed one of the largest bankruptcies in U.S. history as a result. Settlements have been obtained from multiple company and individual defendants, and the total recovery for the Class is expected to be in excess of $407 million.

In re Williams Securities Litigation -- (United States District Court for the Northern District of Oklahoma) Securities fraud class action filed on behalf of a class of all persons or entities that purchased or otherwise acquired certain securities of The Williams Companies. The action alleged securities claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 and Section 11 of the Securities Act of 1933. After a massive discovery and intensive litigation effort, which included taking more than 150 depositions and reviewing in excess of 18 million pages of documents, BLB&G and its clients, the Arkansas Teacher Retirement System and the Ontario Teachers' Pension Plan Board, announced an agreement to settle the litigation against all defendants for $311 million in cash on June 13, 2006. The recovery is among the largest ever in a securities class action in which the corporate defendant did not restate its financial results.

In re DaimlerChrysler Securities Litigation -- (United States District Court for the District of Delaware) A securities class action filed against defendants DaimlerChrysler AG, Daimler-Benz AG and two of DaimlerChrysler's top executives, charging that Defendants acted in bad faith and misrepresented the nature of the 1998 merger between Daimler-Benz AG and the Chrysler Corporation. According to plaintiffs, defendants framed the transaction as a "merger of equals," rather than an acquisition, in order to avoid paying an "acquisition premium." Plaintiffs' Complaint alleges that Defendants made this representation to Chrysler shareholders in the August 6, 1998 Registration Statement, Prospectus, and Proxy, leading 97% of Chrysler shareholders to approve the merger. BLB&G is court-appointed Co-Lead Counsel for Co-Lead Plaintiffs the **Chicago Municipal Employees Annuity and Benefit Fund** and the **Chicago Policemen's Annuity and Benefit Fund**. BLB&G and the Chicago funds filed the action on behalf of investors who exchanged their Chrysler Corporation shares for DaimlerChrysler shares in connection with the November 1998 merger, and on behalf of investors who purchased DaimlerChrysler shares in the open market from November 13, 1998 through November 17, 2000. The action settled for $300 million.

In re The Mills Corporation Securities Litigation -- **(**United States District Court, Eastern District of Virginia) On July 27, 2007, BLB&G and **Mississippi Public Employees' Retirement System** ("Mississippi") filed a Consolidated Complaint against The Mills Corporation ("Mills" or the "Company"), a former real estate investment trust, certain of its current and former senior officers and directors, its independent auditor, Ernst & Young LLP, and its primary joint venture partner, the KanAm Group. This action alleged that, during the Class Period, Mills issued financial statements that materially overstated the Company's actual financial results and engaged in accounting improprieties that enabled it to report results that met or exceeded the market's expectations and resulted in the announcement of a restatement. Mills conducted an internal investigation into its accounting practices, which resulted in the retirement, resignation and termination of 17 Company officers and concluded, among other things, that: (a) there had been a series of accounting violations that were used to "meet external and internal financial expectations;" (b) there were a set of accounting errors that were not "reasonable and reached in good faith" and showed "possible misconduct;" and (c) the Company "did not have in place fully adequate accounting information systems, personnel, formal policies and procedures, supervision, and internal controls." On December 24, 2009, the Court granted final approval of settlements with the Mills Defendants ($165 million), Mills' auditor Ernst & Young ($29.75 million), and the Kan Am Defendants ($8 million), bringing total recoveries obtained for the class to $202.75 million plus interest. This settlement represents the largest recovery ever achieved in a securities class action in Virginia, and the second largest ever achieved in the Fourth Circuit Court of Appeals.

In re Washington Mutual, Inc., Securities Litigation -- (United States District Court, Western District of Washington) Securities class action filed against Washington Mutual, Inc., certain of its officers and executive officers, and its auditor, Deloitte & Touche LLP. In one of the largest settlements achieved in a case related to the fallout of the financial crisis, Washington Mutual's directors and officers agreed to pay $105 million, the Underwriter Defendants (consisting of several large Wall Street banks) agreed to pay $85 million, and Deloitte agreed to pay $18.5 million to settle all claims, for a total settlement of $208.5 million. Plaintiffs allege that Washington Mutual, aided by the Underwriter Defendants and Deloitte, misled investors into investing in Washington Mutual securities by making false statements about the nature of the company's lending business, which had been marketed as low-risk and subject to strict lending standards. The action alleges that when Washington Mutual experienced a severe drop in the value of its assets and net worth during the financial crisis, it became evident that the losses were related to its increasing focus on high-risk and experimental mortgages, and their gradual abandonment of proper standards of managing, conducting and accounting for its business. The firm represented the **Ontario Teachers' Pension Plan Board** in this case. The settlement is pending subject to final Court approval.

Wells Fargo Mortgage Pass-Through Litigation -- (United States District Court, Northern District of California) Securities class action filed against Wells Fargo, N.A. and certain related defendants. After extensive litigation and discovery, Wells Fargo agreed to pay $125 million to resolve all claims against all defendants. This is the first settlement of a class action asserting Securities Act claims related to the issuance of mortgage-backed securities. Plaintiffs allege that the Offering Documents related to the issuance of mortgage pass-through certificates contained untrue statements and omissions related to the quality of the underlying mortgage loans and that Wells Fargo had disregarded or abandoned its loan underwriting and loan origination standards. The firm represented **Alameda County Employees' Retirement Association**, the **Government of Guam Retirement Fund**, the **Louisiana Sheriffs' Pension and Relief Fund** and the **New Orleans Employees' Retirement System** in this action. The settlement is pending subject to final Court approval.

In re New Century Securities Litigation -- (United States District Court, Central District of California) Securities class action against New Century Financial Corp., certain of its officers and directors, its auditor, KPMG LLP, and certain underwriters. This action arises from the sudden collapse of New Century, a now bankrupt mortgage finance company focused on the subprime market, and alleges that throughout the Class Period, the defendants artificially inflated the price of the Company's securities through false and misleading statements concerning the significant risks associated with its mortgage lending business. In particular, the Company and the Individual Defendants failed to disclose that New Century maintained grossly inadequate reserves against losses associated with loan defaults and delinquencies. These understated reserves, which detract directly from earnings, caused the Company to significantly overstate its publicly reported earnings. The defendants also falsely represented internal controls relating to loan origination, loan underwriting and financial reporting existed at all or were effective. Following extensive negotiations, the parties settled the litigation for a total of approximately $125 million, a feat characterized by numerous industry observers as "enormously difficult given the number of parties, the number of proceedings, the number of insurers, and the amount of money at stake" (*The D&O Diary*). The firm represented Lead Plaintiff the **New York State Teachers' Retirement System** in this action.

Corporate Governance and Shareholders' Rights

UnitedHealth Group, Inc. Shareholder Derivative Litigation -- (United States District Court, District of Minnesota) Shareholder derivative action filed on behalf of Plaintiffs the St. Paul Teachers' Retirement Fund Association, the Public Employees' Retirement System of Mississippi, the Jacksonville Police & Fire Pension Fund, the Louisiana Sheriffs' Pension & Relief Fund, the Louisiana Municipal Police Employees' Retirement System and Fire & Police Pension Association of Colorado ("Public Pension Funds"). The action was brought in the name and for the benefit of UnitedHealth Group, Inc. ("UnitedHealth" or the "Corporation") against certain current and former executive officers and members of the Board of Directors of UnitedHealth. It alleged that defendants obtained, approved and/or acquiesced in the issuance of stock options to senior executives that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of UnitedHealth and its shareholders. The firm recovered nearly $920 million in ill-gotten compensation directly from the former officer defendants – the largest derivative recovery in history. The settlement is notable for holding these individual wrongdoers

accountable for their role in illegally backdating stock options, as well as for the fact that the company agreed to far-reaching reforms to curb future executive compensation abuses. As feature coverage in *The New York Times* indicated, "investors everywhere should applaud [the UnitedHealth settlement]….[T]he recovery sets a standard of behavior for other companies and boards when performance pay is later shown to have been based on ephemeral earnings."

Caremark Merger Litigation -- (Delaware Court of Chancery - New Castle County) Shareholder class action against the directors of Caremark RX, Inc. ("Caremark") for violations of their fiduciary duties arising from their approval and continued endorsement of a proposed merger with CVS Corporation ("CVS") and their refusal to consider fairly an alternative transaction proposed by Express Scripts, Inc. ("Express Scripts"). On December 21, 2006, BLB&G commenced this action on behalf of the **Louisiana Municipal Police Employees' Retirement System** and other Caremark shareholders in order to force the Caremark directors to comply with their fiduciary duties and otherwise obtain the best value for shareholders. In a landmark decision issued on February 23, 2007, the Delaware Court of Chancery ordered the defendants to disclose additional material information that had previously been withheld, enjoined the shareholder vote on the CVS transaction until the additional disclosures occurred, and granted statutory appraisal rights to Caremark's shareholders. The Court also heavily criticized the conduct of the Caremark board of directors and, although declining to enjoin the shareholder vote on procedural grounds, noted that subsequent proceedings will retain the power to make shareholders whole through the availability of money damages. The lawsuit forced CVS to increase the consideration offered to Caremark shareholders by a total of $7.50 per share in cash (over $3 billion in total), caused Caremark to issue a series of additional material disclosures, and twice postponed the shareholder vote to allow shareholders sufficient time to consider the new information. On March 16, 2007, Caremark shareholders voted to approve the revised offer by CVS.

In re Pfizer Inc. Shareholder Derivative Litigation **--** (United States District Court, Southern District of New York) Shareholder derivative action brought by Court-appointed Lead Plaintiffs **Louisiana Sheriffs' Pension and Relief Fund** ("LSPRF") and **Skandia Life Insurance Company, Ltd.** ("Skandia") and fellow shareholders, in the name and for the benefit of Pfizer Inc. ("Pfizer" or the "Company"), against members of the Board of Directors and senior executives of the Company. On September 2, 2009, the U.S. Department of Justice announced that Pfizer agreed to pay $2.3 billion as part of a settlement to resolve civil and criminal charges regarding the illegal marketing of at least 13 of the Company's most important drugs – including the largest criminal fine ever imposed for any matter and the largest civil health care fraud settlement in history. The Complaint alleged that Pfizer's senior management and Board breached their fiduciary duties to Pfizer by, among other things, allowing unlawful promotion of drugs to continue after receiving numerous "red flags" that Pfizer's improper drug marketing was systemic and widespread. The Parties engaged in extensive discovery between March 31, 2010 and November 12, 2010, including discovery-related evidentiary hearings before the Court, the production by Defendants and various third parties of millions of pages of documents. On December 14, 2010, the Court granted preliminary approval of a proposed settlement. Under the terms of the proposed settlement, Defendants agree to create a new Regulatory and Compliance Committee of the Pfizer Board of Directors (the "Regulatory Committee") that will exist for a term of at least five years. The Committee will have a broad mandate to oversee and monitor Pfizer's compliance and drug marketing practices and, together with Pfizer's Compensation Committee, to review the compensation policies for Pfizer's drug sales related employees. The new Regulatory Committee's activities will be supported by a dedicated fund of $75 million, minus any amounts awarded by the Court to Plaintiffs' Counsel as attorneys' fees and expenses. The proposed settlement also provides for the establishment of an Ombudsman Program as an alternative channel to address employee concerns about legal or regulatory issues.

In re ACS Shareholder Litigation (Xerox) -- (Delaware Court of Chancery) Shareholder class action filed on behalf of the **New Orleans Employees' Retirement System** ("NOERS") and similarly situated shareholders of Affiliated Computer Service, Inc. ("ACS" or the "Company"), against members of the Board of Directors of ACS ("the Board"), Xerox Corporation ("Xerox"), and Boulder Acquisition Corp. ("Boulder"), a wholly owned subsidiary of Xerox. The action alleged that the members of the ACS Board breached their fiduciary duties by approving a merger with Xerox which would allow Darwin Deason, ACS's founder and Chairman and largest stockholder, to extract hundreds of millions of dollars of value that rightfully belongs to ACS's public shareholders for himself. Per the agreement, Deason's consideration amounted to over a 50% premium when compared to the consideration paid to ACS's public stockholders. The ACS Board further breached its fiduciary duties by agreeing to certain deal protections in the merger agreement, including an approximately 3.5% termination fee and a no-

solicitation provision. These deal protections, along with the voting agreement that Deason signed with Xerox (which required him under certain circumstances to pledge half of his voting interest in ACS to Xerox) essentially locked-up the transaction between ACS and Xerox. Plaintiffs, therefore, sought a preliminary injunction to enjoin the deal. After intense discovery and litigation, the parties also agreed to a trial in May 2010 to resolve all outstanding claims. On May 19, 2010, Plaintiffs reached a global settlement with defendants for $69 million. In exchange for the release of all claims, Deason agreed to pay the settlement class $12.8 million while ACS agreed to pay the remaining $56.1 million. The Court granted final approval to the settlement on August 24, 2010.

In re Dollar General Corporation Shareholder Litigation -- (Sixth Circuit Court for Davidson County, Tennessee; Twentieth Judicial District, Nashville) Class action filed against Dollar General Corporation ("Dollar General" or the "Company") for breaches of fiduciary duty related to its proposed acquisition by the private equity firm Kohlberg Kravis Roberts & Co. ("KKR"), and against KKR for aiding and abetting those breaches. A Nashville, Tennessee corporation that operates retail stores selling discounted household goods, in early March 2007, Dollar General announced that its board of directors had approved the acquisition of the Company by KKR. On March 13, 2007, BLB&G filed a class action complaint alleging that the "going private" offer was approved as a result of breaches of fiduciary duty by the board and that the price offered by KKR did not reflect the fair value of Dollar General's publicly-held shares. The Court appointed BLB&G Co-Lead Counsel and **City of Miami General Employees' & Sanitation Employees' Retirement Trust** as Co-Lead Plaintiff. On the eve of the summary judgment hearing, KKR agreed to pay a $40 million settlement in favor of the shareholders, with a potential for $17 million more for the Class.

Landry's Restaurants, Inc. Shareholder Litigation -- (Delaware Court of Chancery) A derivative and shareholder class action arising from the conduct of Landry's Restaurants, Inc.'s ("Landry's" or "the Company") chairman, CEO and largest shareholder, Tilman J. Fertitta ("Fertitta"). Fertitta and Landry's board of directors (the "Board") breached their fiduciary duties by stripping Landry's public shareholders of their controlling interest in the Company for no premium and severely devalued Landry's remaining public shares. In June 2008 Fertitta agreed to pay $21 per share to Landry's public shareholders to acquire the approximately 61% of the Company's shares that he did not already own (the "Buyout"). Fertitta planned to finance the Buyout by obtaining funds from a number of lending banks. In September 2008 before the Buyout closed, Hurricane Ike struck Texas and damaged certain of the Company's restaurants and properties. Fertitta used this natural disaster, and the general state of the national economy, to leverage renegotiation of the Buyout. By threatening the Board that the lending banks might invoke the material adverse effect clause of the Buyout's debt commitment letter – even though no such right existed – Fertitta drastically reduced his purchase price to $13.50 a share in an amended agreement announced on October 18, 2008 (the "Amended Transaction"). In the wake of this announcement, Landry's share price plummeted, and Fertitta took advantage of Landry's depressed stock price by accumulating shares on the open market. Despite the Board's recognition of Fertitta's stock accumulation outside the terms of the Amended Transaction, it did nothing to protect the interests of Landry's minority shareholders. By December 2, 2008, Fertitta owned more than 50% of the Company, and sought to escape his obligations under the amended agreement. Roughly one month later, Fertitta and the lending banks used a routine request of the Company to cause the Board to terminate the Amended Transaction, thereby allowing Fertitta to avoid paying a termination fee. On February 5, 2009, BLB&G filed a lawsuit on behalf of Plaintiff **Louisiana Municipal Police Employees' Retirement System** and other public shareholders, and derivatively on behalf of Landry's, against Fertitta and the Board seeking to enforce the Buyout and various other reliefs. On November 3, 2009, Landry's announced that its Board approved a new deal with Fertitta, whereby Fertitta would acquire the approximately 45% of Landry's outstanding stock that he does not already own for $14.75 per share in cash (the "Proposed Transaction"). On November 12, 2009, the Court granted Plaintiff's motion to supplement its original complaint to add additional claims involving breaches of fiduciary duty by Fertitta and the Landry's Board related to the Proposed Transaction.

After over a year of intensive litigation in which the Court denied defendants' motion to dismiss on all grounds, settlements were reached resolving all claims asserted against Defendants, which included the creation of a settlement fund composed of $14.5 million in cash. With respect to the conduct surrounding the 2009 Proposed Transaction, the settlement terms included significant corporate governance reforms, and an increase in consideration to shareholders of the purchase price valued at $65 million.

In re Yahoo! Inc., Takeover Litigation -- (Delaware Court of Chancery) Shareholder class action filed on behalf of the Police & Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit (collectively "Plaintiffs") (the "Detroit Funds"), and all other similarly situated public shareholders (the "Class") of Yahoo! Inc. ("Yahoo" or the "Company"). The action alleged that the Board of Directors at Yahoo breached their fiduciary duties by refusing to respond in good faith to Microsoft Corporation's ("Microsoft") non-coercive offer to acquire Yahoo for $31 per share - a 62% premium above the $19.18 closing price of Yahoo common stock on January 31, 2008. The initial complaint filed on February 21, 2008 alleged that Yahoo pursued an "anyone but Microsoft" approach, seeking improper defensive options to thwart Microsoft at the expense of Yahoo's shareholders, including transactions with Google, AOL, and News Corp. The Complaint also alleged the Yahoo Board adopted improper change-in-control employee severance plans designed to impose tremendous costs and risks for an acquirer by rewarding employees with rich benefits if they quit and claimed a constructive termination in the wake of merger. Following consolidation of related cases and appointment of BLB&G as co-lead counsel by Chancellor Chandler on March 5, 2008, plaintiffs requested expedited proceedings and immediately commenced discovery, including document reviews and depositions of certain third parties and defendants. In December 2008, the parties reached a settlement of the action which provided significant benefits to Yahoo's shareholders including substantial revisions to the two challenged Change-in-Control Employee Severance Plans that the Yahoo board of directors adopted in immediate response to Microsoft's offer back in February of 2008. These revisions included changes to the first trigger of the severance plans by modifying what constitutes a "change of control" as well as changes to the second trigger by narrowing what amounts to "good reason for termination" or when an employee at Yahoo could leave on his own accord and claim severance benefits. Finally, the settlement provided for modifications to reduce the expense of the plan. The Court approved the settlement on March 6, 2009.

Ceridian Shareholder Litigation -- (Delaware Chancery Court, New Castle County) Shareholder litigation filed in 2007 against the Ceridian Corporation ("Ceridian" or "the Company"), its directors, and Ceridian's proposed merger partners on behalf of BLB&G client, **Minneapolis Firefighter's Relief Association** ("Minneapolis Firefighters"), and other similarly situated shareholders, alleging that the proposed transaction arose from the board of directors' breaches of their fiduciary duty to maximize shareholder value and instead was driven primarily as a means to enrich Ceridian's management at the expense of shareholders. Ceridian is comprised primarily of two divisions: Human Resources Solutions and Comdata. The Company's biggest shareholder pursued a proxy fight to replace the current board of directors. In response to these efforts, the Company disclosed an exploration of strategic alternatives and later announced that it had agreed to be acquired by Thomas H. Lee Partners, LP ("THL") and Fidelity National Financial, Inc. ("Fidelity"), and had entered into a definitive merger agreement in a deal that values Ceridian at $5.3 billion, or $36 per share. In addition, Ceridian's directors were accused of manipulating shareholder elections by embedding into the merger agreement a contractual provision that allowed THL and Fidelity an option to abandon the deal if a majority of the current board is replaced. This "Election Walkaway" provision would have punished shareholders for exercising the shareholder franchise and thereby coerce the vote. The defendants were also accused of employing additional unlawful lockup provisions, including "Don't Ask Don't Waive" standstill agreements, an improper "no-shop/no-talk" provision, and a $165 million termination fee as part of the merger agreement in order to deter and preclude the successful emergence of alternatives to the deal with THL and Fidelity. Further, in the shadow of the ongoing proxy fight, Ceridian refused to hold its annual meeting for over 13 months. Pursuant to Section 211 of the Delaware General Corporation Law, BLB&G and Minneapolis Firefighters successfully filed a petition to require that the Company hold its annual meeting promptly which resulted in an order compelling the annual meeting to take place. BLB&G and Minneapolis also obtained a partial settlement in the fiduciary duty litigation. Pursuant to the settlement terms, the "Election Walkaway" provision in the merger agreement and the "Don't Ask Don't Waive" standstills were eliminated, letters were sent by the Ceridian board to standstill parties advising them of their right to make a superior offer, and the "no-shop/no-talk" provision in the merger agreement was amended to significantly expand the scope of competing transactions that can be considered by the Ceridian board. On February 25, 2008, the court approved the final settlement of the action.

McCall v. Scott -- (United States District Court, Middle District of Tennessee). A derivative action filed on behalf of Columbia/HCA Healthcare Corporation – now "HCA" – against certain former senior executives of HCA and current and former members of the Board of Directors seeking to hold them responsible for directing or enabling HCA to commit the largest healthcare fraud in history, resulting in hundreds of millions of dollars of loss to HCA. The firm represented the **New York State Common Retirement Fund** as Lead Plaintiff, as well as the **California**

Public Employees' Retirement System ("**CalPERS**"), the **New York City Pension Funds**, the **New York State Teachers' Retirement System** and the **Los Angeles County Employees' Retirement Association** ("**LACERA**") in this action. Although the district court initially dismissed the action, the United States Court of Appeals for the Sixth Circuit reversed that dismissal and upheld the complaint in substantial part, and remanded the case back to the district court. On February 4, 2003, the Common Retirement Fund, announced that the parties had agreed in principle to settle the action, subject to approval of the district court. As part of the settlement, HCA was to adopt a corporate governance plan that goes well beyond the requirements both of the Sarbanes-Oxley Act and of the rules that the New York Stock Exchange has proposed to the SEC, and also enhances the corporate governance structure presently in place at HCA. HCA also will receive $14 million. Under the sweeping governance plan, the HCA Board of Directors is to be substantially independent, and would have increased power and responsibility to oversee fair and accurate financial reporting. In granting final approval of the settlement on June 3, 2003, the Honorable Senior Judge Thomas A. Higgins of the District Court said that the settlement "confers an exceptional benefit upon the company and the shareholders by way of the corporate governance plan."

Official Committee of Unsecured Creditors of Integrated Health Services, Inc. v. Elkins, et al. -- (Delaware Chancery Court) The Official Committee of Unsecured Creditors (the "Committee") of Integrated Health Services ("HIS"), filed a complaint against the current and former officers and directors of IHS, a health care provider which declared bankruptcy in January 2000. The Committee, on behalf of the Debtors Bankruptcy Estates, sought damages for breaches of fiduciary duties and waste of corporate assets in proposing, negotiating, approving and/or ratifying excessive and unconscionable compensation arrangements for Robert N. Elkins, the Company's former Chairman and Chief Executive Officer, and for other executive officers of the Company. BLB&G is a special litigation counsel to the committee in this action. The Delaware Chancery Court sustained most of Plaintiff's fiduciary duty claims against the defendants, finding that the complaint sufficiently pleaded that the defendants "consciously and intentionally disregarded their responsibilities." The Court also observed that Delaware law sets a very high bar for proving violation of fiduciary duties in the context of executive compensation. Resulting in a multi-million dollar settlement, the Integrated Health Services litigation was one of the few executive compensation cases successfully litigated in Delaware.

Employment Discrimination and Civil Rights

Roberts v. Texaco, Inc. **--** (United States District Court for the Southern District of New York) Six highly qualified African-American employees filed a class action complaint against Texaco Inc. alleging that the Company failed to promote African-American employees to upper level jobs and failed to compensate them fairly in relation to Caucasian employees in similar positions. Two years of intensive investigation on the part of the lawyers of Bernstein Litowitz Berger & Grossmann LLP, including retaining the services of high level expert statistical analysts, revealed that African-Americans were significantly under-represented in high level management jobs and Caucasian employees were promoted more frequently and at far higher rates for comparable positions within the Company. Settled for over $170 million. Texaco also agreed to a Task Force to monitor its diversity programs for five years. The settlement has been described as the most significant race discrimination settlement in history.

ECOA - GMAC/NMAC/Ford/Toyota/Chrysler - Consumer Finance Discrimination Litigation (multiple jurisdictions) -- The cases involve allegations that the lending practices of General Motors Acceptance Corporation, Nissan Motor Acceptance Corporation, Ford Motor Credit, Toyota Motor Credit and DaimlerChrysler Financial cause African-American and Hispanic car buyers to pay millions of dollars more for car loans than similarly situated white buyers. At issue is a discriminatory kickback system under which minorities typically pay about 50% more in dealer mark-up which is shared by auto dealers with the defendants.

- NMAC: In March 2003, the United States District Court for the Middle District of Tennessee granted final approval of the settlement of the class action pending against Nissan Motor Acceptance Corporation ("NMAC"). Under the terms of the settlement, NMAC agreed to offer pre-approved loans to hundreds of thousands of current and potential African-American and Hispanic NMAC customers, and limit how much it raises the interest charged to car buyers above the Company's minimum acceptable rate. The company will also contribute $1 million to America Saves, to develop a car financing literacy program targeted toward minority consumers. The settlement also provides for the payment of $5,000 to $20,000 to the 10 people named in the class-action lawsuit.

- GMAC: In March 2004, the United States District Court for the Middle District of Tennessee granted final approval of a settlement of the litigation against General Motors Acceptance Corporation ("GMAC"), in which GMAC agreed to take the historic step of imposing a 2.5% markup cap on loans with terms up to sixty months, and a cap of 2% on extended term loans. GMAC also agreed to institute a substantial credit pre-approval program designed to provide special financing rates to minority car buyers with special rate financing. The pre-approval credit program followed the example laid down in the successful program that NMAC implemented. The GMAC program extended to African-American and Hispanic customers throughout the United States and will offer no less than 1.25 million qualified applicants "no markup" loans over a period of five years. In addition, GMAC further agreed to (i) change its financing contract forms to disclose that the customer's annual percentage interest rate may be negotiable and that the dealer may retain a portion of the finance charge paid by the customer to GMAC, and (ii) to contribute $1.6 million toward programs aimed at educating and assisting consumers.

- DaimlerChrysler: In October 2005, the United States District Court for the District of New Jersey granted final approval of the settlement of BLB&G's case against DaimlerChrysler. Under the Settlement Agreement, DaimlerChrysler agreed to implement substantial changes to the Company's practices, including limiting the maximum amount of mark-up dealers may charge customers to between 1.25% and 2.5% depending upon the length of the customer's loan. In addition, the Company agreed to (i) include disclosures on its contract forms that the consumer can negotiate the interest rate with the dealer and that DaimlerChrysler may share the finance charges with the dealer, (ii) send out 875,000 pre-approved credit offers of no-mark-up loans to African-American and Hispanic consumers over the next several years, and (iii) contribute $1.8 million to provide consumer education and assistance programs on credit financing.

- Ford Motor Credit: In June 2006, the United States District Court for the Southern District of New York granted final approval of the settlement in this class action lawsuit. Under the terms of the settlement, Ford Credit agreed to make contract disclosures in the forms it creates and distributes to dealerships informing consumers that the customer's Annual Percentage Rate ("APR") may be negotiated and that sellers may assign their contracts and retain their right to receive a portion of the finance charge. Ford Credit also agreed to: (i) maintain or lower its present maximum differential between the customer APR and Ford Credit's "Buy Rate"; (ii) to contribute $2 million toward certain consumer education and assistance programs; and (iii) to fund a Diversity Marketing Initiative offering 2,000,000 pre-approved firm offers of credit to African-American and Hispanic Class Members during the next three years.

- Toyota Motor Credit: In November 2006, the United States District Court for the Central District of California granted final approval of the settlement of BLB&G's case against Toyota. Under the Settlement Agreement, Toyota agreed to limit the amount of mark-up on certain automobiles for the next three years with a cap of 2.50% on loans for terms of sixty (60) months or less; 2.00% on loans for terms of sixty-one (61) to seventy-one (71) months; and 1.75% on loans for terms of seventy-two (72) months or more. In addition, Toyota agreed to: (i) disclose to consumers that loan rates are negotiable and can be negotiated with the dealer; (ii) fund consumer education and assistance programs directed to African-American and Hispanic communities which will help consumers with respect to credit financing; (iii) offer 850,000 pre-approved, no mark-up offers of credit to African-Americans and Hispanics over the next five years; and offer a certificate of credit or cash to eligible class members.

Alexander v. Pennzoil Company **--** (United States District Court, Southern District of Texas) A class action on behalf of all salaried African-American employees at Pennzoil alleging race discrimination in the Company's promotion, compensation and other job related practices. The action settled for $6.75 million.

Butcher v. Gerber Products Company -- (United States District Court, Southern District of New York) Class action asserting violations of the Age Discrimination in Employment Act arising out of the mass discharging of approximately 460 Gerber sales people, the vast majority of whom were long-term Gerber employees aged 40 and older. Settlement terms are confidential.

Consumer Class Actions

DoubleClick **--** (United States District Court, Southern District of New York) Internet Privacy. A class action on behalf of Internet users who have had personal information surreptitiously intercepted and sent to a major Internet advertising agency. In the settlement agreement reached in this action, DoubleClick committed to a series of industry-leading privacy protections for online consumers while continuing to offer its full range of products and services. This is likely the largest class action there has ever been - virtually every, if not every, Internet user in the United States.

General Motors Corporation -- (Superior Court of New Jersey Law Division, Bergen County) A class action consisting of all persons who currently own or lease a 1988 to 1993 Buick Regal, Oldsmobile Cutlass Supreme, Pontiac Grand Prix or Chevrolet Lumina or who previously owned or leased such a car for defective rear disc brake caliper pins which tended to corrode, creating both a safety hazard and premature wearing of the front and rear disc brakes, causing extensive economic damage. Settled for $19.5 million.

Wright v. MCI Communications Corporation -- (United States District Court, District of California) Consumer fraud class action on behalf of individuals who were improperly charged for calls made through MCI's Automated Operator Services. Class members in this class action received a return of more than 85% of their losses. Settled for $14.5 million.

Empire Blue Cross **--** (United States District Court, Southern District of New York) Overcharging health care subscribers. BLB&G was lead counsel in a recently approved $5.6 million settlement that represented 100% of the class' damages and offered all the overcharged subscribers 100 cents on the dollar repayment.

DeLima v. Exxon -- (Superior Court of Hudson County, New Jersey) A class action complaint alleging false and deceptive advertising designed to convince consumers who did not need high-test gasoline to use it in their cars. A New Jersey class was certified by the court and upheld by the appellate court. Under terms of the settlement, the class received one million $3 discounts on Exxon 93 Supreme Gasoline upon the purchase of at least 8 gallons of the gasoline.

Toxic/Mass Torts

Fen/Phen Litigation ("Diet Drug" Litigation) -- (Class action lawsuits filed in 10 jurisdictions including New York, New Jersey, Vermont, Pennsylvania, Florida, Kentucky, Indiana, Arizona, Oregon and Arkansas) The firm played a prominent role in the nationwide "diet drug" or "fen-phen" litigation against American Home Products for the Company's sale and marketing of Redux and Pondimin. The suits alleged that a number of pharmaceutical companies produced these drugs which, when used in combination, can lead to life-threatening pulmonary hypertension and heart valve thickening. The complaint alleged that these manufacturers knew of or should have known of the serious health risks created by the drugs, should have warned users of these risks, knew that the fen/phen combination was not approved by the FDA, had not been adequately studied, and yet was being routinely prescribed by physicians. This litigation led to one of the largest class action settlements in history, the multi-billion dollar Nationwide Class Action Settlement with American Home Products approved by the United States District Court for the Eastern District of Pennsylvania. In this litigation, BLB&G was involved in lawsuits filed in the 10 jurisdictions and was designated Class Counsel in the Consolidated New York and New Jersey state court litigations. Additionally, the firm was Co-Liaison Counsel in the New York litigations and served as the State Court Certified Class Counsel for the New York Certified Class to the Nationwide Settlement.

CLIENTS AND FEES

Most of the firm's clients are referred by other clients, law firms and lawyers, bankers, investors and accountants. A considerable number of clients have been referred to the firm by former adversaries. We have always maintained a high level of independence and discretion in the cases we decide to prosecute. As a result, the level of personal satisfaction and commitment to our work is high.

As stated, our client roster includes many large and well known financial and lending institutions and pension funds, as well as privately held corporate entities which are attracted to our firm because of our reputation, particular expertise and fee structure.

We are firm believers in the contingency fee as a socially useful, productive and satisfying basis of compensation for legal services, particularly in litigation. Wherever appropriate, even with our corporate clients, we will encourage a retention where our fee is at least partially contingent on the outcome of the litigation. This way, it is not the number of hours worked that will determine our fee but, rather, the result achieved for our client.

IN THE PUBLIC INTEREST

Bernstein Litowitz Berger & Grossmann LLP is guided by two principles: excellence in legal work and a belief that the law should serve a socially useful and dynamic purpose. Attorneys at the firm are active in academic, community and *pro bono* activities, as well as participating as speakers and contributors to professional organizations. In addition, the firm endows a public interest law fellowship and sponsors an academic scholarship at Columbia Law School.

The Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship, Columbia Law School. BLB&G is committed to fighting discrimination and effecting positive social change. In support of this commitment, the firm donated funds to Columbia Law School to create the Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship. This newly endowed fund at Columbia Law School will provide Fellows with 100% of the funding needed to make payments on their law school tuition loans so long as such graduates remain in the public interest law field. The Bernstein Litowitz Berger & Grossmann Fellows will be able to leave law school free of any law school debt if they make a long term commitment to public interest law.

Firm sponsorship of *inMotion*, New York, NY. BLB&G is a sponsor of inMotion, a non-profit organization in New York City dedicated to providing *pro bono* legal representation to indigent women, principally battered women, in connection with the myriad legal problems they face. The organization trains and supports the efforts of New York lawyers, typically associates at law firms or in-house counsel, who provide *pro bono* counsel to these women. Several members and associates of the firm volunteer their time and energies to help women who need divorces from abusive spouses, or representation on legal issues such as child support, custody and visitation. To read more about inMotion and the remarkable services it provides, visit the organization's website at www.inmotiononline.org.

The Paul M. Bernstein Memorial Scholarship, Columbia Law School. Paul M. Bernstein was the founding senior partner of the firm. Mr. Bernstein led a distinguished career as a lawyer and teacher and was deeply committed to the professional and personal development of young lawyers. The Paul M. Bernstein Memorial Scholarship Fund is a gift of the firm of Bernstein Litowitz Berger & Grossmann LLP, and the family and friends of Paul M. Bernstein. Established in 1990, the scholarship is awarded annually to one or more second-year students selected for their academic excellence in their first year, professional responsibility, financial need and contributions to fellow students and the community.

Firm sponsorship of City Year New York, New York, NY. BLB&G is also an active supporter of City Year New York, a division of AmeriCorps. The program was founded in 1988 as a means of encouraging young people to devote time to public service and unites a diverse group of volunteers for a demanding year of full-time community service, leadership development and civic engagement. Through their service, corps members experience a rite of passage that can inspire a lifetime of citizenship and build a stronger democracy.

Max W. Berger Pre-Law Program at Baruch College. In order to encourage outstanding minority undergraduates to pursue a meaningful career in the legal profession, the Max W. Berger Pre-Law Program was established at Baruch College. Providing workshops, seminars, counseling and mentoring to Baruch students, the program facilitates and guides them through the law school research and application process, as well as placing them in appropriate internships and other pre-law working environments.

New York Says Thank You Foundation. Founded in response to the outpouring of love shown to New York City by volunteers from all over the country in the wake of the 9/11 attacks, The New York Says Thank You Foundation sends volunteers from New York City to help rebuild communities around the country affected by disasters. BLB&G is a corporate sponsor of NYSTY and its goals are a heartfelt reflection of the firm's focus on community and activism.

THE MEMBERS OF THE FIRM

MAX W. BERGER supervises the firm's litigation practice and prosecutes class and individual actions on behalf of the firm's clients.

Together, with other partners at the firm, he has litigated many of the firm's most high profile and significant cases, including five of the largest securities fraud recoveries in history – the $6.15 billion settlement of *In re WorldCom, Inc. Securities Litigation*, the $3.3 billion settlement of *In re Cendant Corporation Securities Litigation*, the $1.3 billion recovery in *In re Nortel Networks Corporation Securities Litigation*, the $1.04 billion settlement of *In re McKesson HBOC, Inc. Securities Litigation*, and the over $600 million investor recovery in *In re Lucent Technologies, Inc. Securities Litigation*. In 2011, Mr. Berger was profiled twice as "Litigator of the Week" by *The American Lawyer* for his role in obtaining a $627 million recovery on behalf of investors in the *In re Wachovia Corp. Securities Litigation* and for his role in negotiating a $516 million recovery in *In re Lehman Brothers Equity/Debt Securities Litigation*.

Mr. Berger's role in the WorldCom case received extensive media attention and has been the subject of feature articles in major publications including *BusinessWeek* and *The American Lawyer*. For his outstanding efforts on behalf WorldCom investors, *The National Law Journal* profiled Mr. Berger (one of only eleven attorneys selected nationwide) in its special June 2005 "Winning Attorneys" section. Additionally, Mr. Berger was featured in the July 2006 *New York Times* article, "A Class-Action Shuffle," which assessed the evolving landscape of the securities litigation arena.

Mr. Berger is widely recognized for his professional excellence and achievements. For the past six years in a row, he has received the top attorney ranking in plaintiff securities litigation by the *Chambers and Partners' Guide to America's Leading Lawyers for Business*. He is also consistently recognized as one of New York's "local litigation stars" by *Benchmark Litigation: The Definitive Guide to America's Leading Litigation Firms & Attorneys* (published by *Institutional Investor* and *Euromoney*). Additionally, since their various inceptions, he has been named a "litigation star" by the *Legal 500 US* guide, one of "10 Legal Superstars" by *Securities Law360*, and one of the "500 Leading Lawyers in America" and "100 Securities Litigators You Need to Know" by *Lawdragon* magazine. Further, *The Best Lawyers in America* guide has named Mr. Berger a leading lawyer in his field.

Mr. Berger also serves the academic community in numerous capacities as a member of the Dean's Council to Columbia Law School, and as a member of the Board of Trustees of Baruch College. He has taught Profession of Law, an ethics course at Columbia Law School, and currently serves on the Advisory Board of Columbia Law School's Center on Corporate Governance. In May 2006, he was presented with the Distinguished Alumnus Award for his contributions to Baruch College, and in February 2011, Mr. Berger received Columbia Law School's most prestigious and highest honor, "The Medal for Excellence." This award is presented annually to Columbia Law School alumni who exemplify the qualities of character, intellect, and social and professional responsibility that the Law School seeks to instill in its students. Most recently, Mr. Berger was profiled in the Fall 2011 issue of *Columbia Law School Magazine*.

Mr. Berger is currently a member of the New York State, New York City and American Bar Associations, and is a member of the Federal Bar Council. His is also an advisor to the American Law Institute's Restatement Third: Economic Torts project, and is a member of the Board of Trustees of The Supreme Court Historical Society, a prestigious non-profit organization committed to preserving the history of the Supreme Court of the United States.

Mr. Berger is a past chairman of the Commercial Litigation Section of the Association of Trial Lawyers of America (now known as the American Association for Justice) and lectures for numerous professional organizations. In 1997, Mr. Berger was honored for his outstanding contribution to the public interest by Trial Lawyers for Public Justice (now known as Public Justice), where he was a "Trial Lawyer of the Year" Finalist for his work in *Roberts, et al. v. Texaco*, the celebrated race discrimination case, on behalf of Texaco's African-American employees.

Among numerous charitable and volunteer works, Mr. Berger is an active supporter of City Year New York, a division of AmeriCorps, dedicated to encouraging young people to devote time to public service. In July 2005, he was named City Year New York's "Idealist of the Year," for his long-time service and work in the community. He and his wife, Dale, have also established the Dale and Max Berger Public Interest Law Fellowship at Columbia Law School and the Max Berger Pre-Law Program at Baruch College.

EDUCATION: Baruch College-City University of New York, B.B.A., Accounting, 1968; President of the student body and recipient of numerous awards. Columbia Law School, J.D., 1971, Editor of the *Columbia Survey of Human Rights Law*.

BAR ADMISSIONS: New York; U.S. District Courts for the Eastern and Southern Districts of New York; U.S. Court of Appeals, Second Circuit; U.S. District Court, District of Arizona; U.S. Supreme Court.

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STEVEN B. SINGER became a partner of the firm in 2001, and has since been the lead partner responsible for prosecuting a number of the most significant and high-profile securities cases in the country. In recent years, these cases have included, among others: *In re Mills Corporation Securities Litigation*, which settled for more than $202 million (the largest settlement of a securities case in the history of the Fourth Circuit); *In re WellCare Health Plans, Inc. Sec. Litig*., ($200 million settlement, representing the second largest settlement of a securities case in the history of the Eleventh Circuit); *In re Satyam Computer Services Ltd. Sec. Litig*. (partial settlements in excess of $150 million); *In re Biovail Corporation Securities Litigation* ($138 million settlement, representing the second largest settlement obtained from a Canadian issuer); *In re Converium Holding AG Securities Litigation* ($85 million settlement); *In re MBIA, Inc. Securities Litigation* ($68 million); and *In re R&G Financial Corporation Securities Litigation* ($51 million settlement). Currently, Mr. Singer is the partner at the firm responsible for prosecuting securities class actions against Bank of America (relating to the Bank's acquisition of Merrill Lynch in 2009) and Citigroup. In 2011, Mr. Singer was ranked by *Legal 500 US* as one of the "Leading Lawyers" in the field of plaintiffs' securities litigation – one of only six attorneys in the field selected.

Mr. Singer also has substantial trial experience, and was one of the lead trial lawyers on the *WorldCom Securities Litigation*, which culminated in a four-week trial against WorldCom's auditors, and resulted in the historic recovery of over $6.15 billion from the professionals associated with WorldCom. Mr. Singer has also distinguished himself in the firm's other practice areas, securing large recoveries for victims of discrimination and consumer fraud. In 1997, Trial Lawyers for Public Justice (now known as Public Justice) named Mr. Singer as a finalist for "Trial Lawyer of the Year" for his role in the prosecution of the celebrated race discrimination litigation, *Roberts v. Texaco*, which resulted in the largest discrimination settlement in history.

Mr. Singer is an active member of the New York State and American Bar Associations. He is also a speaker at various continuing legal education programs offered by the Practising Law Institute ("PLI").

EDUCATION: Duke University, B.A., *cum laude*, 1988. Northwestern University School of Law, J.D., 1991.

BAR ADMISSIONS: New York; U.S. District Courts for the Eastern and Southern Districts of New York.

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GERALD H. SILK's practice focuses on representing institutional investors on matters involving federal and state securities laws, accountants' liability, and the fiduciary duties of corporate officials, as well as general commercial and corporate litigation. He also advises creditors on their rights with respect to pursuing affirmative claims against officers and directors, as well as professionals both inside and outside the bankruptcy context. Additionally, Mr. Silk is one of the partners who oversee the firm's new matter department, in which he, along with a group of financial analysts and investigators, counsels institutional clients on potential legal claims. He was the subject of "Picking Winning Securities Cases," a feature article in the June 2005 issue of Bloomberg Markets magazine, which detailed his work for the firm in this capacity. *Lawdragon* magazine has named him one of the "100 Securities Litigators You Need to Know," one of the "500 Leading Lawyers in America," and one of America's top 500

"rising stars" in the legal profession. Mr. Silk has also been selected for inclusion among *New York Super Lawyers* every year since 2006.

Mr. Silk is currently advising institutional investors worldwide on their rights with respect to claims involving transactions in residential mortgage-backed securities (RMBS) and collateralized debt obligations (CDOs). He is also representing Cambridge Place Investment Management Inc. on claims under Massachusetts state law against numerous investment banks arising from the purchase of billions of dollars of RMBS (see Gretchen Morgenson, "Mortgage Investors Turn to State Courts for Relief," *The New York Times*, July 11, 2010).

Mr. Silk is also representing public pension funds who participated in a securities lending program administered and managed by Northern Trust Company and sustained losses as a result of Northern Trust's alleged breaches of fiduciary duty. In addition, he is actively involved in the firm's prosecution of highly successful M&A litigation, representing shareholders in widely publicized lawsuits, including the litigation arising from the proposed acquisition of Caremark Rx, Inc. by CVS Corporation—which led to an increase of approximately $3.5 billion in the consideration offered to shareholders.

Mr. Silk was one of the principal attorneys responsible for prosecuting the *In re Independent Energy Holdings Securities Litigation*. A case against the officers and directors of Independent Energy as well as several investment banking firms which underwrote a $200 million secondary offering of ADRs by the U.K.-based Independent Energy, the litigation was resolved for $48 million. Mr. Silk has also prosecuted and successfully resolved several other securities class actions, which resulted in substantial cash recoveries for investors, including *In re Sykes Enterprises, Inc. Securities Litigation* in the Middle District of Florida, and *In re OM Group, Inc. Securities Litigation* in the Northern District of Ohio. He was also a member of the litigation team responsible for the successful prosecution of *In re Cendant Corporation Securities Litigation* in the District of New Jersey, which was resolved for $3.2 billion.

A graduate of the Wharton School of Business, University of Pennsylvania and Brooklyn Law School, in 1995-96, Mr. Silk served as a law clerk to the Hon. Steven M. Gold, U.S.M.J., in the United States District Court for the Eastern District of New York.

Mr. Silk lectures to institutional investors at conferences throughout the country, and has written or substantially contributed to several articles on developments in securities and corporate law, including "The Compensation Game," *Lawdragon*, Fall 2006; "Institutional Investors as Lead Plaintiffs: Is There A New And Changing Landscape?", 75 *St. John's Law Review* 31 (Winter 2001); "The Duty To Supervise, Poser, Broker-Dealer Law and Regulation", 3rd Ed. 2000, Chapter 15; "Derivative Litigation In New York after Marx v. Akers", *New York Business Law Journal*, Vol. 1, No. 1 (Fall 1997).

He is a frequent commentator for the business media on television and in print. Among other outlets, he has appeared on NBC's *Today*, and CNBC's *Power Lunch*, *Morning Call*, and *Squawkbox* programs, as well as being featured in *The New York Times*, *Financial Times*, *Bloomberg*, *The National Law Journal*, and the *New York Law Journal*.

EDUCATION: Wharton School of the University of Pennsylvania, B.S., Economics, 1991. Brooklyn Law School, J.D., *cum laude*, 1995.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York.

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BLAIR A. NICHOLAS has successfully represented private and public institutional investors in high-profile actions involving federal and state securities laws, accountants' liability, and corporate governance matters.

Mr. Nicholas leads BLB&G's Direct Action practice group and has successfully resolved direct actions on behalf of some of the largest mutual funds, investment advisors, public pension plans, insurance companies, and hedge funds in North America and Europe. Recently, Mr. Nicholas served as lead counsel on behalf of prominent mutual funds, hedge funds and a public pension fund in a direct action against Tyco International and certain of its former officers,

which was successfully resolved for over $105 million and represented a significant multiplier over the recovery in the securities class action. He also recently served as lead counsel to prominent mutual funds in direct actions against Marsh & McLennan and Qwest Communications, which were also resolved for significant multipliers over the class action recovery. Mr. Nicholas currently represents some of the largest institutional investors in the world in a direct action against Countrywide and certain of its former officers who purchased Countrywide common stock, bonds, and residential mortgage backed securities.

Mr. Nicholas has also prosecuted some of the most high-profile securities actions in the country and has recovered billions of dollars on behalf of defrauded investors. Most recently, Mr. Nicholas was named one of the "2010 Attorneys of the Year" by *The Recorder*, California's premier legal daily publication, for his impressive legal achievements and "blockbuster" cases that were resolved favorably for investors in 2010. According to *The Recorder*, "this year's winners are marked by their perseverance—whether fighting long odds, persuading courts to reconsider their own rulings, or getting great trial results in high-profile, high-pressure situations." Mr. Nicholas was specifically recognized for his successful prosecution of *In re Maxim Integrated Products Inc. Securities Litigation*, which settled for $173 million in cash—the largest backdating settlement in the Ninth Circuit; and *In re International Rectifier Corp. Securities Litigation*, which settled for $90 million in cash. He has also served as one of the lead counsel responsible for prosecuting *In re Williams Securities Litigation*, resolved for $311 million; *In re Informix Securities Litigation*, resolved for $142 million; *In re Gemstar Securities Litigation*, resolved for $92.5 million; *In re Legato Systems Securities Litigation*, resolved for $85 million; *In re Network Associates Securities Litigation*, resolved for $70 million; and In re Finova Group Securities Litigation, resolved for $42 million. Mr. Nicholas also served as co-lead trial counsel in *In re Clarent Corporation Securities Litigation*, a securities fraud class action prosecuted before the Federal District Court for the Northern District of California. After a four-week jury trial, in which Mr. Nicholas delivered the closing argument, the jury returned a securities fraud verdict in favor of the shareholders against the former Chief Executive Officer of Clarent.

In addition to recent recognition by The Recorder, Mr. Nicholas is widely recognized by other publications for his professional excellence and achievements. *Benchmark Litigation - The Definitive Guide to America's Leading Litigation Firms & Attorneys* recently named Mr. Nicholas a "Litigation Star" in Securities, *The Best Lawyers in America* guide ranks Mr. Nicholas as a leading lawyer in commercial litigation, and he has been consistently selected as a *San Diego SuperLawyer*. *Lawdragon* magazine has named him one of the "100 Securities Litigators You Need to Know," one of the "500 Leading Lawyers in America," and one of America's top 500 "rising stars" in the legal profession. Mr. Nicholas was featured by *The American Lawyer* as one of its "Fab Fifty Young Litigators" – one of the top 50 litigators in the country, who have "made their marks already and whom [they] expect to see leading the field for years to come." He was also honored in the *Daily Journal* for "rack[ing] up a string of multi-million dollar victories for investors."

Mr. Nicholas frequently lectures at institutional investor and continuing legal educational conferences throughout the United States and has written articles relating to the application of the federal and state securities laws, including:

- "Regulations Needed for Healthy Market," *The Recorder* (March 2011)
- "Why Institutional Investors Opt-Out of Securities Fraud Class Actions and Pursue Direct Individual Actions," *PLI Securities Litigation and Enforcement Institute* (July 2009) (co-author)
- "Credit Rating Agencies: Out of Control and in Need of Reform," *Securities Litigation & Regulation Reporter* (June 30, 2009) (co-author)
- "Ruling Warns Funds to Follow Class Actions," *Pensions & Investments* (December 2008) (co-author)
- "South Ferry: Applying Tellabs, 9th Circuit Lowers The Bar for Pleading Scienter Under the PSLRA," *Securities Litigation & Regulation Reporter* (October 2008)
- "The 7th Circuit Sends a Strong Message: Institutions Must Monitor Securities Class Actions Claims," *The NAPPA Report* (August 2008)

- "Industry-Wide Collapse Defense Falls Flat in Recent Subprime-Related Securities Fraud Decisions," *Securities Litigation & Regulation Reporter* (July 2008) (co-author)

- "Auditor Liability: Institutional Investors Pursue Opt-Out Actions To Maximize Recovery of Securities Fraud Losses," *Securities Litigation and Enforcement Institute* (PLI 2007) (co-author)

- "Reforming the Reform Act and Restoring Investor Confidence in the Securities Markets," *Securities Reform Act Litigation Reporter* (July 2002)

Mr. Nicholas served as Vice President on the Executive Committee of the San Diego Chapter of the Federal Bar Association and is an active member of the Association of Business Trial Lawyers of San Diego, Consumer Attorneys of California, Litigation Section of the State Bar of California, and the San Diego County Bar Association.

EDUCATION: University of California, Santa Barbara, B.A., Economics. University of San Diego School of Law, J.D.; Lead Articles Editor of the *San Diego Law Review*.

BAR ADMISSIONS: California; U.S. Court of Appeals, Ninth Circuit; U.S. District Courts for the Southern, Central and Northern Districts of California; U.S. District Court for the District of Arizona.

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DAVID R. STICKNEY practices in the firm's California office, where he focuses on complex litigation in state and federal courts nationwide at both the trial court and appellate levels. Mr. Stickney regularly represents institutions and individuals in class actions, derivative cases and individual litigation.

Mr. Stickney is currently responsible for a number of the firm's cases, including litigation involving *Lehman Brothers Holding Inc.*; *Merrill Lynch; Goldman Sachs; Wells Fargo*; *Bear Stearns; JP Morgan; SunPower*, and others. He has prosecuted and, together with his partners, successfully resolved a number of the firm's prominent cases. Among such cases are *In re McKesson Securities Litigation*, which settled before trial for a total of $1.023 billion, the largest settlement amount in history for any securities class action within the Ninth Circuit; *Wyatt v. El Paso Corp*., which settled for $285 million; *BFA Liquidation Trust v. Arthur Andersen LLP*, which settled during trial for $217 million; *Atlas v. Accredited Home Lenders Holding Company*; *In re Connetics Inc.*; *In re Stone Energy Corp*.; *In re WSB Financial Group Sec. Litigation*; *In re Dura Pharmaceuticals Inc. Sec. Litigation*; *In re EMAC Sec. Litigation*, and additional cases.

Mr. Stickney lectures on securities litigation and shareholder matters for seminars and programs sponsored by professional organizations including the Practising Law Institute and Glasser Legalworks. He has also authored and co-authored several articles concerning securities litigation and class actions. He was recognized in 2008, 2009 and 2010 as a Super Lawyer in *San Diego Super Lawyers* and in the Corporate Counsel edition of *Super Lawyers (*published by *Law and Politics*). He was also named as a "Rising Star" in *Benchmark: Litigation Directory of America's Lead Litigation Firms and Attorneys*, one of only 40 attorneys selected to this list in California.

During 1996-1997, Mr. Stickney served as law clerk to the Honorable Bailey Brown of the United States Court of Appeals for the Sixth Circuit.

EDUCATION: University of California, Davis, B.A., 1993. University of Cincinnati College of Law, J.D., 1996; Jacob B. Cox Scholar; Lead Articles Editor of *The University of Cincinnati Law Review*.

BAR ADMISSIONS: California; U.S. Courts of Appeals for the Fifth, Sixth, Eighth and Ninth Circuits; U.S. District Courts for the Northern, Southern and Central Districts of California.

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DAVID L. WALES, an experienced trial and appellate attorney, prosecutes class and private actions in both federal and state courts, specializing in complex commercial and securities litigation, as well as arbitrations.

He has taken more than 15 cases to trial, including obtaining a jury verdict for more than $11 million in a derivative action against the general partner of a hedge fund, and a multi-million dollar class action settlement with an accounting firm reached during trial.

Mr. Wales has extensive experience litigating residential mortgage backed ("RMBS") securities cases and securities lending cases. He is currently lead or co-lead counsel in the following cases:

- *Public Employees' Retirement System of Mississippi v. Merrill Lynch & Co. Inc.*, a class action on behalf of investors in RMBS ($315 million settlement granted preliminary approval);
- *Public Employees' Retirement System of Mississippi v. Goldman Sachs Group Inc.*, a class action on behalf of investors in RMBS;
- *Dexia Holdings and TIAA-CREF v. Deutsche Bank, A.G.*, two consolidated private actions on behalf of institutional investors in RMBS;
- *Cambridge Place Investment Management Inc. v. Morgan Stanley & Co., Inc.*, a private action on behalf of institutional investors in RMBS;
- *Dexia Holdings, Inc. v. Countrywide Financial Corporation*, a private action on behalf of institutional investors in Countrywide RMBS; and
- *In re Northern Trust Investments, NA.*, a securities lending case, a class action on behalf of government funds that suffered losses in Northern Trust's securities lending program.

As lead trial counsel in numerous securities class actions and derivative actions, he has recovered hundreds of millions of dollars on behalf of institutional investor clients. Some of his significant recoveries include:

- *In re Pfizer Inc. Shareholder Derivative Action*, a $75 million settlement and substantial corporate governance changes in a derivative action;
- *In re Cablevision Systems Corp. Derivative Litigation*, a $34.4 million settlement in a back dated stock option action;
- *In re Sepracor Corp. Securities Litigation*, a $52.5 million recovery in a securities fraud class action;
- *In re Luxottica Group SpA Securities Litigation*, an $18.25 million recovery in a Williams Act case;
- *In re Marque Partners LP Derivative Action*, an $11 million jury verdict in a derivative action;
- *In re Jennifer Convertibles Securities Litigation*, a $9.55 million recovery, part of the recovery obtained in the middle of trial; and
- *In re Curative Health Services Securities Litigation*, a $10.5 million recovery in a securities fraud action.

His representative clients have included a variety of public pension funds, Taft-Hartley pension funds, insurance companies, banks, hedge funds and private investment funds.

As a former Assistant United States Attorney for the Southern District of New York, Mr. Wales specialized in investigating and prosecuting fraud and white collar criminal cases.

A member of the Federal Bar Council and the Federal Courts Committee of the New York County Lawyers Association, he is rated AV, the highest rating possible from Martindale-Hubbell®, the country's foremost legal directory.

EDUCATION: State University of New York at Albany, B.A., *magna cum laude*, 1984. Georgetown University Law Center, J.D., *cum laude*, 1987; Notes and Comments Editor for the *Journal of Law and Technology*.

BAR ADMISSIONS: New York; District of Columbia; U.S. Courts of Appeals for the Second and Fourth Circuits; U.S. District Courts for the Eastern, Southern and Western Districts of New York; U.S. District Court, Eastern District of Michigan; U.S. District Court, District of Columbia; U.S. District Court, Northern District of Illinois and Trial Bar.

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AVI JOSEFSON prosecutes securities fraud litigation for the firm's institutional investor clients, and has participated in many of the firm's significant representations, including *In re SCOR Holding (Switzerland) AG Securities Litigation*, which resulted in a recovery worth in excess of $143 million for investors. He was also a member of the team that litigated the *In re OM Group, Inc. Securities Litigation*, which resulted in a settlement of $92.4 million.

Mr. Josefson is also actively involved in the M&A litigation practice, and represented shareholders in the litigation arising from the proposed acquisitions of Ceridian Corporation and Anheuser-Busch. A member of the firm's subprime litigation team, he has participated in securities fraud actions arising from the collapse of subprime mortgage lenders and American Home Mortgage and the actions against Lehman Brothers, Citigroup and Merrill Lynch, arising from those banks' multi-billion dollar loss from mortgage-backed investments. Mr. Josefson is presently prosecuting actions against Deutsche Bank and Morgan Stanley arising from their sale of mortgage-backed securities, and is advising U.S. and foreign institutions concerning similar claims arising from investments in mortgage-backed securities.

As a member of the firm's new matter department, Mr. Josefson counsels institutional clients on potential legal claims. He has presented argument in several federal and state courts, including an appeal he argued before the Delaware Supreme Court.

Mr. Josefson practices in the firm's Chicago and New York Offices.

EDUCATION: Brandeis University, B.A., *cum laude*, 1997. Northwestern University, J.D., 2000; *Dean's List*; Justice Stevens Public Interest Fellowship (1999); Public Interest Law Initiative Fellowship (2000).

BAR ADMISSIONS: Illinois, New York; U.S. District Courts for the Southern District of New York and the Northern District of Illinois.

SENIOR COUNSEL

ROCHELLE FEDER HANSEN has handled a number of high profile securities fraud cases at the firm, including *In re StorageTek Securities Litigation*, *In re First Republic Securities Litigation*, and *In re RJR Nabisco Litigation*. Ms. Hansen has also acted as Antitrust Program Coordinator for Columbia Law School's Continuing Legal Education Trial Practice Program for Lawyers.

EDUCATION: Brooklyn College of the City University of New York, B.A., 1966; M.S., 1976. Benjamin N. Cardozo School of Law, J.D., *magna cum laude*, 1979; Member, *Cardozo Law Review*.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York.

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NIKI L. MENDOZA joined the San Diego office in 2002. Since joining the firm, Ms. Mendoza has helped obtain hundreds of millions of dollars in recoveries on behalf of defrauded investors. Some of Ms. Mendoza's more notable accomplishments include participating in a full jury trial and achieving a rare securities fraud verdict against the company's CEO in *In re Clarent Corporations Securities Litigation*. She also conducted extensive fact and expert discovery, full motion practice and completed substantial trial preparation in *In re Electronic Data Systems, Inc. Securities Litigation*, resulting in settlement just prior to trial for $137.5 million; one of the larger settlements in non-restatement cases since the passage of the PSLRA. Ms. Mendoza also advocates for employee rights, and previously sought to end racial steering through her prosecution of a race discrimination class action lawsuit filed against Bank of America. Ms. Mendoza also handles many of the firm's settlement matters.

Ms. Mendoza co-authored various articles which have been cited in federal court opinions (including *"Dura Pharm., Inc. v. Broudo-The Least of All Evils,"* 1505 PLI/Corp. 272, 274 (Sept. 2005) and *"Dura-Bull: Myths of Loss Causation,"* 1557 PLI/Corp. 339 (Sept. 2006). She was also a panel speaker at the Securities Litigation & Enforcement Institute 2007, Practicing Legal Institute (San Francisco, October 2007). In addition to her practice, Ms. Mendoza previously served as the Co-Chair of the Steering Committee of the San Diego County Bar Association's Children At Risk committee, a committee that works with schools and children's organizations and coordinates literacy and enrichment programs that rely on attorney volunteers.

Ms. Mendoza served as judicial law clerk to the Honorable Chief Judge Michael R. Hogan of the United States District Court for the District of Oregon for three years where she received the Distinguished Service Recognition. While serving as Managing Editor for the Oregon Law Review, Ms. Mendoza authored *"Rooney v. Kulungoski, Limiting The Principle of Separation of Powers?"*

Before joining BLB&G, Ms. Mendoza represented both plaintiffs and defendants in commercial and employment litigation, practicing in both Hawaii and California. Ms. Mendoza is a member of the State Bar of California and the State Bar of Hawaii (inactive). She practices out of the firm's California Office.

EDUCATION: University of Oregon, B.A. and J.D.; Order of the Coif; Managing Editor of the *Oregon Law Review.*

BAR ADMISSIONS: Hawaii; California; U.S. District Courts for the Districts of Hawaii, and Northern, Southern, Central and Eastern Districts of California; U.S. Circuit Courts of Appeals for the Second, Fifth, Ninth, Tenth and Eleventh Circuits.

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BRETT M. MIDDLETON primarily focuses in the areas of corporate transaction and derivative litigation, as well as securities fraud litigation. He has significant trial experience, having worked on the trial team responsible for successfully prosecuting *In re Clarent Corp. Securities Litigation*, which resulted in a jury verdict in favor of plaintiffs and against the former CEO of Clarent Corp.

While at BLB&G, Mr. Middleton has prosecuted important merger transaction cases on behalf of shareholders, including the *Caremark/CVS Merger Litigation* which resulted in over $3 billion in additional consideration being offered to Caremark shareholders by CVS. Other significant settled transaction cases he served as lead associate on include: *Yahoo! Inc. Shareholder Litigation*, *Longs Drug Stores Corp. Shareholders Litigation*, *In re Emulex Shareholder Litigation*, *In re Ticketmaster Entertainment Shareholder Litigation*, *iPCS Shareholder Class Action*, and *Arena Resources Shareholder Litigation*.

More recently, Mr. Middleton served as the lead associate responsible for prosecuting *In re NYSE Euronext Shareholder Litigation*, which challenged Deutsche Börse AG's proposed $10 billion acquisition of NYSE Euronext. Following the completion of expedited discovery and the filing of a preliminary injunction motion and supporting brief, the defendants agreed to pay shareholders roughly $900 million in dividends – after the planned merger is completed – to settle the action.

In addition, Mr. Middleton has assisted in successfully prosecuting and settling important shareholder derivative cases for corporate waste such as *the Apollo Group, Inc*. and *the Activision, Inc*. stock option backdating cases. Recently, Mr. Middleton was instrumental in helping the firm litigate and settle the *Ryland Group, Inc. Derivative Litigation*, which alleged that the Ryland Board breached their fiduciary duties by fostering and encouraging reckless lending practices at the national home builder's subsidiary, the Ryland Mortgage Company.

Mr. Middleton also has significant experience prosecuting securities fraud class actions, including *In re Williams Securities Litigation*, which resulted in a $311 million cash settlement, the largest known settlement at the time without a company restating its financial statements. Other notable cases include *In re Accredo Health, Inc. Securities Litigation* ($33 million settlement); *Atlas v. Accredited Home Lenders Holding Co.* ($22 million settlement) and *In re Dura Pharmaceuticals, Inc. Securities Litigation* ($12 million settlement).

Mr. Middleton joined BLB&G in 2004 after working as a business and intellectual property litigation associate at the San Diego office of Gordon & Rees LLP. He is a 1993 graduate of UCLA and he received his law degree from the University of San Diego School of Law in 1998.

EDUCATION: University of California, Los Angeles, 1993. University of San Diego School of Law, J.D., 1998.

BAR ADMISSIONS: California; U.S. District Courts for the Central, Southern and Northern Districts of California.

ASSOCIATES

MICHAEL D. BLATCHLEY's practice focuses on securities fraud litigation. He is currently a member of the firm's new matter department in which he, along with a team of attorneys, financial analysts, forensic accountants, and investigators, counsels the firm's clients on their legal claims.

While attending Brooklyn Law School, Mr. Blatchley held a judicial internship position for the Honorable David G. Trager, United States District Judge for the Eastern District of New York. In addition, he worked as an intern at The Legal Aid Society's Harlem Community Law Office, as well as at Brooklyn Law School's Second Look and Workers' Rights Clinics, and provided legal assistance to victims of Hurricane Katrina in New Orleans, Louisiana.

EDUCATION: University of Wisconsin, B.A., 2000. Brooklyn Law School, J.D., *cum laude*, 2007; Edward V. Sparer Public Interest Law Fellowship, William Payson Richardson Memorial Prize, Richard Elliott Blyn Memorial Prize, Editor for the *Brooklyn Law Review,* Moot Court Honor Society.

BAR ADMISSION: New York, New Jersey; U.S. District Courts for the Southern District of New York and the District of New Jersey.

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DAVID L. DUNCAN's practice concentrates on the settlement of class actions and other complex litigation and the administration of class action settlements.

Prior to joining BLB&G, Mr. Duncan worked as a litigation associate at Debevoise & Plimpton, where he represented clients in a wide variety of commercial litigation, including contract disputes, antitrust and products liability litigation, and in international arbitration. In addition, he has represented criminal defendants on appeal in New York State courts and has successfully litigated on behalf of victims of torture and political persecution from Sudan, Côte d'Ivoire and Serbia in seeking asylum in the United States.

While in law school, Mr. Duncan served as an editor of the *Harvard Law Review*. After law school, he clerked for Judge Amalya L. Kearse of the U.S. Court of Appeals for the Second Circuit.

EDUCATION: Harvard College, A.B., Social Studies, *magna cum laude*, 1993. Harvard Law School, J.D., *magna cum laude*, 1997.

BAR ADMISSIONS: New York; Connecticut; U.S. District Court for the Southern District of New York.

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ANN LIPTON's practice focuses on complex commercial and appellate litigation. Following law school, Ms. Lipton clerked for the Chief Judge Edward R. Becker of the Third Circuit Court of Appeals and the Associate Justice David H. Souter of the United States Supreme Court. She has also served as an adjunct professor of legal writing at Benjamin N. Cardozo School of Law.

EDUCATION: Stanford University, B.A., *with distinction*, 1995; Phi Beta Kappa. Harvard Law School, J.D., *magna cum laude*, 2000; Sears Prize for 2nd-Year GPA; Articles and Commentaries Committee of *Harvard Law Review*; Best Brief in 1st-Year Ames Moot Court Competition; Prison Legal Assistance Project.

BAR ADMISSIONS: New York; U.S. District Courts for the Eastern and Southern Districts of New York; U.S. Courts of Appeals for the Second and Third Circuits; U.S. Supreme Court.

JON F. WORM practices out of the firm's San Diego office and focuses on securities and complex litigation. Among other matters, Mr. Worm is currently a member of the team prosecuting *In re Lehman Brothers Equity/Debt Securities Litigation*, a securities class action pending in the Southern District of New York against several former officers and directors of Lehman Brothers, Lehman Brothers' external auditor, and the underwriters of certain Lehman Brothers securities.

Mr. Worm has successfully represented investors in several large securities class actions. For example, Mr. Worm was a member of the team responsible for prosecuting *In re Washington Mutual, Inc. Securities Litigation*, which ultimately recovered $208.5 million for investors in Washington Mutual securities. Mr. Worm, together with firm partner Blair Nicholas and senior counsel Benjamin Galdston, also recently represented the Lead Plaintiffs in *In re International Rectifier Corporation Securities Litigation*, a securities class action brought in the Central District of California. This matter recovered $90 million for the class through a favorable settlement.

Mr. Worm has also successfully represented investors in direct actions. As just one example, Mr. Worm, along with firm partner Blair Nicholas, represented a public pension fund, mutual funds, hedge funds, and individual investors in an opt-out action alleging federal and state law claims against Tyco International, Ltd. and several of its former officers and directors. The action recovered over $105 million, which represents a significant multiple of the recovery in a related class action.

Prior to joining BLB&G, Mr. Worm served as a law clerk to the Honorable Marilyn L. Huff, United States District Judge for the Southern District of California. Prior to that, he served as a law clerk to the Honorable Federico A. Moreno, Chief United States District Judge for the Southern District of Florida. Mr. Worm also worked as an associate at Mayer Brown LLP in Chicago where he represented plaintiffs and defendants in civil and criminal matters.

While attending the University of Notre Dame Law School, Mr. Worm served as a staff member for the *Notre Dame Law Review* and worked as a teaching assistant for the first year legal writing program.

EDUCATION: University of Notre Dame, B.S., Chemistry, *cum laude*, 1997, Notre Dame Scholar; J.D., *magna cum laude*, 2003, Awarded the Dean's Fellowship.

BAR ADMISSIONS: Illinois, California; U.S. District Court, Eastern District of Wisconsin; U.S. District Courts for the Central and Southern Districts of California.

Exhibit 7B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF DAVID KESSLER IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF KESSLER TOPAZ MELTZER & CHECK, LLP

DAVID KESSLER, declares as follows:

1. I am a member of the law firm of Kessler Topaz Meltzer & Check, LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with services rendered in the above-captioned action (the "Action"), as well as for reimbursement of expenses incurred by my firm in connection with the Action.

2. My firm, which served as co-Lead Counsel in this Action, was involved in all aspects of the prosecution and settlements reached in the Action as set forth in the Joint Declaration submitted by Lead Counsel in support of Lead Plaintiffs' motion for final approval of the settlements with the D&O Defendants and the Settling Underwriter Defendants and Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses.

3. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For

personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

4. The hourly rates for the attorneys and professional support staff in my firm set forth in Exhibit 1 have been accepted in other securities or shareholder litigation in this District and elsewhere.

5. The total number of hours expended on this Action by my firm from the inception of the case through February 15, 2012 is 23,372.63 hours. The total lodestar for that work is $9,592,649.65, consisting of $8,634,222.90 for attorneys' time and $958,426.75 for professional support staff time. These figures exclude time incurred by my firm that was solely related to the ongoing litigation against the non-settling defendants or any time incurred in presenting the Fee and Expense Application to the Court.

6. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $452,312.69 in unreimbursed expenses in connection with the prosecution of this Action from its inception through February 29, 2012.

8. As reflected in Exhibit 2, the overwhelming majority (approximately 75%) of the expenses were Litigation Fund contributions. Twenty two (22%) percent of the unreimbursed expenses consisted of in-house photocopying, travel, lodging and meals, investigative research

and legal research. The remaining three (3%) percent represents filing charges, court reports, process servers, postage, telephone, external copying, experts and overnight mail.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

10. With respect to the standing of my firm, attached hereto as Exhibit 3 is a brief biography of my firm and attorneys in my firm who were principally involved in this Action.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 8, 2012.

DAVID KESSLER

Exhibit 1

EXHIBIT 1
In re Lehman Brothers Equity/Debt Securities Litigation
08-CV-5523-LAK

KESSLER TOPAZ MELTZER & CHECK, LLP
TIME REPORT
Inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners (P), Associates (A), Staff Attorneys (SA) & Contract Attorneys (CA)			
Amjed, Naumon A. (P)	221.15	$600.00	$132,690.00
Berman, Stuart L. (P)	11.00	$675.00	$7,425.00
Check, Darren (P)	26.90	$625.00	$16,812.50
Handler, Sean (P)	214.00	$625.00	$133,750.00
Justice, Kimberly (P)	102.70	$600.00	$61,620.00
Kehoe, John (P)	1,484.05	$650.00	$964,632.50
Kessler, David (P)	855.95	$725.00	$620,563.75
Topaz, Marc A. (P)	117.10	$725.00	$84,897.50
Audi, Ali (SA)	255.75	$375.00	$95,906.25
Avdovic, Krystn (SA)	734.20	$395.00	$290,009.00
Boak, Ronald W. (SA)	494.10	$395.00	$195,169.50
Browning, Nichole (A)	172.25	$500.00	$86,125.00
Byrne, Bethany O'Neill (SA)	380.10	$375.00	$142,537.50
Chapman-Smith, Quiana (SA)	712.50	$375.00	$267,187.50
DePhillips, Scott (SA)	683.90	$395.00	$270,140.50
Eagleson, Donna (SA)	362.50	$395.00	$143,187.50
Enck, Jennifer (A)	348.00	$450.00	$156,600.00
Foley, Catherine A. (SA)	247.00	$375.00	$92,625.00
Gamble, Kimberly V. (SA)	735.90	$375.00	$275,962.50
Gaskill, Warren D. (SA)	736.75	$395.00	$291,016.25
Gibson, Sati (SA)	724.25	$395.00	$286,078.75
Gross, John (A)	502.20	$435.00	$218,457.00
Hinerfeld, Benjamin J. (A)	929.91	$495.00	$460,305.45
Joost, Jennifer L. (A)	69.70	$375.00	$26,137.50
Kaskela, Seamus (A)	67.20	$375.00	$25,200.00
Lambert, Meredith (A)	53.50	$345.00	$18,457.50
Linehan, Seth (SA)	363.50	$395.00	$143,582.50

Mathurin, Katrice Taylor (SA)	198.30	$395.00	$78,328.50
Mellon, Thomas S. (SA)	684.75	$395.00	$270,476.25
Newcomer, Michelle (A)	949.09	$405.00	$384,381.45
Onasch, Margaret E. (SA)	34.00	$345.00	$11,730.00
Osinupebi, Tinu (SA)	700.10	$375.00	$262,537.50
Phoebe, Timm O. (SA)	722.30	$395.00	$285,308.50
Plona, R. Matthew (SA)	679.50	$395.00	$268,402.50
Renegar, C. Patrick (SA)	759.30	$375.00	$284,737.50
Rubin, Emily (A)	247.75	$345.00	$85,473.75
Russo, Richard (A)	1,135.40	$375.00	$425,775.00
Sharma, Bharati (A)	156.40	$465.00	$72,726.00
Smith, Cathleen (SA)	524.10	$395.00	$207,019.50
Washington, Zakiya M. (SA)	700.90	$375.00	$262,837.50
Casale, Kristin (CA)	447.00	$275.00	$122,925.00
Weiler, Kurt W. (CA)	321.50	$325.00	$104,487.50
Investigators (I), Professional Staff (PS) & Paralegals (PL)			
Rabbiner, David (I)	230.75	$450.00	$103,837.50
Bochet, Jason (I)	13.50	$325.00	$4,387.50
Evans, John (I)	657.00	$325.00	$213,525.00
Fitzgerald, Joanna (I)	131.00	$225.00	$29,475.00
Llewicz, Ashlee (I)	184.45	$325.00	$59,946.25
Maginnis, Jamie (I)	191.00	$325.00	$62,075.00
Marshall, Kate (I)	27.23	$225.00	$6,126.75
Molina, Henry (I)	135.75	$325.00	$44,118.75
Stratos, Nicole (I)	75.50	$325.00	$24,537.50
Blumer, Kara (PL)	21.00	$250.00	$5,250.00
Cashwell, Amy (PL)	208.00	$200.00	$41,600.00
Chiappinelli, Christiane (PL)	62.50	$225.00	$14,062.50
Chuba, Jean (PL)	60.75	$225.00	$13,668.75
Potts, Denise (PL)	627.90	$225.00	$141,277.50
Swift, Mary R. (PL)	685.55	$225.00	$154,248.75

Hector, Meghan (PS)	41.00	$350.00	$14,350.00
Creekmore, Mary (PS)	10.30	$175.00	$1,802.50
Dickinson, Gayle (PS)	10.00	$150.00	$1,500.00
Eng, Benjamin (PS)	23.50	$175.00	$4,112.50
Smith, Christopher (PS)	84.00	$175.00	$14,700.00
Stanford, Brenda (PS)	25.50	$150.00	$3,825.00
TOTAL LODESTAR:	**23,372.63**		**$9,592,649.65**

Exhibit 2

EXHIBIT 2

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

KESSLER TOPAZ MELTZER & CHECK, LLP

EXPENSE REPORT

Inception through February 29, 2012

CATEGORY	AMOUNT
Court Fees	810.00
Service of Process	2,040.00
On-Line Legal Research*	14,022.38
On-Line Factual Research*	16,573.82
Document Management/Litigation Support	2,500.00
Telephones/Faxes	771.64
Postage & Express Mail	1,483.04
Internal Copying	51,100.50
Outside Copying	2,091.00
Out of Town Travel	22,517.65
Working Meals	333.86
Court Reporters and Transcripts	93.80
Experts	1,775.00
Contributions to Plaintiffs' Litigation Fund	336,200.00
TOTAL EXPENSES:	**452,312.69**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 3

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FIRM PROFILE

Kessler Topaz Meltzer & Check, LLP is one of the largest law firms in the world specializing in the prosecution of complex litigation on a contingent basis. Since the Firm's founding in 1987, Kessler Topaz has developed a global reputation for excellence in the areas of shareholder, ERISA, consumer protection & antitrust, fiduciary and intellectual property litigation. With a team of highly skilled attorneys and an experienced support staff, the Firm has been entrusted to lead some of the most important actions being litigated in our field today. Kessler Topaz proudly notes that it has recovered billions of dollars on behalf of its clients and is poised to continue protecting rights worldwide.

Kessler Topaz is one of the leading securities class action litigation firms in the country. The Firm's securities litigation practice focuses on the prosecution of securities fraud claims brought against public companies as well as their officers, directors, and advisors. With a large and sophisticated client base — including public and Taft-Hartley pension funds, mutual fund managers, investment advisors, insurance companies, hedge funds and other large investors from around the world — Kessler Topaz has been at the forefront of successfully representing investors, and in particular, institutional investors, as plaintiffs in various types of securities actions. Our Securities Litigation Department is currently prosecuting numerous high-profile class actions against a variety of defendants around the globe.

NOTEWORTHY ACHIEVEMENTS

During the Firm's successful history, Kessler Topaz has recovered billions of dollars for defrauded stockholders and consumers. The following are among the Firm's notable achievements:

Securities Fraud Litigation

***In re Tyco International, Ltd. Sec. Litig.*, No. 02-1335-B (D.N.H. 2002):**
Kessler Topaz, which served as Co-Lead Counsel in this highly publicized securities fraud class action on behalf of a group of institutional investors, achieved a record $3.2billion settlement with Tyco International, Ltd. ("Tyco") and their auditor PricewaterhouseCoopers, LLP ("PwC"). The $2.975 billion settlement with Tyco represents the single-largest securities class action recovery from a single corporate defendant in history. In addition, the $225

million settlement with PwC represents the largest payment PwC has ever paid to resolve a securities class action and is the second-largest auditor settlement in securities class action history.

As presiding Judge Paul Barbadoro aptly stated in his Order approving the final settlement, "[i]t is difficult to overstate the complexity of [the litigation]." Judge Barbadoro noted the extraordinary effort required to pursue the litigation towards its successful conclusion, which included the review of more than 82.5 million pages of documents, more than 220 depositions and over seven hundred discovery requests and responses. In addition to the complexity of the litigation, Judge Barbadoro also highlighted the great risk undertaken by Co-Lead Counsel in pursuit of the litigation, which he indicated was greater than in other multi-billion dollar securities cases and "put [Plaintiffs] at the cutting edge of a rapidly changing area of law."

In sum, the Tyco settlement is of historic proportions for the investors who suffered significant financial losses and it has sent a strong message to those who would try to engage in this type of misconduct in the future.

***In re Tenet Healthcare Corp. Sec. Litig.*, No. CV-02-8462-RSWL (Rx) (C.D. Cal. 2002):**
Kessler Topaz serves as Co-Lead Counsel in this action. A partial settlement was approved on May 26, 2006. The partial settlement was comprised of three distinct elements, including a substantial monetary commitment by the company in the amount of $215 million, personal contributions by two of the individual defendants totaling $1.5 million and the enactment and/or continuation of numerous changes to the company's corporate governance practices, which have led various institutional rating entities to rank Tenet among the best in the U.S. in regards to corporate governance. The significance of the partial settlement was heightened by Tenet's precarious financial condition. Faced with many financial pressures — including several pending civil actions and federal investigations, with total contingent liabilities in the hundreds of millions of dollars — counsel was concerned that Tenet would be unable to fund a settlement or satisfy a judgment of any greater amount in the near future. By reaching the partial settlement, Kessler Topaz, on behalf of the Plaintiffs' class, was able to avoid the risks associated with a long and costly litigation battle and provide a significant and immediate benefit to the class. Kessler Topaz also obtained a rarity in securities class action litigation — personal financial contributions from individual defendants. Following the partial settlement with the Tenet defendants, Kessler Topaz actively litigated the case against Tenet's external auditor, KPMG. After more than two years of hard-fought litigation, including dispositive motion practice and merits and expert discovery, Kessler Topaz, on behalf of the Plaintiffs' class, settled the matter against KPMG for $65 million. Kessler Topaz is very pleased with the result as it stands, as one of the largest recoveries against an auditor in U.S. history.

***In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS):**
This recovery of $627 million on behalf of purchasers of Wachovia Corporation preferred securities issued between July 31, 2006 and March 29, 2008 is one of the most significant recoveries from litigation arising out of the financial crisis. Plaintiffs alleged that the registration statements, prospectuses and prospectus supplements used to market the Offerings to Plaintiffs and other members of the class during the Offerings Period contained materially false and misleading statements and omitted material information. The settlement included a $37 million recovery from Wachovia Corporation's outside auditor.

***In re Lehman Brothers Equity/Debt Securities Litigation*, Master File No. 09 MD 2017 (LAK):**
Plaintiffs alleged that the registration statements and prospectuses used to market Lehman's numerous offerings leading up to its bankruptcy contained false and misleading information and omitted material facts regarding Lehman's net leverage, risk management and concentration of risks. A $516,218,000 settlement was reached on behalf of shareholders — $426,218,000 of which came from various underwriters of the Offerings, representing a significant recovery for investors in this now bankrupt entity. In addition, $90 million came from Lehman's former directors and officers, which is significant considering the diminishing assets available to pay any future judgment.

***In re Brocade Sec. Litig.*, Case No. 3:05-CV-2042 (N.D. Cal. 2005):**
This $160 million recovery on behalf of investors was initiated to remedy the company's violations of federal securities laws by backdating options grants to top executives which ultimately caused the company to restate all of its financial statements from 2000 to 2005.

***In re Satyam Computer Services, Ltd. Sec. Litig.*, Case No. 1:09-MD-2027 (S.D.N.Y. 2009):**
This $150.5 million settlement on behalf of investors brought to a close allegations that the company harmed investors by making falsifications resulting in the overstatement of numerous financial indicators including company profits, cash flows, cash position, bank balances and related balance sheet data. The settlement included a $25.5 million recovery from the company's outside auditors, in addition to the ability to recover from Satyam's former officers and directors, as well as a 25% share of any recovery that Satyam achieves against its auditors.

***In re BankAtlantic Bancorp, Inc. Sec. Litig.*, Case No. 07-CV-61542 (S.D. Fla. 2007):**
On November 18, 2010, a panel of nine Miami, Florida jurors returned the first securities fraud verdict to arise out of the financial crisis against BankAtlantic Bancorp, Inc., its chief executive officer and chief financial officer. This case was just the tenth securities class action to be tried to a verdict following the passage of the Private Securities Litigation Reform Act of 1995. Following a four-week trial, the jury spent almost four days deliberating before rendering its decisive verdict. Perhaps the most significant development in this case was the Court's pre-trial ruling granting partial summary judgment for Plaintiffs on the issue of objective falsity. U.S. District Judge Ursula Ungaro ruled as a matter of law that four statements made by BankAtlantic's CEO, Alan Levan, during a July 2007 earnings call with investors concerning the quality of the Fort Lauderdale bank's commercial real estate loan portfolio were false and misleading. Summary judgment rulings in favor of plaintiffs are exceptionally rare in securities fraud actions, but it did not deter the Defendants from taking the case to trial.

Following the close of the trial, the jury found that an additional four statements made by Levan and BankAtlantic's CFO, Valerie Toalson, concerning the real estate loan portfolio were also false and misleading. The jury found that both officers "knowingly" made these false statements to investors. The jury ultimately determined that investors who purchased BankAtlantic securities between April 26, 2007 and October 25, 2007 paid in excess of $2.41 per share as a result of the Defendants' false and misleading statements that inflated the stock price. Following extensive post-trial motion practice, the district court upheld all of the jury's findings of fraud but vacated the damages award on a narrow legal issue. The Firm looks forward to a favorable review of that issue by the appellate court.

***In re AremisSoft Corp. Sec. Litig.*, C.A. No. 01-CV-2486 (D.N.J. 2002):**
Kessler Topaz is particularly proud of the results achieved before the Honorable Joel A. Pisano in this case. This case was exceedingly complicated, as it involved the embezzlement of hundreds of millions of dollars by former officers of the Company, some of whom are now fugitives. In settling the action, Kessler Topaz, as sole Lead Counsel, assisted in reorganizing AremisSoft as a new Company which allowed for it to continue operations, while successfully separating out the securities fraud claims and the bankrupt Company's claims into a litigation trust. Pursuant to the Settlement, the litigation trust has distributed more than 16 million shares of the reorganized Company to members of the class. The Court-appointed co-trustees, Joseph P. LaSala, Esq. and Fred S. Zeidman, retained Kessler Topaz to continue prosecuting the actions on behalf of the litigation trust. After extensive litigation in the Isle of Man, including the successful freezing of more than $200 million of stolen funds, the trust settled its action against one of the principal wrongdoers and recovered approximately $200 million. Thus far, the trust has distributed to beneficiaries of the trust more than 28% of their recognized losses (excluding the value of the equity of the new Company), and is poised to recover even more. Recently, the trust commenced further litigation in Cyprus, where it obtained a Mareva injunction and interim ancillary relief against various bank accounts and assets owned and/or controlled by the other principal wrongdoer.

***In re CVS Corporation Sec. Litig.*, C.A. No. 01-11464 JLT (D.Mass. 2001):**
After more than three years of contentious litigation and a series of protracted mediation sessions, Kessler Topaz, serving as Co-Lead Counsel, secured a $110 million recovery for class members in the CVS Sec. Litig. Specifically, the suit alleged that CVS violated accounting practices by delaying discounts on merchandise in an effort to prop up its earnings. In addition, the suit charged that in 2001 the Company and its Chief Executive Officer, Thomas M. Ryan, improperly delayed announcement of its intention to close approximately 200 underperforming stores, and that an industry-wide pharmacist shortage would have a materially negative impact on the Company's performance. Settlement was reached just days prior to the commencement of trial, and shortly after the district court had denied the defendants' motions for summary judgment. This substantial recovery represents the third-largest settlement in a securities class action case in the First Circuit.

***In re Delphi Corp. Sec. Litig.*, Master File No. 1:05-MD-1725 (E.D. Mich. 2005):**
In early 2005, various securities class actions were filed against auto-parts manufacturer Delphi Corporation in the Southern District of New York. Kessler Topaz its client, Austria-based mutual fund manager Raiffeisen

Kapitalanlage-Gesellschaft m.b.H. ("Raiffeisen"), were appointed as Co-Lead Counsel and Co-Lead Plaintiff, respectively. The Lead Plaintiffs alleged that (i) Delphi improperly treated financing transactions involving inventory as sales and disposition of inventory; (ii) improperly treated financing transactions involving "indirect materials" as sales of these materials; and (iii) improperly accounted for payments made to and credits received from General Motors as warranty settlements and obligations. As a result, Delphi's reported revenue, net income and financial results were materially overstated, prompting Delphi to restate its earnings for the five previous years. Complex litigation involving difficult bankruptcy issues has potentially resulted in an excellent recovery for the class. In addition, Co-Lead Plaintiffs also reached a settlement of claims against Delphi's outside auditor, Deloitte & Touche, LLP, for $38.25 million on behalf of Delphi investors.

***In re Royal Dutch Shell European Shareholder Litigation*,**
No. 106.010.887, Gerechtshof Te Amsterdam (Amsterdam Court of Appeal):
Kessler Topaz was instrumental in achieving a landmark settlement worth at least $352million in cash on behalf of non-US investors with Royal Dutch Shell plc relating to Shell's 2004 restatement of oil reserves. This settlement of securities fraud claims on a class-wide basis under Dutch law was the first of its kind, and sought to resolve claims exclusively on behalf of European and other non-United States investors. Uncertainty over whether jurisdiction for non-United States investors existed in a 2004 class action filed in federal court in New Jersey prompted a significant number of prominent European institutional investors from nine countries, representing more than one billion shares of Shell, to actively pursue a potential resolution of their claims outside the United States. Among the European investors which actively sought and supported this settlement were Alecta pensionsförsäkring, ömsesidigt, PKA Pension Funds Administration Ltd., Swedbank Robur Fonder AB, AP7 and AFA Insurance, all of which were represented by Kessler Topaz. This settlement was approved by Order dated 6/26/08.

***In re The Interpublic Group of Companies Sec. Litig.*, No. 02 Civ. 6527 (S.D.N.Y. 2002):**
Kessler Topaz served as sole Lead Counsel in this action on behalf of an institutional investor and received final approval of a settlement consisting of $20 million in cash and 6,551,725 shares of IPG common stock. As of the final hearing in the case, the stock had an approximate value of $87 million, resulting in a total settlement value of approximately $107 million. In granting its approval, the Court praised Kessler Topaz for acting responsibly and noted the Firm's professionalism, competence and contribution to achieving such a favorable result.

***In re Digital Lightwave, Inc. Sec. Litig.*, Consolidated Case No. 98-152-CIV-T-24E (M.D. Fla. 1999):**
The firm served as Co-Lead Counsel in one of the nation's most successful securities class actions in history measured by the percentage of damages recovered. After extensive litigation and negotiations, a settlement consisting primarily of stock was worth over $170 million at the time when it was distributed to the Class. Kessler Topaz took on the primary role in negotiating the terms of the equity component, insisting that the class have the right to share in any upward appreciation in the value of the stock after the settlement was reached. This recovery represented an astounding approximately two hundred percent (200%) of class members' losses.

***In re Transkaryotic Therapies, Inc. Sec. Litig.*, Civil Action No.: 03-10165-RWZ (D. Mass. 2003):**
After five years of hard-fought, contentious litigation, Kessler Topaz as Lead Counsel on behalf of the Class, entered into one of largest settlements ever against a biotech company with regard to non-approval of one of its drugs by the U.S. Food and Drug Administration ("FDA"). Specifically, the Plaintiffs alleged that Transkaryotic Therapies, Inc. ("TKT") and its CEO, Richard Selden, engaged in a fraudulent scheme to artificially inflate the price of TKT common stock and to deceive Class Members by making misrepresentations and nondisclosures of material facts concerning TKT's prospects for FDA approval of Replagal, TKT's experimental enzyme replacement therapy for Fabry disease. With the assistance of the Honorable Daniel Weinstein, a retired state court judge from California, Kessler Topaz secured a $50 million settlement from the Defendants during a complex and arduous mediation.

***In re PNC Financial Services Group, Inc. Sec. Litig.*, Case No. 02-CV-271 (W.D. Pa. 2002):**
Kessler Topaz served as Co-Lead Counsel in a securities class action case brought against PNC bank, certain of its officers and directors and its outside auditor, Ernst & Young, LLP ("E&Y"), relating to the conduct of defendants in establishing, accounting for and making disclosures concerning three special purpose entities ("SPEs") in the second, third and fourth quarters of PNC's 2001 fiscal year. Plaintiffs alleged that these entities were created by defendants for the sole purpose of allowing PNC to secretly transfer hundreds of millions of dollars worth of non-performing assets from its own books to the books of the SPEs without disclosing the transfers or consolidating the results and then making positive announcements to the public concerning the bank's performance with respect to its

non-performing assets. Kessler Topaz was instrumental in obtaining a $30 million recovery for class members from PNC and the assignment of certain claims it may have had against its audit and other third party law firms and insurance companies. An additional $6.6 million was recovered from the insurance company and the law firms and an agreement in principle was reached with the audit to resolve all claims for another $9.075 million, providing for a total recovery from the Sec. Litig. of $45.675. When coupled with the $156 million restitution fund established through government actions against some of the same defendants and third parties, the total recovery for class members exceeds $200 million, which was distributed with PNC paying all costs associated with notifying the Class of the settlement.

***In re Liberate Technologies Sec. Litig.*, No. C-02-5017 (MJJ) (N.D. Cal. 2005):**
Plaintiffs alleged that Liberate engaged in fraudulent revenue recognition practices to artificially inflate the price of its stock, ultimately forcing it to restate its earning. As sole Lead Counsel, Kessler Topaz successfully negotiated a $13.8 million settlement, which represents almost 40% of the damages suffered by the class. In approving the settlement, the district court complimented Lead Counsel for its "extremely credible and competent job."

***In re Riverstone Networks, Inc. Sec. Litig.*, Case No. CV-02-3581 (N.D. Cal. 2002):**
Kessler Topaz served as Lead Counsel on behalf of plaintiffs alleging that Riverstone and certain of its officers and directors sought to create the impression that the Company, despite the industry-wide downturn in the telecom sector, had the ability to prosper and succeed and was actually prospering. In that regard, plaintiffs alleged that defendants issued a series of false and misleading statements concerning the Company's financial condition, sales and prospects, and used inside information to personally profit. After extensive litigation, the parties entered into formal mediation with the Honorable Charles Legge (Ret.). Following five months of extensive mediation, the parties reached a settlement of $18.5 million.

***In re Computer Associates Sec. Litig.*, No. 02-CV-1226 (E.D.N.Y. 2002):**
Kessler Topaz served as Co-Lead Counsel on behalf of plaintiffs, alleging that Computer Associates and certain of its officers misrepresented the health of the company's business, materially overstated the company's revenues, and engaged in illegal insider selling. After nearly two years of litigation, Kessler Topaz helped obtain a settlement of $150 million in cash and stock from the company.

***Kaltman, et. al. v Key Energy Services, Inc., et. al.*, No. 04-CV-082-RAJ (W.D. Tex. 2004):**
Kessler Topaz served as sole Lead Counsel on behalf of plaintiffs, alleging that Key Energy, as well as certain of its officers and directors, had made materially false and misleading statements in the company's public filings and press releases relating to its financial results, particularly its net income and fixed asset records. After nearly four years of litigation, Kessler Topaz secured a settlement of $15.425 million.

Shareholder Derivative Actions

***In re Southern Peru Copper Corp. Shareholder Derivative Litigation*, C.A. No. 961-CS:**
On October 14, 2011, Kessler Topaz achieved a historic victory after trial against Southern Peru's majority shareholder Grupo Mexico. After six years of litigation, with discovery spanning multiple continents, Delaware Chancellor Leo Strine agreed with plaintiff that Southern Peru's board of directors had overpaid Grupo Mexico by more than a billion dollars in a conflicted transaction where Southern Peru acquired Minera Mexico – a cash-strapped private mining company – from Grupo. In evaluating the transaction, Southern Peru's independent directors had hired sophisticated financial and legal advisors. Grupo argued throughout the litigation that these well-advised directors had negotiated aggressively with Grupo to achieve a fair price. Through discovery and at trial, Kessler Topaz attorneys unraveled and debunked the board's various rationales for agreeing to the transaction. The court ultimately concluded that rather than aggressively negotiating, "the special committee and its financial advisor instead took strenuous efforts to justify a transaction at the level originally demanded" by Grupo. Chancellor Strine ordered Grupo to reimburse the Company for the excess value it had extracted from the Company – $1.26 billion, plus interest of nearly $700 million – the largest judgment ever issued by the Delaware Chancery Court, and one of only a handful of trial victories ever achieved by shareholders in an M&A case.

***In re Comverse Technology, Inc. Derivative Litigation*, 601272/2006 (Supreme Court, NY 2006):**
Kessler Topaz attorneys negotiated a settlement that required the Company's founder/Chairman/CEO and other executives to disgorge more than $62 million in ill-gotten gains from backdated stock options back to the Company

and overhauled the Company's corporate governance and internal controls, including replacing a number of members on the board of directors and corporate executives, splitting the Chairman and CEO positions, and instituting majority voting for directors.

Wanstrath v. Doctor R. Crants, et. al. Shareholders Litigation,
No. 99-1719-111 (Tenn. Chan. Ct., 20th Judicial District, 1999):
Kessler Topaz served as Lead Counsel in a derivative action filed against the officers and directors of Prison Realty Trust, Inc., challenging the transfer of assets from the Company to a private entity owned by several of the Company's top insiders. Numerous federal securities class actions were pending against the Company at this time. Through the derivative litigation, the Company's top management was ousted, the composition of the Board of Directors was significantly improved, and important corporate governance provisions were put in place to prevent future abuse. Kessler Topaz, in addition to achieving these desirable results, was able to effectuate a global settlement of all pending litigation against the backdrop of an almost certain bankruptcy. The case was resolved in conjunction with the federal securities cases for the payment of approximately $50 million by the Company's insurers and the issuance of over 46 million shares to the class members.

***In re Viacom, Inc. Shareholder Derivative Litig.*, Index No. 602527/05 (New York County, NY 2005):**
Kessler Topaz represented the Public Employees Retirement System of Mississippi and served as lead counsel in a derivative action alleging that the members of the Board of Directors of Viacom, Inc. paid excessive and unwarranted compensation to Viacom's Executive Chairman and CEO, Sumner M. Redstone, and co-COOs Thomas E. Freston and Leslie Moonves, in breach of their fiduciary duties. Specifically, Kessler Topaz alleged that in fiscal year 2004, when Viacom reported a record net loss of $17.46 billion, the board improperly approved compensation payments to Redstone, Freston, and Moonves of approximately $56 million, $52million, and $52million, respectively. Judge Ramos of the New York Supreme Court denied Defendants' motion to dismiss the action as Kessler Topaz overcame several complex arguments related to the failure to make a demand on Viacom's Board; Defendants then appealed that decision to the Appellate Division of the Supreme Court of New York. Prior to a decision by the appellate court, a settlement was reached in early 2007. Pursuant to the settlement, Sumner Redstone, the company's Executive Chairman and controlling shareholder, agreed to a new compensation package that, among other things, substantially reduces his annual salary and cash bonus, and ties the majority of his incentive compensation directly to shareholder returns.

***In re Family Dollar Stores, Inc. Derivative Litig.*, Master File No. 06-CVS-16796**
(Mecklenburg County, NC 2006):
Kessler Topaz served as Lead Counsel, derivatively on behalf of Family Dollar Stores, Inc., and against certain of Family Dollar's current and former officers and directors. The actions were pending in Mecklenburg County Superior Court, Charlotte, North Carolina, and alleged that certain of the company's officers and directors had improperly backdated stock options to achieve favorable exercise prices in violation of shareholder-approved stock option plans. As a result of these shareholder derivative actions, Kessler Topaz was able to achieve substantial relief for Family Dollar and its shareholders. Through Kessler Topaz's litigation of this action, Family Dollar agreed to cancel hundreds of thousands of stock options granted to certain current and former officers, resulting in a seven-figure net financial benefit for the company. In addition, Family Dollar has agreed to, among other things: implement internal controls and granting procedures that are designed to ensure that all stock options are properly dated and accounted for; appoint two new independent directors to the board of directors; maintain a board composition of at least 75 percent independent directors; and adopt stringent officer stock-ownership policies to further align the interests of officers with those of Family Dollar shareholders. The settlement was approved by Order of the Court on August 13, 2007.

***In re Barnes & Noble, Inc. Derivative Litig.*, Index No. 06602389 (New York County, NY 2006):**
Kessler Topaz served as Lead Counsel, derivatively on behalf of Barnes & Noble, Inc., and against certain of Barnes & Noble's current and former officers and directors. This action was pending in the Supreme Court of New York, and alleged that certain of the company's officers and directors had improperly backdated stock options to achieve favorable exercise prices in violation of shareholder-approved stock option plans. As a result of this shareholder derivative action, Kessler Topaz was able to achieve substantial relief for Barnes & Noble and its shareholders. Through Kessler Topaz's litigation of this action, Barnes & Noble agreed to re-price approximately $2.64 million unexercised stock options that were alleged improperly granted, and certain defendants agreed to voluntarily repay approximately $1.98 million to the Company for the proceeds they received through exercise of alleged improperly

priced stock options. Furthermore, Barnes & Noble has agreed to, among other things: adopt internal controls and granting procedures that are designed to ensure that all stock options are properly dated and accounted for; at least once per calendar year, preset a schedule of dates on which stock options will be granted to new employees or to groups of twenty (20) or more employees; make final determinations regarding stock options at duly-convened committee meetings; and designate one or more specific officer(s) within the Company who will be responsible for, among other things, compliance with the Company's stock option plans. The settlement was approved by Order of the Court on November 14, 2007.

***In re Sepracor, Inc. Derivative Litig.*, Case No. 06-4057-BLS (Suffolk County, MA 2006):**
Kessler Topaz served as Lead Counsel, derivatively on behalf of Sepracor, Inc., and against certain of Sepracor's current and former officers and directors. This action was pending in the Superior Court of Suffolk County, Massachusetts, and alleged that certain of the company's officers and directors had improperly backdated stock options to achieve favorable exercise prices in violation of shareholder-approved stock option plans. As a result of this shareholder derivative action, Kessler Topaz was able to achieve substantial relief for Sepracor and its shareholders. Through Kessler Topaz's litigation of this action, Sepracor agreed to cancel or re-price more than 2.7 million unexercised stock options that were alleged to have been improperly granted. Furthermore, Sepracor has agreed to, among other things: adopt internal controls and granting procedures that are designed to ensure that all stock options are properly dated and accounted for; not alter the exercise prices of stock options without shareholder approval; hire an employee responsible for ensuring that the Company's complies with its stock option plans; and appoint a director of internal auditing. The settlement was approved by Order of the Court on January 4, 2008.

***In re Monster Worldwide, Inc. Stock Option Derivative Litigation*, 06-108700 (Supreme Court of NY, NY County):**
This derivative litigation resulted in the recipients of backdated stock options being forced to disgorge more than $32 million in unlawful gains back to the Company plus the implementation of significant corporate governance measures. In approving the settlement, the court noted "the good results, mainly the amount of money for the shareholders and also the change in governance of the company itself, and really the hard work that had to go into that to achieve the results. . . ."

***Denbury Resources, Inc. Shareholder Litigation*, 2008-CP-23-8395 (Greenville County, SC 2008):**
This derivative litigation challenged the Board's decision to award excessive compensation to the Company's outgoing President and CEO, Gareth Roberts. Kessler Topaz negotiated a settlement that included both the disgorgement of ill-gotten compensation by Mr. Roberts as well as numerous corporate governance improvements. In approving the settlement, the Court acknowledged that the litigation was a "hard-fought battle all the way through," and commented, "I know you guys have very vigorous and able counsel on the other side, and you had to basically try to knock your way through the wall at every stage."

***The South Financial Group, Inc. Shareholder Litigation*, 09-09061 (Dallas County, TX 2009):**
This derivative litigation challenged the Board's decision to accelerate "golden parachute" payments to the Company's CEO Mack Whittle as the Company applied for emergency assistance in 2008 under the Troubled Asset Recovery Plan ("TARP"). Kessler Topaz attorneys sought injunctive relief to block the payments and protect the Company's ability to receive the TARP funds. The litigation was settled, with Whittle giving up a portion of his severance package and agreeing to leave the board, as well as the implementation of important corporate governance changes which were described by one commentator as "unprecedented."

Mergers & Acquisitions Litigation

***In re Genentech, Inc. Shareholders Lit.*, Cons. Civ. Action No. 3991-VCS (Del. Chancery Court):**
Kessler Topaz represented Alameda County in this shareholder class action brought against the directors of Genentech and Genentech's former majority owner, Roche Holdings, Inc., in response to Roche's July 21, 2008 attempt to acquire Genentech for $89 per share. We sought to enforce provisions of an Affiliation Agreement between Roche and Genentech and to ensure that Roche fulfilled its fiduciary obligations to Genentech's shareholders. Following an agreement between Plaintiffs and Roche that ensured that the Affiliation Agreement applied and that Roche owed fiduciary duties to Genentech's shareholders, on February 9, 2009, Roche commenced a hostile tender offer to acquire Genentech for $86.50 per share. Thereafter, Kessler Topaz supplemented its pleadings to allege that the Affiliation Agreement prevented Roche from conducting the tender offer consistent with Delaware law, and prevented Genentech's shareholders from exercising their valuable appraisal rights in connection

with the tender offer. After moving to enjoin the tender offer, Kessler Topaz negotiated with Roche and Genentech to amend the Affiliation Agreement to allow a negotiated transaction between Roche and Genentech, which enabled Roche to acquire Genentech for $95 per share, approximately $3.9 billion more than Roche offered in its hostile tender offer. The litigation was settled on this basis and for supplemental disclosures in the proxy materials which clarified the relationship between Roche and Genentech and the mechanics of the merger agreement.

***In re Amicas, Inc. Shareholder Litigation*, 10-0174-BLS2 (Suffolk County, MA 2010):**
Kessler Topaz served as lead counsel in class action litigation challenging a proposed private equity buy out of Amicas that would have paid Amicas shareholders $5.35 per share in cash while certain Amicas executives retained an equity stake in the surviving entity moving forward. Kessler Topaz prevailed in securing a preliminary injunction against the deal, which then allowed a superior bidder to purchase the Company for an additional $0.70 per share. The court complimented Kessler Topaz attorneys for causing an "exceptionally favorable result for Amicas' shareholders" after "expend[ing] substantial resources."

***In re American Italian Pasta Company Shareholder Litigation*, CA 5610-VCN (Del. Ch 2010):**
This expedited merger litigation challenged certain provisions of a merger agreement, whereby the board had granted the acquiring company a "Top-Up Option" to purchase additional shares in the event that less than 90% of the shares were tendered. Kessler Topaz attorneys asserted that the Top-Up Option was granted in violation of Delaware law and threatened the rights of shareholders to seek appraisal post-closing. In settling the litigation, the parties agreed to substantially rewrite provisions of the merger agreement and issue substantial additional disclosures prior to the closing of the transaction. The Delaware Chancery Court approved the settlement, noting that "the issues were novel and difficult," and that the "litigation was brought under severe time constraints."

Consumer Protection and ERISA Litigation

***In re Global Crossing, Ltd. ERISA Litigation*, No. 02 Civ. 7453 (S.D.N.Y. 2004):**
Kessler Topaz served as Co-Lead Counsel in this novel, complex and high-profile action which alleged that certain directors and officers of Global Crossing, a former high-flier of the late 1990's tech stock boom, breached their fiduciary duties under the Employee Retirement Income Security Act of 1974 ("ERISA") to certain company-provided 401(k) plans and their participants. These breaches arose from the plans' alleged imprudent investment in Global Crossing stock during a time when defendants knew, or should have known, that the company was facing imminent bankruptcy. A settlement of plaintiffs' claims restoring $79 million to the plans and their participants was approved in November 2004. At the time, this represented the largest recovery received in a company stock ERISA class action.

***In re AOL Time Warner ERISA Litigation*, No. 02-CV-8853 (S.D.N.Y. 2006):**
Kessler Topaz, which served as Co-Lead Counsel in this highly-publicized ERISA fiduciary breach class action brought on behalf of the Company's 401(k) plans and their participants, achieved a record $100 million settlement with defendants. The $100 million restorative cash payment to the plans (and, concomitantly, their participants) represents the largest recovery from a single defendant in a breach of fiduciary action relating to mismanagement of plan assets held in the form of employer securities. The action asserted claims for breach of fiduciary duties pursuant to the Employee Retirement Income Security Act of 1974 ("ERISA") on behalf of the participants in the AOL Time Warner Savings Plan, the AOL Time Warner Thrift Plan, and the Time Warner Cable Savings Plan (collectively, the "Plans") whose accounts purchased and/or held interests in the AOLTW Stock Fund at any time between January 27, 1999 and July 3, 2003. Named as defendants in the case were Time Warner (and its corporate predecessor, AOL Time Warner), several of the Plans' committees, as well as certain current and former officers and directors of the company. In March 2005, the Court largely denied defendants' motion to dismiss and the parties began the discovery phase of the case. In January 2006, Plaintiffs filed a motion for class certification, while at the same time defendants moved for partial summary judgment. These motions were pending before the Court when the settlement in principle was reached. Notably, an Independent Fiduciary retained by the Plans to review the settlement in accordance with Department of Labor regulations approved the settlement and filed a report with Court noting that the settlement, in addition to being "more than a reasonable recovery" for the Plans, is "one of the largest ERISA employer stock action settlements in history."

***In re Honeywell International ERISA Litigation,* No. 03-1214 (DRD) (D.N.J. 2004):**
Kessler Topaz served as Lead Counsel in a breach of fiduciary duty case under ERISA against Honeywell International, Inc. and certain fiduciaries of Honeywell defined contribution pension plans. The suit alleged that Honeywell and the individual fiduciary defendants, allowed Honeywell's 401(k) plans and their participants to imprudently invest significant assets in company stock, despite that defendants knew, or should have known, that Honeywell's stock was an imprudent investment due to undisclosed, wide-ranging problems stemming from a consummated merger with Allied Signal and a failed merger with General Electric. The settlement of plaintiffs' claims included a $14 million payment to the plans and their affected participants, and significant structural relief affording participants much greater leeway in diversifying their retirement savings portfolios.

***Henry v. Sears, et. al.,* Case No. 98 C 4110 (N.D. Ill. 1999):**
The Firm served as Co-Lead Counsel for one of the largest consumer class actions in history, consisting of approximately 11 million Sears credit card holders whose interest rates were improperly increased in connection with the transfer of the credit card accounts to a national bank. Kessler Topaz successfully negotiated a settlement representing approximately 66% of all class members' damages, thereby providing a total benefit exceeding $156 million. All $156 million was distributed automatically to the Class members, without the filing of a single proof of claim form. In approving the settlement, the District Court stated: ". . . I am pleased to approve the settlement. I think it does the best that could be done under the circumstances on behalf of the class. . . . The litigation was complex in both liability and damages and required both professional skill and standing which class counsel demonstrated in abundance."

Antitrust Litigation

***In re Remeron Antitrust Litigation,* No. 02-CV-2007 (D.N.J. 2004):**
Kessler Topaz was Co-Lead Counsel in an action which challenged Organon, Inc.'s filing of certain patents and patent infringement lawsuits as an abuse of the Hatch-Waxman Act, and an effort to unlawfully extend their monopoly in the market for Remeron. Specifically, the lawsuit alleged that defendants violated state and federal antitrust laws in their efforts to keep competing products from entering the market, and sought damages sustained by consumers and third-party payors. After lengthy litigation, including numerous motions and over 50 depositions, the matter settled for $36 million.

PARTNERS

RAMZI ABADOU, a partner in the Firm's San Francisco office, received his Bachelor of Arts from Pitzer College in Claremont, California in 1994 and his Master of Arts from Columbia University in the City of New York in 1997. Prior to attending law school, Mr. Abadou was a political science professor at Foothill College in Los Altos Hills, California. Mr. Abadou graduated from the Boston College Law School and clerked for the United States Attorney's Office in San Diego, California. Prior to joining the Firm, Mr, Abadou was a partner with Coughlin Stoia Geller Rudman & Robbins LLP in San Diego, California.

Mr. Abadou concentrates his practice on prosecuting securities class actions and is also a member of the Firm's lead plaintiff litigation practice group. Mr. Abadou has been associated with a number of significant recoveries, including: *In re UnitedHealth Group, Inc. Sec. Litig.*, 2007 U.S. Dist. LEXIS 40623 (D. Minn. 2007) (settled - $925.5 million); *In re SemGroup Energy Partners Secs. Litig.*, Case No. 08-md-1989 GFK (N.D. Ok.) (settled - $28 million); *In re Direct Gen. Corp. Sec. Litig.*, 2006 U.S. Dist. LEXIS 56128 (M.D. Tenn. 2006) (settled - $15 million); and *In re AT&T Corp. Secs. Litig.*, Case No. 00-cv-5364 (D.N.J.) (settled - $100 million).

Mr. Abadou was a featured panelist at the American Bar Association's 11th Annual National Institute on Class Actions and is a faculty member for the Practicing Law Institute's Advanced Securities Litigation Workshops. Mr. Abadou was named as one of the *Daily Journal's* Top 20 lawyers in California under

age 40 for 2010, and has been selected for inclusion in *Super Lawyers* – Rising Stars Edition 2011. Mr. Abadou has also lectured on securities litigation at various law schools throughout the country. He is admitted to the California Bar and is licensed to practice in all California state courts, as well as all of the United States District Courts in California and the United States Court of Appeals for the Ninth Circuit.

NAUMON A. AMJED, a partner of the Firm, has significant experience conducting complex litigation in state and federal courts including federal securities class actions, shareholder derivative actions, suits by third-party insurers and other actions concerning corporate and alternative business entity disputes. Mr. Amjed has litigated in numerous state and federal courts across the country, including the Delaware Court of Chancery, and has represented shareholders in several high profile lawsuits, including: *LAMPERS v. CBOT Holdings, Inc. et al.*, C.A. No. 2803-VCN (Del. Ch.); *In re Alstom SA Sec. Litig.*, 454 F. Supp. 2d 187 (S.D.N.Y. 2006); *In re Global Crossing Sec. Litig.*, 02— Civ. — 910 (S.D.N.Y.); *In re Enron Corp. Sec. Litig.*, 465 F. Supp. 2d 687 (S.D. Tex. 2006); and *In re Marsh McLennan Cos., Inc. Sec. Litig.* 501 F. Supp. 2d 452 (S.D.N.Y. 2006).

Prior to joining the Firm, Mr. Amjed was associated with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A. Mr. Amjed is a graduate of the Villanova University School of Law, cum laude, and holds an undergraduate degree in business administration from Temple University, cum laude. Mr. Amjed is a member of the Delaware State Bar, the Bar of the Commonwealth of Pennsylvania and is admitted to practice before the United States Court for the District of Delaware.

STUART L. BERMAN, a partner of the Firm, concentrates his practice on securities class action litigation in federal courts throughout the country, with a particular emphasis on representing institutional investors active in litigation. Mr. Berman regularly counsels and educates institutional investors located around the world on emerging legal trends, new case ideas and the rights and obligations of institutional investors as they relate to securities fraud class actions and individual actions. In this respect, Mr. Berman has been instrumental in courts appointing the Firm's institutional clients as lead plaintiffs in class actions as well as in representing institutions individually in direct actions. Mr. Berman is currently representing institutional investors in direct actions against Vivendi and Merck, and took a very active role in the precedent setting Shell settlement on behalf of many of the Firm's European institutional clients.

In connection with these responsibilities, Mr. Berman is a frequent speaker on securities issues, especially as they relate to institutional investors, at events such as The European Pension Symposium in Florence, Italy; the Public Funds Symposium in Washington, D.C.; the Pennsylvania Public Employees Retirement (PAPERS) Summit in Harrisburg, Pennsylvania; the New England Pension Summit in Newport, Rhode Island; the Rights and Responsibilities for Institutional Investors in Amsterdam, Netherlands; and the European Investment Roundtable in Barcelona, Spain.

Mr. Berman is an honors graduate from Brandeis University and received his law degree from George Washington University National Law Center.

MICHAEL J. BONELLA, a partner of the Firm, concentrates his practice on intellectual property litigation and particularly complex patent litigation. He earned his law degree *magna cum laude* from the Duke University School of Law. Michael is one of a few attorneys who is both registered to practice before the Patent and Trademark Office and that also holds an LLM degree in Trial Advocacy, which he obtained from Temple University. In addition, Michael obtained a bachelor of science degree *cum laude* in mechanical engineering from Villanova University. Michael also served five years in the U.S. Naval Submarine program. While serving in the Navy, Michael was certified by the U.S. Navy as a nuclear engineer and received advance training in electrical engineering.

Michael is currently the co-chair of the Firm's intellectual property department. Michael has served as the lead lawyer on patent litigations involved pharmaceutical and consumer products. Michael was the case manager for TruePosition, Inc. and was instrumental in achieving a settlement valued at about $45

million for TruePosition, Inc. in *TruePosition, Inc. v. Allen Telecom, Inc.*, No. 01-0823 (D. Del.). Michael has also been the attorney that was primarily responsible for obtaining favorable settlements for defendants (*e.g.*, *Codman & Shurtleff, Inc. v. Integra LifeSciences Corp.*, No. 06-2414 (D. N.J.) (declaratory judgment action). Michael has litigated patent cases involving a wide range of technologies including balloon angioplasty catheters, collagen sponges, neurosurgery, sutures, shoulder surgery, knee surgery, orthopedic implants, pump technology, immunoassay testing, cellular telephones, computer software, signal processing, and electrical hardware. Michael has also served as a case manager for a plaintiff in a multidistrict patent litigation (MDL) involving multiple defendants and complex signal processing

Michael has written numerous articles and most recently authored an article entitled *Valuing Patent Infringement Actions After the Supreme Court's eBay Decision* (2008). In 2005, Michael was named a Rising Star by Pennsylvania SuperLawyer.

GREGORY M. CASTALDO, a partner of the Firm, received his law degree from Loyola Law School, where he received the American Jurisprudence award in legal writing. He received his undergraduate degree from the Wharton School of Business at the University of Pennsylvania. He is licensed to practice law in Pennsylvania and New Jersey.

Mr. Castaldo served as Kessler Topaz's lead litigation partner in *In re Tenet Healthcare Corp.*, No. 02-CV-8462 (C.D. Cal. 2002), securing an aggregate recovery of $281.5 million for the class, including $65 million from Tenet's auditor. Mr. Castaldo also played a primary litigation role in the following cases: *In re Liberate Technologies Sec. Litig.*, No. C-02-5017 (MJJ) (N.D. Cal. 2005) (settled — $13.8 million); *In re Sodexho Marriott Shareholders Litig.*, Consol. C.A. No. 18640-NC (Del. Ch. 1999) (settled — $166 million benefit); *In re Motive, Inc. Sec. Litig.*, 05-CV-923 (W.D.Tex. 2005) (settled — $7 million cash, 2.5 million shares); and *In re Wireless Facilities, Inc., Sec. Litig.*, 04-CV-1589 (S.D. Cal. 2004) (settled — $16.5 million).

DARREN J. CHECK, a partner of the Firm, concentrates his practice in the area of securities litigation and institutional investor relations. He is a graduate of Franklin & Marshall College and received his law degree from Temple University School of Law. Mr. Check is licensed to practice in Pennsylvania and New Jersey.

Currently, Mr. Check concentrates his time as the Firm's Director of Institutional Relations and heads up the Firm's Portfolio Monitoring and Business Development departments. He consults with institutional investors from around the world regarding their rights and responsibilities with respect to their investments and taking an active role in shareholder litigation. Mr. Check assists clients in evaluating what systems they have in place to identify and monitor shareholder and consumer litigation that has an effect on their funds, and also assists them in evaluating the strength of such cases and to what extent they may be affected by the conduct that has been alleged. He currently works with clients in the United States, Canada, the Netherlands, United Kingdom, France, Italy, Sweden, Denmark, Finland, Norway, Germany, Austria, Switzerland and Australia.

Mr. Check regularly speaks on the subject of shareholder litigation, corporate governance, investor activism, and recovery of investment losses. Mr. Check has spoken at or participated in panel sessions at conferences around the world, including MultiPensions; the European Pension Symposium; the Public Funds Summit; the European Investment Roundtable; The Rights & Responsibilities of Institutional Investors; the Corporate Governance & Responsible Investment Summit; the Public Funds Roundtable; The Evolving Fiduciary Obligations of Pension Plans: Understanding the New Era of Corporate Governance; the International Foundation for Employee Benefit Plans Annual Conference; the Florida Public Pension Trustees Association Annual Conference, the Pennsylvania Association of Public Employees Retirement Systems Annual Meeting; and the Australian Investment Management Summit.

Mr. Check has also been actively involved in the precedent setting Shell settlement, direct actions against Vivendi and Merck, and the class action against Bank of America related to its merger with Merrill Lynch.

EDWARD W. CIOLKO, a partner of the Firm, received his law degree from Georgetown University Law Center, and an MBA from the Yale School of Management. He is licensed to practice law in the State of New Jersey, and has been admitted to practice before the United States District Court for the District of New Jersey and the United States Courts of Appeals for the First, Fourth, Ninth and Eleventh Circuits. Mr. Ciolko concentrates his practice in the areas of ERISA, Antitrust, RESPA and Consumer Protection.

Mr. Ciolko is counsel in several pending nationwide ERISA breach of fiduciary duty class actions, brought on behalf of retirement plans and their participants alleging, inter alia, imprudent investment of plan assets which caused significant losses to the retirement savings of tens of thousands of workers. These cases include: *In re Beazer Homes USA, Inc. ERISA Litig.*, 07-CV-00952-RWS (N.D. Ga. 2007); *Nowak v. Ford Motor Co.*, 240 F.R.D. 355 (E.D. Mich. 2006); *Gee v. UnumProvident Corp.*, 03-1552(E.D. Tenn. 2003); *Pettit v. JDS Uniphase Corp. et al.*, C.A. No. 03-4743 (N.D. Ca. 2003); *Hargrave v. TXU, et al.*, C.A. No. 02-2573 (N.D. Tex. 2002); *Evans v. Akers*, C.A. No. 04-11380 (D. Mass. 2004); *Lewis v. El Paso Corp.* No. 02-CV-4860 (S.D. Tex. 2002); and *In re Schering-Plough Corp. ERISA Litig.* No. 03-CV-1204 (D.N.J. 2003).

Mr. Ciolko's efforts have also helped achieve a number of large recoveries for affected retirement plan participants: *In re Sears Roebuck & Co. ERISA Litig.*, C.A. No. 02-8324 (N.D. Ill. 2002) (settled — $14.5 million recovery); and *In re Honeywell Intern'l ERISA Litig.*, No. 03-CV-1214 (DRD) (D.N.J. 2003) (settled — $14 million recovery, as well as significant structural relief regarding the plan's administration and investment of its assets).

Mr. Ciolko has also concentrated part of his practice to the investigation and prosecution of pharmaceutical antitrust actions, medical device litigation, and related anticompetitive and unfair business practices including *In re Wellbutrin SR Antitrust Litigation*, 04-CV-5898 (E.D. Pa. Dec. 17, 2004); *In re Remeron End-Payor Antitrust Litigation,* Master File No. 02-CV-2007 (D.N.J. Apr. 25, 2002); *In re Modafinil Antitrust Litigation*, 06-2020 (E.D. Pa. May 12, 2006); *In re Medtronic, Inc. Implantable Defibrillator Litigation*, 05-CV-2700 (D. Minn. 2005); and *In re Guidant Corp. Implantable Defibrillator Litigation*, 05-CV-2883 (D. Minn. 2005).

Before coming to Kessler Topaz, Mr. Ciolko worked for two and one-half years as a Law Clerk and Attorney Advisor to Commissioner Sheila F. Anthony of the Federal Trade Commission ("FTC"). While at the FTC, Mr. Ciolko reviewed commission actions/investigations and counseled the Commissioner on a wide range of antitrust and consumer protection topics including, in pertinent part: the confluence of antitrust and intellectual property law; research and production of "Generic Drug Entry Prior to Patent Expiration: An FTC Study," and an administrative complaint against, among others, Schering-Plough Corporation regarding allegedly unlawful settlements of patent litigation which delayed entry of a generic alternative to a profitable potassium supplement (K-Dur).

ELI S. GREENSTEIN is a partner in the Firm's San Francisco office and a member of the Firm's federal securities litigation practice group. Mr. Greenstein received his B.A. in Business Administration from the University of San Diego in 1997 where he was awarded a Presidential Scholarship. Mr. Greenstein received his J.D. from Santa Clara University School of Law in 2001, and his M.B.A. from Santa Clara's Leavey School of Business in 2002. Mr. Greenstein was a judicial extern for the Honorable James Ware, Chief Judge of the United States District Court for the Northern District of California.

Mr. Greenstein's significant federal securities decisions and recoveries include: The *AOL Time Warner* opt-out actions ($618 million in total recoveries for investors); *Parnes v. Harris* (*In re Purus*), No. C-98-

20449-JF(RS) ($9.95 million recovery); *In re Terayon Communs. Sys. Sec. Litig.*, 2002 U.S. Dist. LEXIS 5502 (N.D. Cal. 2002) ($15 million recovery); *In re Endocare, Inc. Sec. Litig.*, No. CV02-8429 DT (CTX) (C.D. Cal. 2004) ($8.95 million recovery); *Greater Pa. Carpenters Pension Fund v. Whitehall Jewellers*, Inc., 2005 U.S. Dist. LEXIS 12971 (N.D. Ill. 2005) ($7.5 million recovery); *In re Nuvelo, Inc. Sec. Litig.*, 668 F. Supp. 2d 1217 (N.D. Cal. 2009) ($8.9 million settlement pending); *In re Am. Serv. Group, Inc.*, 2009 U.S. Dist. LEXIS 28237 (M.D. Tenn. 2009) ($15.1 million recovery).

Prior to joining the Firm, Mr. Greenstein was a partner at Robbins Geller Rudman & Dowd LLP in its federal securities litigation practice group. His relevant background also includes consulting for PricewaterhouseCoopers LLP's International Tax and Legal Services division, and clerking on the trading floor of the Chicago Mercantile Exchange in the S&P 500 futures and options division.

Mr. Greenstein has been a member of the California Bar since 2001 and is admitted to practice in all California state courts, as well as federal courts in the Northern, Central and Eastern Districts of California and the Northern District of Illinois.

SEAN M. HANDLER, a partner of the Firm and member of Kessler Topaz's Management Committee, currently concentrates his practice on all aspects of new matter development for the Firm including securities, consumer and intellectual property.

As part of these responsibilities, Mr. Handler also oversees the lead plaintiff appointment process in securities class actions for the Firm's clients. In this role, Mr. Handler has achieved numerous noteworthy appointments for clients in reported decisions including *Foley v. Transocean*, 272 F.R.D. 126 (S.D.N.Y. 2011); *In re Bank of America Corp. Sec., Derivative & Employment Ret. Income Sec. Act (ERISA) Litig.*, 258 F.R.D. 260 (S.D.N.Y. 2009) and *Tanne v. Autobytel, Inc.*, 226 F.R.D. 659 (C.D. Cal. 2005) and has argued before federal courts throughout the country, including the United States Court of Appeals for the Ninth Circuit.

Mr. Handler was also one of the principal attorneys in *In re Brocade Securities Litigation* (N.D. Cal. 2008), where the team achieved a $160 million settlement on behalf of the class and two public pension fund class representatives. This settlement is believed to be one of the largest settlements in a securities fraud case in terms of the ratio of settlement amount to actual investor damages.

Mr. Handler received his Bachelor of Arts degree from Colby College, graduating *with distinction* in American Studies. Mr. Handler then earned his Juris Doctor, *cum laude*, from Temple University School of Law.

Mr. Handler also lectures and serves on discussion panels concerning securities litigation matters, most recently appearing at American Conference Institute's National Summit on the Future of Fiduciary Responsibility and Institutional Investor's The Rights & Responsibilities of Institutional Investors.

KIMBERLY A. JUSTICE, a partner of the Firm, graduated *magna cum laude* from Temple University School of Law, where she was Articles/Symposium Editor of the Temple Law Review and received the Jacob Kossman Award in Criminal Law. Ms. Justice earned her undergraduate degree, *cum laude* and Phi Beta Kappa, from Kalamazoo College. Upon graduating from law school, Ms. Justice served as a judicial clerk to the Honorable William H. Yohn, Jr. of the United States District Court for the Eastern District of Pennsylvania. Ms. Justice is licensed to practice law in Pennsylvania and admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Ms. Justice joined the Firm after several years serving as a trial attorney and prosecutor in the Antitrust Division of the U.S. Department of Justice where she led teams of trial attorneys and law enforcement agents who investigated and prosecuted domestic and international cartel cases and related violations, and where her success at trial was recognized with the *Antitrust Division Assistant Attorney General Award of*

Distinction for outstanding contribution to the protection of American consumers and competition. Since joining Kessler Topaz, Ms. Justice concentrates her practice in the area of securities litigation.

Ms. Justice began her practice as an associate at Dechert LLP where she defended a broad range of complex commercial cases, including antitrust and product liability class actions, and where she advised clients concerning mergers and acquisitions and general corporate matters.

JOHN A. KEHOE, a partner of the Firm, received his undergraduate degree from DePaul University and Masters of Public Administration from the University of Vermont. Mr. Kehoe earned his Juris Doctorate, magna cum laude, from Syracuse University College of Law, where he was Associate Editor of the Syracuse Law Review, Associate Member of the Syracuse Moot Court Board and Alternate Member on the National Appellate Team.

Mr. Kehoe has litigated many high profile securities and antitrust class actions in state and federal courts, including *In re Initial Public Offering Securities Litigation*, Master File No. 21 MC 92 ($586 million class settlement resolving 309 consolidated actions); *Ohio Public Employees Retirement System et al. v. Freddie Mac et al.*, 03-CV-4261 (S.D.N.Y.) ($410 million combined class and derivative settlement); *In re Bristol Myers Squibb Securities Litigation*, 02-CV-2251 (S.D.N.Y.) ($300 million class settlement); *Smajlaj v. Brocade Communications Sys., Inc., et al.*, No. 05-CV-02042 (N.D. Cal. 2005) ($160 million class settlement); *In re Marvell Technology Group Ltd. Securities Litigation*, 06-CV-06286 (N.D.Ca) ($72 million class settlement); and *In re Vitamins Antitrust Litigation*, MDL No. 1285 (D.D.C.) (resulting in more than $2 billion in federal and state class and direct action settlements).

Prior to joining Kessler Topaz Meltzer & Check, Mr. Kehoe was associated with Clifford Chance LLP where he represented Fortune 500 companies and their officers and directors in complex securities and antitrust litigation, and in enforcement actions brought by the Department of Justice, the U.S. Securities and Exchange Commission and the Federal Trade Commission.

From 1986 to 1994, Mr. Kehoe worked as a police officer in the State of Vermont, where he was a member of the tactical Special Reaction Team, served on the Major Accident Investigation Team, and attended advanced police training at the Florida Institute of Police Technology and Management.

Mr. Kehoe is currently admitted to practice in Pennsylvania and New York, and is admitted to the U.S. District Court for the Southern District of New York, the Court of Appeals for the Second Circuit, and the Court of Appeals for the Eleventh Circuit.

DAVID KESSLER, a partner of the Firm, graduated with distinction from the Emory School of Law, after receiving his undergraduate B.S.B.A. degree from American University. Mr. Kessler is licensed to practice law in Pennsylvania, New Jersey and New York, and has been admitted to practice before numerous United States District Courts. Prior to practicing law, Mr. Kessler was a Certified Public Accountant in Pennsylvania.

Mr. Kessler manages the Firm's internationally recognized securities department and in this capacity, has achieved or assisted in obtaining Court approval for the following outstanding results in federal securities class action cases:

In re Tyco International, Ltd. Sec. Lit., No. 02-1335-B (D.N.H. 2002): This landmark $3.2 billion settlement on behalf of investors included the largest securities class action recovery from a single corporate defendant in history as well as the second largest auditor settlement in securities class action history at the time.

In re Wachovia Preferred Securities and Bond/Notes Litigation, Master File No. 09 Civ. 6351 (RJS): This recovery of $627 million is one of the most significant recoveries from litigation arising out of the

financial crisis and is believed to be the single largest pure Section 11 recovery in securities class action history. The settlement included a $37 million recovery from Wachovia Corporation's outside auditor.

In re: Lehman Brothers Securities and ERISA Litigation, Master File No. 09 MD 2017 (LAK): A $516,218,000 settlement was reached on behalf of purchasers of Lehman securities — $426,218,000 of which came from various underwriters of corporate offerings. In addition, $90 million came from Lehman's former directors and officers, which is significant considering Lehman's bankruptcy meant diminishing assets available to pay any future judgment. The case is continuing against the auditors.

In re Satyam Computer Services Ltd. Sec. Litig., Master File No. 09 MD 02027 (BSJ): This $150.5 million settlement on behalf of investors resulted from allegations that the Company had harmed investors by falsifying numerous financial indicators including company profits, cash flows, cash position, bank balances and related balance sheet data. The settlement included a $25.5 million recovery from the Company's outside auditor and the case is continuing against the Company's officers and directors.

In re Tenet Healthcare Corp. Sec. Litig., No. CV-02-8462-RSWL (Rx) (C.D. Cal. 2002): This recovery of over $280 million on behalf of investors included a substantial monetary commitment by the company, personal contributions from individual defendants, the enactment of numerous corporate governance changes, as well as a substantial recovery from the Company's outside auditor.

In re Initial Public Offering Sec. Litig., Master File No. 21 MC 92(SAS): This action settled for $586 million after years of litigation overseen by U.S. District Judge Shira Scheindlin. Mr. Kessler served on the plaintiffs' executive committee for the case, which was based upon the artificial inflation of stock prices during the dot-com boom of the late 1990s that led to the collapse of the technology stock market in 2000 that was related to allegations of laddering and excess commissions being paid for IPO allocations.

Mr. Kessler is also currently serving as one of the Firm's primary litigation partners in the Bank of America, Citigroup, Pfizer and Morgan Stanley securities litigation matters.

In addition, Mr. Kessler often lectures and writes on securities litigation related topics and has been recognized as "Litigator of the Week" by the American Lawyer magazine for his work in connection with the Lehman Brothers securities litigation matter in December of 2011. Most recently Mr. Kessler co-authored *The FindWhat.com Case: Acknowledging Policy Considerations When Deciding Issues of Causation in Securities Class Actions* published in Securities Litigation Report. Mr. Kessler also serves as a trustee for the Philadelphia Bar Foundation.

PETER ("Tad") H. LeVAN, Jr., a partner of the Firm, graduated with distinction from the University of Cincinnati College of Law, where he was a member of the *University of Cincinnati Law Review* and received the Awards for Excellence in Criminal Law and Conflicts of Law. Mr. LeVan received his undergraduate degree, cum laude and Phi Beta Kappa, from Miami University. Upon graduating from law school, Mr. LeVan served as judicial clerk to the Honorable John M. Manos of the United States District Court for the Northern District of Ohio. Mr. LeVan is licensed to practice law in Pennsylvania, New Jersey and Ohio. In addition, he is admitted to practice before the United States District Courts for the Eastern District of Pennsylvania, the Middle District of Pennsylvania, the District of New Jersey, and the Northern District of Ohio, as well as the United States Courts of Appeals for the Third, Sixth and Federal Circuits.

Mr. LeVan's practice focuses on ERISA and other complex litigation. A Fellow of the Academy of Advocacy at the Temple University School of Law, Mr. LeVan was the Recipient of the Equal Justice Award, given in recognition of his outstanding dedication and pro bono service to the cause of equal justice.

Prior to joining Kessler Topaz, Mr. LeVan was a shareholder at the law firm of Hangley Aronchick Segal & Pudlin, where he also served on the Firm's Board of Directors.

JOSEPH H. MELTZER, a partner of the Firm, concentrates his practice in the areas of ERISA, fiduciary and antitrust complex litigation.

Mr. Meltzer leads the Firm's Fiduciary Litigation Group which has excelled in the highly specialized area of prosecuting cases involving breach of fiduciary duty claims. Mr. Meltzer has served as lead or co-lead counsel in numerous nationwide class actions brought under ERISA, including cases against El Paso Corp., Global Crossing, AOL Time Warner, and National City Corp. Since founding the Fiduciary Litigation Group, Mr. Meltzer has helped recover well over $300 million for clients and class members including some of the largest settlements in ERISA fiduciary breach actions.

As part of his fiduciary litigation practice, Mr. Meltzer has been actively involved in actions related to losses sustained in securities lending programs including *Bd. of Trustees of the AFTRA Ret. Fund v. JPMorgan Chase Bank* and *CompSource Okla. v. BNY Mellon*; in addition, Mr. Meltzer is representing a publicly traded company in a large arbitration pending against AIG, Inc. related to securities lending losses. Mr. Meltzer also represents an institutional client in a fiduciary breach action against Wells Fargo for large losses sustained while Wachovia Bank and its subsidiaries, including Evergreen Investments, were managing the client's investment portfolio.

A frequent lecturer on ERISA litigation and employee benefits issues, Mr. Meltzer is a member of the ABA's Section Committee on Employee Benefits and has been recognized by numerous courts for his ability and expertise in this complex area of the law.

Mr. Meltzer also manages the Firm's Antitrust and Pharmaceutical Pricing Groups. Here, Mr. Meltzer focuses on helping clients that have been injured by anticompetitive and unlawful business practices, including with respect to overcharges related to prescription drug and other health care expenditures. Mr. Meltzer currently serves as co-lead counsel for direct purchasers in the *Flonase Antitrust Litigation* pending in the Eastern District of Pennsylvania and has served as lead or co-lead counsel in numerous nationwide actions, representing such clients as the Pennsylvania Turnpike Commission, the Southeastern Pennsylvania Transportation Authority (SEPTA) and the Sidney Hillman Health Center of Rochester. Mr. Meltzer also serves as a special assistant attorney general for the states of Montana, Utah and Alaska.

Mr. Meltzer lectures on issues related to antitrust litigation and is a member of the ABA's Section Committee on Antitrust Law.

Mr. Meltzer is an honors graduate of the University of Maryland and received his law degree with honors from Temple University School of Law. Honors include being named a Pennsylvania Super Lawyer.

PAUL B. MILCETIC, a partner of the Firm, concentrates his practice in the area of patent and intellectual property litigation. He earned his law degree from the Cornell Law School, received an LLM in trial advocacy from the Temple University School of Law and also holds a degree in Computer Science from Rutgers University, summa cum laude. He is licensed to practice law in Pennsylvania, New York and New Jersey.

Mr. Milcetic is currently co-chair of the Firm's intellectual property litigation department, and has been the lead trial lawyer on multiple patent litigations. In 2007, he achieved a $45 million patent infringement verdict as lead trial lawyer in *TruePosition v. Andrew Corp.* and in 2009 he successfully argued for a $20 million post verdict punitive damages award. He was quoted in the following articles that spotlighted some recent achievements: "Philadelphia Lawyers Win $45 Mil in Patent Case," The Legal Intelligencer, September 19, 2007 and "Cell Phone Co. Loses Gamble, Ordered to Pay $20 Mil. More in Damages,"

Delaware Law Weekly, May 20, 2009. According to Chambers USA 2010, clients say that Mr. Milcetic is "confident and assertive in the courtroom. According to his peers, he is a "solid all-rounder with exemplary judgment and a nice, low-key style" IAM 250 World's Leading Patent Litigators (2011)."

Mr. Milcetic is a frequent speaker on topics relating to intellectual property, and was recently interviewed by the Law Business Inside Radio Show. He is also the author of a book about standards related patent litigation that was published in January 2008 entitled "Technology Patent Infringement Case Strategies." In 2009-2011, Mr. Milcetic was named a Pennsylvania Superlawyer. He is also listed in the *Best Lawyers in America® 2012 Edition* and more recently he was named a fellow of the Litigation Counsel of America.

PETER A. MUHIC, a partner of the Firm, is a graduate of Syracuse University and an honors graduate of the Temple University School of Law, where he was Managing Editor of the Temple Law Review and a member of the Moot Court Board.

Mr. Muhic has substantial trial and other courtroom experience involving complex actions in federal and state courts throughout the country. In addition to his trial recoveries, he has obtained significant monetary awards and settlements through arbitrations and mediations. In 2009, Mr. Muhic was co-lead trial counsel in one of the few class action ERISA cases ever to be tried, which involved claims against the fiduciaries of the 401k plan of an S&P 500 company for imprudent investment in company stock and misrepresentations to plan participants. Mr. Muhic primarily prosecutes class actions and/or collective actions concerning ERISA, FLSA, FHA, ECOA and numerous state consumer protection statutes and laws. He has served as lead counsel in numerous nationwide actions. He is licensed to practice law in Pennsylvania and New Jersey and also is admitted to the United States Courts of Appeals for the Third, Fifth, Seventh and Ninth Circuits, the United States District Courts for the Eastern and Middle Districts of Pennsylvania, the District of New Jersey and the District of Colorado.

Mr. Muhic serves as a Judge Pro Tem for the Court of Common Pleas of Philadelphia County, is a former Board Member of the SeniorLAW Center in Philadelphia and a past recipient of the White Hat Award for outstanding pro bono contributions to the Legal Clinic for the Disabled, a nonprofit organization in Philadelphia.

MATTHEW L. MUSTOKOFF, a partner of the Firm, is an experienced securities, corporate governance and intellectual property litigator. He has represented clients at the trial and appellate level in numerous high-profile shareholder class actions and other litigations involving a wide array of matters, including financial fraud, market manipulation and mergers and acquisitions.

Mr. Mustokoff is currently prosecuting several nationwide securities cases including In re Citigroup Inc. Bond Litigation and In re Johnson & Johnson Securities Litigation. He was one of the lead trial lawyers for the shareholder class in the BankAtlantic Bancorp Inc. Securities Litigation which culminated in a five-week jury trial in Miami federal court and a historic verdict for investors. The jury found that BankAtlantic, its chief executive officer and chief financial officer made fraudulent statements to the investing public regarding the state of the bank's troubled real estate loan portfolio. The case marked the first securities fraud class action arising out of the financial crisis to be tried to verdict. On April 25, 2011, Judge Ungaro vacated the jury's verdict. The Firm is looking forward to a favorable review of the issues by the appellate court.

Mr. Mustokoff also concentrates his practice in patent litigation and is active in the Firm's prosecution of complex patent infringement and trade secret claims on behalf of individual inventors and corporations, spanning a wide range of technologies and industries.

Prior to joining the Firm, Mr. Mustokoff practiced at Weil, Gotshal & Manges LLP in New York, where he represented public companies and financial institutions in SEC enforcement and white collar criminal

matters, shareholder litigation and contested bankruptcy proceedings.

Mr. Mustokoff currently serves as Co-Chair of the American Bar Association's Subcommittee on Securities Class Actions and Derivative Litigation. He was a featured panelist at the ABA Section of Litigation's 2010 Annual Conference on the subject of internal investigations and has lectured on corporate governance issues at the Cardozo School of Law. His publications include: "The BankAtlantic Case: Jury Returns Securities Fraud Verdict in First Credit Crisis Trial," Securities Litigation Report (March 2011); "Statistical Significance, Materiality and the Duty to Disclose in Pharmaceutical Securities Fraud Class Actions," Securities Litigation Journal (Fall 2010); "Delaware and Insider Trading: The Chancery Court Rejects Federal Preemption Arguments of Corporate Directors," Securities Regulation Law Journal (Summer 2010); "The Pitfalls of Waiver in Corporate Prosecutions: Sharing Work Product with the Government and the Future of Non-Waiver Agreements," Securities Regulation Law Journal (Fall 2009); "Scheme Liability Under Rule 10b-5: The New Battleground in Securities Fraud Litigation," The Federal Lawyer (June 2006); "District Court Weighs Novel Theories of Rule 10b-5 Liability in Mutual Fund Market Timing Litigation," Securities Regulation Law Journal (Spring 2006); "Sovereign Immunity and the Crisis of Constitutional Absolutism: Interpreting the Eleventh Amendment After Alden v. Maine," Maine Law Review (2001).

Mr. Mustokoff is a Phi Beta Kappa honors graduate of Wesleyan University. He received his law degree from the Temple University School of Law, where he was the articles and commentary editor of the Temple Political and Civil Rights Law Review and the recipient of the Raynes, McCarty, Binder, Ross and Mundy Graduation Prize for scholarly achievement in the law.

Mr. Mustokoff is admitted to practice before the courts of New York State and Pennsylvania and the United States District Courts for the Southern and Eastern Districts of New York.

CHRISTOPHER L. NELSON, a partner of the Firm, received his law degree from Duke University School of Law in 2000, and his undergraduate degree in Business, Economics, and the Law from Washington University in St. Louis in 1997. Mr. Nelson concentrates his practice in the area of securities litigation.

Mr. Nelson has litigated in federal district and appellate courts across the country in numerous actions that have resulted in significant monetary recoveries, including: *Johnson v. Aljian et al.*, 394 F. Supp. 2d 1184 (C.D. Cal. 2004) (lead counsel, successfully argued opposition to defendants' motion to dismiss in insider trading case), 490 F.3d 778 (9th Cir. 2007) (successfully drafted and argued opposition to defendants' appeal before Ninth Circuit), cert. denied, 2008 U.S. LEXIS 2481 (U.S. Mar. 17, 2008). Class certified February 13, 2009, over defendants' opposition. $8.1 million recovery; *Safron Capital Corp. v. Leadis Tech., Inc.* (*In re Leadis Tech. Inc. Sec. Litig.*), No. 06-15623, 274 Fed. Appx. 540; 2008 U.S. App. LEXIS 8699 (9th Cir. 2008) (lead counsel, successfully appealed decision of District Court granting motion to dismiss, $4,200,000 recovery), cert. denied, 2009 U.S. LEXIS 1778 (U.S. Mar. 6, 2009); *Cent. Laborers Pension Fund v. Merix Corp.* (*In re Merix Corp. Sec. Litig.*), No. 06-35894, 275 Fed. Appx. 599; 2008 U.S. App. LEXIS 9073 (9th Cir. 2008) (lead counsel, successfully appealed decision of District Court granting motion to dismiss), cert. denied, 2008 U.S. LEXIS 9162 (U.S. Dec. 15, 2008); *Kaltman v. Key Energy Servs.* (*In re Key Energy Sec. Litig.*), 447 F. Supp. 2d 648 (W.D. Tex. 2006) (lead counsel, $15,425,000 recovery); *In re Martek Biosciences Sec. Litig.*, No. MJG-05-122 4 (D.Md. June 14, 2006) (co-lead counsel, $6,000,000 recovery); *Brody v. Zix. Corp.*, No. 3-04-CV-1931-K, 2006 U.S. Dist. LEXIS 69302 (N.D.Tex. Sept. 26, 2006) (co-lead counsel, $5,600,000 recovery); *In re NUI Sec. Litig.*, 314 F. Supp. 2d 388 (D.N.J. 2004) (lead counsel, $3,500,000 recovery).

Mr. Nelson is admitted to practice law in the Commonwealth of Pennsylvania, the Supreme Court of the United States, the United States Courts of Appeals for the Second, Third, Fourth, Fifth, Ninth, and Eleventh Circuits, and the United States District Court for the Eastern District of Pennsylvania.

SHARAN NIRMUL, a partner of the Firm, focuses on securities and corporate governance litigation. He has represented investors successfully in major securities fraud litigation including financial frauds involving Global Crossing Ltd, Qwest Communications International, WorldCom Inc., Delphi Corp., Marsh and McLennan Companies, Inc. and Able Laboratories. Mr. Nirmul has also represented shareholders in derivative and direct shareholder litigation in the Delaware Chancery Court and in other state courts around the country. Prior to joining the firm, Mr. Nirmul was associated with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A.

Sharan Nirmul received his law degree from The George Washington University Law School (J.D. 2001) where he served as an articles editor for the *Environmental Lawyer Journal* and was a member of the Moot Court Board. He was awarded the school's Lewis Memorial Award for excellence in clinical practice. He received his undergraduate degree from Cornell University (B.S. 1996).

Mr. Nirmul is admitted to practice law in the state courts of New York, New Jersey, Pennsylvania and Delaware and in the U.S. District Courts for the Southern District of New York, District of New Jersey, District of Delaware, and District of Colorado.

KAREN E. REILLY, a partner of the Firm, received her law degree from Pace University School of Law, where she was a member of the Moot Court Board and National Moot Court Team. Ms. Reilly received her undergraduate degree from the State University of New York College at Purchase. She is licensed to practice law in Pennsylvania, New Jersey, New York, Connecticut and Rhode Island, and has been admitted to practice before the United States District Courts for the Eastern District of Pennsylvania, District of New Jersey, Southern and Eastern Districts of New York, and the District of Connecticut. Prior to joining Kessler Topaz, Ms. Reilly practiced at Pelino & Lentz, P.C., in Philadelphia, where she litigated a broad range of complex commercial cases. Ms. Reilly concentrates her practice in the area of securities litigation.

In addition to actively litigating and assisting in achieving the historic Tyco settlement, Ms. Reilly has also assisted in achieving settlements in the following cases in which Kessler Topaz has served as lead or co-lead counsel: *In re Liberate Technologies Sec. Litig.*, No. C-02-5017 (N.D. Cal. 2005) (settled - $13.8 million); *In re Vodafone Group, PLC Sec. Litig.*, 02-CV-7592 (S.D.N.Y. 2002) (settled – $24.5 million); *In re Check Point Technologies Ltd. Sec. Litig.*, 03-CV-6594 (S.D.N.Y. 2003) (settled – $13 million); *In re Cornerstone Propane Partners LP Sec. Litig.*, 03-CV-2522 (N.D. Cal. 2003) (settled – $13.5 million); *In re CVS Corporation Sec. Litig.*, C.A. No. 01-11464 JLT (D.Mass. 2001) (settled – $110 million); and *In re ProQuest Company Sec. Litig.*, No. 2:06-CV-10619 (E.D. Mich. 2006) (settled - $20 million).

LEE D. RUDY, a partner of the Firm, manages the Firm's mergers and acquisition and shareholder derivative litigation. Representing both institutional and individual shareholders in these actions, he has helped cause significant monetary and corporate governance improvements for those companies and their shareholders. Most recently, Mr. Rudy served as co-lead trial counsel in the *In re Southern Peru* (Del. Ch. 2011) derivative litigation filed against Southern Peru's majority shareholder, which resulted in a landmark $1.3 billion plaintiff's verdict. Previously, Mr. Rudy served as lead counsel in dozens of high profile derivative actions relating to the "backdating" of stock options, including litigation against the directors and officers of Comverse, Affiliated Computer Services, and Monster Worldwide. Mr. Rudy has significant courtroom experience, both in trial and appellate courts across the country. Prior to civil practice, Mr. Rudy served for several years as an Assistant District Attorney in the Manhattan (NY) District Attorney's Office, and as an Assistant United States Attorney in the US Attorney's Office (DNJ). He received his law degree from Fordham University, and his undergraduate degree, cum laude, from the University of Pennsylvania.

BENJAMIN J. SWEET, a partner of the Firm, received his Juris Doctor, cum laude, from The Dickinson School of Law of the Pennsylvania State University, and his BA, cum laude, from the Schreyer Honors College of The Pennsylvania State University. While in law school, Mr. Sweet served as Articles

Editor of the *Dickinson Law Review*, and was also awarded Best Oral Advocate and Best Team in the ATLA Mock Trial Competition.

Mr. Sweet concentrates his practice exclusively in the area of securities litigation and has helped obtain significant recoveries on behalf of class members in several nationwide federal securities class actions, including *In re Tyco, Int'l Sec. Litig.*, No. 02-1335-B (D.N.H.) ($3.2 billion total recovery for class members), *In re CVS, Inc. Sec. Litig.*, No. 01-11464-JLT (D. Mass.) ($110 million recovery for class members), *In re PNC Fin. Svcs. Group Inc. Sec. Litig.*, No. 02-CV-271 (W.D. Pa.) ($39 million recovery for class members) *and In re Wireless Facilities, Inc. Sec. Litig.*, No. 04-cv-01589, (S.D. Ca.) ($12 million recovery for class members).

Mr. Sweet is currently serving as one of the litigating partners in several nationwide federal securities class actions, including *In re Pfizer Inc. Sec. Litig.*, No. 04-Civ 9866 (LTS) (S.D.N.Y.), In *re Thornburg Mortgage, Inc. Sec. Litig.*, 1:07-cv-00815-JB-WDS (D.N.M.), *In re Citigroup Inc. Bond Litigation*, No. 08-Civ-9522 (SHS), (S.D.N.Y.), *In re Wachovia Preferred Securities and Bond/Notes Litig.*, No. 09-Civ. 6351 (RJS), (S.D.N.Y.) and *In re NeuroMetrix Inc. Sec. Litig.*, No. 08-cv-10434-RWZ (D. Mass.).

Prior to joining Kessler Topaz, Mr. Sweet practiced with Reed Smith LLP in Pittsburgh, where he specialized in antitrust and complex civil litigation. Mr. Sweet is licensed to practice law in the Commonwealth of Pennsylvania, the United States District Court for the Western District of Pennsylvania, and the United States Courts of Appeals for the Second, Third and Ninth Circuits. Honors include being selected by his peers as a Pennsylvania Super Lawyers *Rising Star*, a distinction bestowed annually on no more than 2.5% of Pennsylvania lawyers under the age of 40.

MARC A. TOPAZ, a partner of the Firm, received his law degree from Temple University School of Law, where he was an editor of the *Temple Law Review* and a member of the Moot Court Honor Society. He also received his Master of Law (L.L.M.) in taxation from the New York University School of Law, where he served as an editor of the *New York University Tax Law Review*. He is licensed to practice law in Pennsylvania and New Jersey, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania. Mr. Topaz oversees the Firm's derivative, transactional and case development departments. In this regard, Mr. Topaz has been heavily involved in all of the Firm's cases related to the subprime mortgage crisis, including cases seeking recovery on behalf of shareholders in companies affected by the subprime crisis, as well as cases seeking recovery for 401K plan participants that have suffered losses in their retirement plans. Mr. Topaz has also played an instrumental role in the Firm's option backdating litigation. These cases, which are pled mainly as derivative claims or as securities law violations, have served as an important vehicle both for re-pricing erroneously issued options and providing for meaningful corporate governance changes. In his capacity as the Firm's department leader of case initiation and development, Mr. Topaz has been involved in many of the Firm's most prominent cases, including *In re Initial Public Offering Sec. Litig.*, Master File No. 21 MC 92(SAS) (S.D.N.Y. Dec. 12, 2002); *Wanstrath v. Doctor R. Crants, et al.*, No. 99-1719-111 (Tenn. Chan. Ct., 20th Judicial District, 1999); *In re Tyco International, Ltd. Sec. Lit.*, No. 02-1335-B (D.N.H. 2002) (settled — $3.2 billion); and virtually all of the 80 options backdating cases in which the Firm is serving as Lead or Co-Lead Counsel. Mr. Topaz has played an important role in the Firm's focus on remedying breaches of fiduciary duties by corporate officers and directors and improving corporate governance practices of corporate defendants.

MICHAEL C. WAGNER, a partner of the Firm, handles class-action merger litigation and shareholder derivative litigation for the Firm's individual and institutional clients.

A graduate of Franklin and Marshall College and the University of Pittsburgh School of Law, Mr. Wagner has clerked for two appellate court judges and began his career at a Philadelphia-based commercial litigation firm, representing clients in business and corporate disputes across the United States. Mr. Wagner has also represented Fortune 500 companies in employment matters. He has

extensive nationwide litigation experience and is admitted to practice in the courts of Pennsylvania, the United States Court of Appeals for the Third Circuit, and the United States District Courts for the Eastern and Western Districts of Pennsylvania, the Eastern District of Michigan, and the District of Colorado.

Frequently appearing in the Delaware Court of Chancery since joining Kessler Topaz, Mr. Wagner has helped to achieve substantial monetary recoveries for stockholders of public companies in cases arising from corporate mergers and acquisitions, including: In re Genentech, Inc. Shareholders Litigation, Consolidated C.A. No. 3911-VCS (Del. Ch.) (litigation caused Genentech's stockholders to receive $3.9 billion in additional merger consideration from Roche); In re Anheuser Busch Companies, Inc. Shareholders Litigation, C.A. No. 3851-VCP (Del. Ch.) (settlement required enhanced disclosures to stockholders and resulted in a $5 per share increase in the price paid by InBev in its acquisition of Anheuser-Busch); In re GSI Commerce, Inc. Shareholders Litigation, C.A. No. 6346-VCN (Del. Ch.) (settlement required additional $23.9 million to be paid to public stockholders as a part of the company's merger with eBay, Inc.); and In re AMICAS, Inc. Shareholder Litigation, 10-0412-BLS2 (Mass. Super.) (litigation resulted in a third-party acquisition of the company, with stockholders receiving an additional $26 million in merger consideration). Mr. Wagner was also a part of the team that prosecuted In re Southern Peru Copper Corp. Shareholder Derivative Litigation, C.A. No. 961-CS, which resulted in a $1.9 billion post-trial judgment.

Mr. Wagner has also had a lead role in litigation that resulted in enhanced shareholder rights and corporate reforms in merger contexts, including: In re Emulex Shareholder Litigation, Consolidated C.A. No. 4536-VCS (Del. Ch.) (litigation caused company to redeem "poison pill" stock plan and rescind supermajority bylaw); Solomon v. Take-Two Interactive Software, Inc., C.A. No. 3064-VCL (Del. Ch.) (settlement required substantial enhanced disclosures to stockholders regarding executive compensation matters in advance of director elections, and litigation caused company to redeem "poison pill" stock plan); and Olson v. ev3, Inc., C.A. No. 5583-VCL (Del. Ch.) (settlement required a merger's "top-up option" feature to be revised to as to comply with Delaware law).

In shareholder derivative cases involving executive compensation matters, Mr. Wagner has also had a lead role in cases that achieved substantial financial recoveries and reforms for publicly traded companies, such as In re KV Pharmaceutical Co., Inc., Derivative Litigation, Case No. 4:07-cv-00384-HEA (E.D. Mo.) (litigation caused executives to make financial remediation of approximately $3 million and resulted in enhanced internal controls at the company concerning financial reporting); In re Medarex, Inc. Derivative Litigation, Case No. MER-C-26-08 (N.J. Super.) (settlement resulted in approximately $9 million in financial remediation and substantial corporate governance reforms related to executive compensation); Harbor Police Retirement System v. Roberts, Cause No. 09-09061 (95th District Court, Dallas County, Texas) (settlement required substantial modifications to corporate policies, designed to heighten the independence of outside directors in awarding executive compensation); and In re Comverse Technologies, Inc. Derivative Litigation (Index No. 601272/06, N.Y. Supreme Ct.) (settlement required disgorgement of more than $60 million from the company's executive officers for their receipt of backdated stock options).

JOHNSTON de F. WHITMAN, JR., a partner of the Firm, focuses his practice on securities litigation. Mr. Whitman graduated cum laude from Colgate University. He received his law degree from Fordham University School of Law, where he was a member of the Fordham International Law Journal. He is licensed to practice in Pennsylvania and New York as well as before the United States Courts of Appeals for the Second and Fourth Circuits. Prior to joining the Firm, Mr. Whitman was a partner of Entwistle & Cappucci LLP in New York, where he also concentrated his practice on securities litigation.

Mr. Whitman has represented institutional investors in obtaining substantial recoveries in numerous securities fraud class actions, including *In re Royal Ahold Sec. Litig*, No. 03-md-01539 (D. Md. 2003) (settled -- $1.1 billion); *In re DaimlerChrysler AG Sec. Litig.*, No. 00-0993 (D. Del. 2000) (settled -- $300 million); and *In re Dollar General, Inc. Sec. Litig.*, No. 01-cv-0388 (M.D. Tenn. 2001) (settled $162

million). Mr. Whitman has also obtained favorable recoveries for institutional investors pursuing direct securities fraud claims, including cases against Qwest Communications International, Inc. and Merrill Lynch & Co., Inc.

ROBIN WINCHESTER, a partner of the Firm, received her Bachelor of Science degree in Finance from St. Joseph's University. Ms. Winchester then earned her Juris Doctor degree from Villanova University School of Law, and is licensed to practice law in Pennsylvania and New Jersey. After law school, Ms. Winchester served as a law clerk to the Honorable Robert F. Kelly in the United States District Court for the Eastern District of Pennsylvania.

After joining KTMC, Ms. Winchester concentrated her practice in the areas of securities litigation and lead plaintiff litigation. Presently, Ms. Winchester concentrates her practice in the area of shareholder derivative actions, and, most recently, has served as lead counsel in numerous high-profile derivative actions relating to the backdating of stock options, including *In re Eclipsys Corp. Derivative Litigation*, Case No. 07-80611-Civ-MIDDLEBROOKS (S.D. Fla.); *In re Juniper Derivative Actions,* Case No. 5:06-cv-3396-JW (N.D. Cal.); *In re McAfee Derivative Litigation,* Master File No. 5:06-cv-03484-JF (N.D. Cal.); *In re Quest Software, Inc. Derivative Litigation,* Consolidated Case No. 06CC00115 (Cal. Super. Ct., Orange County); and *In re Sigma Designs, Inc. Derivative Litigation,* Master File No. C-06-4460-RMW (N.D. Cal.). Settlements of these, and similar, actions have resulted in significant monetary returns and corporate governance improvements for those companies, which, in turn, greatly benefits their public shareholders.

MICHAEL K. YARNOFF, a partner of the Firm, received his law degree from Widener University School of Law. Mr. Yarnoff is licensed to practice law in Pennsylvania, New Jersey, and Delaware and has been admitted to practice before the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey. In addition to actively litigating and assisting in achieving the historic Tyco settlement, Mr. Yarnoff served as the primary litigating partner on behalf of Kessler Topaz in the following cases: *In re CVS Corporation Sec. Litig.*, C.A. No. 01-11464 JLT (D.Mass. 2001) (settled — $110 million); *In re Transkaryotic Therapies, Inc. Sec. Litig.*, Civil Action No. 03-10165-RWZ (D.Mass. 2003) (settled — $50 million); *In re Riverstone Networks, Inc. Sec. Litig.*, Case No. CV-02-3581 (N.D. Cal. 2002) (settled — $18.5 million); *In re Zale Corporation Sec. Litig.*, 06-CV-1470 (N.D. Tex. 2006) (settled — $5.9 million); *Gebhard v. ConAgra Foods Inc., et al.*, 04-CV-427 (D. Neb. 2004) (settled — $14 million); *Reynolds v. Repsol YPF, S.A., et al.,* 06-CV-733 (S.D.N.Y. 2006) (settled — $8 million); and *In re InfoSpace, Inc. Sec. Litig.*, 01-CV-913 (W.D. Wash. 2001) (settled — $34.3 million).

ERIC L. ZAGAR, a partner of the Firm, received his law degree from the University of Michigan Law School, cum laude, where he was an Associate Editor of the *Michigan Law Review.* He has practiced law in Pennsylvania since 1995, and previously served as a law clerk to Justice Sandra Schultz Newman of the Pennsylvania Supreme Court. He is admitted to practice in Pennsylvania, California, and New York.

In addition to his extensive options backdating practice, Mr. Zagar concentrates his practice in the area of shareholder derivative litigation. In this capacity, Mr. Zagar has served as Lead or Co-Lead counsel in numerous derivative actions in courts throughout the nation, including *David v. Wolfen*, Case No. 01-CC-03930 (Orange County, CA 2001) (Broadcom Corp. Derivative Action); and *In re Viacom, Inc. Shareholder Derivative Litig.*, Index No. 602527/05 (New York County, NY 2005). Mr. Zagar has successfully achieved significant monetary and corporate governance relief for the benefit of shareholders, and has extensive experience litigating matters involving Special Litigation Committees. Mr. Zagar is also a featured speaker at Kessler Topaz's annual symposium on corporate governance.

TERENCE S. ZIEGLER, a partner of the Firm, received his law degree from the Tulane University School of Law and received his undergraduate degree from Loyola University. He has concentrated a significant percentage of his practice to the investigation and prosecution of pharmaceutical antitrust

actions, medical device litigation, and related anticompetitive and unfair business practice claims. Specific examples include: *In re Flonase Antitrust Litigation; In re Wellbutrin SR Antitrust Litigation; In re Modafinil Antitrust Litigation; In re Guidant Corp. Implantable Defibrillators Products Liability Litigation* (against manufacturers of defective medical devices — pacemakers/implantable defibrillators — seeking costs of removal and replacement); and *In re Actiq Sales and Marketing Practices Litigation* (regarding drug manufacturer's unlawful marketing, sales and promotional activities for non-indicated and unapproved uses).

Mr. Ziegler is licensed to practice law in the State of Louisiana, and has been admitted to practice before several courts including the United States Court of Appeals for the Third Circuit.

ANDREW L. ZIVITZ, a partner of the Firm, received his law degree from Duke University School of Law, and received a Bachelor of Arts degree, with distinction, from the University of Michigan, Ann Arbor.

Mr. Zivitz concentrates his practice in the area of securities litigation. Mr. Zivitz has served as one of the litigating partners on the following settled matters in which Kessler Topaz was Lead or Co-Lead Counsel: *In re Tenet Healthcare Corp.*, 02-CV-8462 (C.D. Cal. 2002) (settled — $281.5 million); *In re Computer Associates Sec. Litig.*, No. 02-CV-122 6 (E.D.N.Y. 2002) (settled — $150 million); *In re McLeod USA Inc. Sec. Litig.*, No. C02-0001-MWB (N.D. Iowa 2002) (settled — $30 million); *In re Barrick Gold Sec. Litig.*, 03-cv-04302 (S.D.N.Y.2003) (settled — $24 million), *In re Friedman's, Inc. Sec. Litig.*, 03-CV-3475 (N.D. Ga. 2003) (settled — $14.95 million); *In re Check Point Technologies Ltd. Sec. Litig.*, 03-CV-6594 (S.D.N.Y. 2003) (settled — $13 million); *In re Avista Corporation Sec. Litig.*, 03-CV-328 (E.D. Wash. 2003) (settled — $9.5 million); and *In re Ligand Pharmaceuticals, Inc. Sec. Litig.*, 3:04 cv 01620 (S.D. Cal. 2004) (settled — $8 million).

Mr. Zivitz has litigated cases in federal district and appellate courts throughout the country, including two successful appeals before the United States Court of Appeals for the Ninth Circuit in *In re Merix Sec. Litig.*, 04-cv-00826 (D.Or. 2004) *and In re Leadis Sec. Litig.*, 05-cv-00882 (N.D.Ca. 2005).

Most recently, Mr. Zivitz served as one of the lead trial attorneys for the shareholder class in the *BankAtlantic Bancorp Inc. Securities Litigation*. Following a 4-week trial in the fall of 2010, a federal jury in Miami reached a verdict in the plaintiffs' favor, finding that BankAtlantic Bancorp, Inc. and two senior officers committed securities fraud by misrepresenting and failing to disclose the true risk in BankAtlantic's troubled real estate loan portfolio in 2007. The jury found that the fraud caused investors to overpay for BankAtlantic stock during the class period, resulting in millions of dollars in damages. This is the first securities class action case arising out of the financial crisis to proceed to jury verdict and only the 6th plaintiffs' verdict to be awarded by a jury since the 1995 enactment of the Private Securities Litigation Reform Act. **On April 25, 2011, the judge presiding over the trial, Judge Ursula Ungaro, vacated the jury's verdict on a discrete legal issue. Kessler Topaz has appealed the decision and is looking forward to a favorable review of the issue by the appellate court.**

Mr. Zivitz also lectures and serves on discussion panels concerning securities litigation matters. Mr. Zivitz recently was a faculty member at the Pennsylvania Bar Institute's workshop entitled, "Securities Liability in Turbulent Times: Practical Responses to a Changing Landscape."

ASSOCIATES AND OTHER PROFESSIONALS

JULES D. ALBERT, an associate of the Firm, concentrates his practice in mergers and acquisition litigation and stockholder derivative litigation. Mr. Albert is licensed to practice law in Pennsylvania, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Mr. Albert has litigated in state and federal courts across the country, and has represented stockholders in numerous actions that have resulted in significant monetary recoveries and corporate governance improvements, including: *In re Sunrise Senior Living, Inc. Deriv. Litig.*, No. 07-00143 (D.D.C.); *Mercier v. Whittle, et al.*, No. 2008-CP-23-8395 (S.C. Ct. Com. Pl., 13th Jud. Cir.); *In re K-V Pharmaceutical Co. Deriv. Litig.*, No. 06-00384 (E.D. Mo.); *In re Progress Software Corp. Deriv. Litig.*, No. SUCV2007-01937-BLS2 (Mass. Super. Ct., Suffolk Cty.); *In re Quest Software, Inc. Deriv. Litig.* No 06CC00115 (Cal. Super. Ct., Orange Cty.); and *Quaco v. Balakrishnan, et al.*, No. 06-2811 (N.D. Cal.).

Mr. Albert received his law degree from the University of Pennsylvania Law School, where he was a Senior Editor of the *University of Pennsylvania Journal of Labor and Employment Law* and recipient of the James Wilson Fellowship. Mr. Albert also received a Certificate of Study in Business and Public Policy from The Wharton School at the University of Pennsylvania. Mr. Albert graduated magna cum laude with a Bachelor of Arts in Political Science from Emory University.

STEFANIE ANDERSON, an associate in the Firm's Radnor office, received her law degree from Villanova University School of Law and her Bachelor of Arts degree from Bucknell University. While in law school, Ms. Anderson served as a judicial extern for The Honorable George A. Pagano of the Delaware County Court of Common Pleas. Ms. Anderson also participated in the Civil Justice Clinic, representing indigent clients in civil litigation matters.

Prior to joining Kessler Topaz, Ms. Anderson was a litigation associate at McCann & Geschke, P.C. in Philadelphia, PA. Ms. Anderson is licensed to practice in Pennsylvania and concentrates her practice in mergers and acquisitions litigation and shareholder derivative litigation.

ALI M. AUDI, a staff attorney of the Firm, received his law degree from The Pennsylvania State University, Dickinson School of Law, where he was a member of the Trial and Appellate Moot Court boards. He received his Bachelor of Arts in Journalism from The Pennsylvania State University. Mr. Audi is licensed to practice before the state courts of Pennsylvania and New Jersey, and the United States District Court for the District of New Jersey. He concentrates his practice in the area of securities litigation.

KRYSTN AVDOVIC, a staff attorney of the Firm, received her law degree from the University of Miami School of Law and her undergraduate degree in Political Science and Spanish, cum laude, from Mount Saint Mary's University.

Prior to joining Kessler Topaz, Ms. Avdovic practiced employment law and was in-house counsel at Philadelphia Corporation for Aging. Ms. Avdovic is licensed to practice law in Pennsylvania and Nevada and is admitted to practice in the United States District Court for the Eastern District of Pennsylvania. She now concentrates her practice in the area of securities litigation.

ADRIENNE BELL, an associate of the Firm, received her law degree from Brooklyn Law School and her undergraduate degree in Music Theory and Composition from New York University, where she graduated *magna cum laude*. Prior to joining the Firm, Ms. Bell practiced in the areas of mass tort, commercial and general liability litigation. Ms. Bell is licensed to practice in Pennsylvania and Nevada, and works in the Firm's case development department.

MATTHEW BENEDICT, a staff attorney of the Firm, concentrates his practice in the area of securities litigation. Prior to joining the firm, he worked as a staff attorney in the White Collar / Securities Litigation department at Dechert LLP. Mr. Benedict earned his law degree from Villanova University School of Law and his undergraduate degree from Haverford College. He is licensed to practice law in Pennsylvania and New Jersey.

RONALD W. BOAK, a staff attorney of the Firm, received his law degree from the University of Detroit School of Law. He is licensed to practice law in Pennsylvania and admitted to practice before the United States District Courts for the Eastern District of Pennsylvania. He holds a Masters of Science in Electrical Engineering and worked as an in-house expert for a Fortune 500 company prior to becoming a lawyer. He concentrates his practice at Kessler Topaz in the area of securities litigation.

Prior to joining Kessler Topaz, he worked as a staff attorney at Dechert, LLC in the White Collar and Securities Litigation group representing defendants in mass-tort litigation. He also worked at a Philadelphia boutique law firm specializing in products liability defense work and has represented clients in many state and Federal jurisdictions throughout the United States.

SHANNON O. BRADEN, an associate of the Firm, received her law degree from the University of Pittsburgh School of Law and her undergraduate degree in International Relations and French from Bucknell University. While a law student, Ms. Lack served as a judicial clerk for the Honorable Max Baer of the Supreme Court of Pennsylvania. She also served as a Managing Editor of the University of Pittsburgh *Journal of Law and Commerce*. Ms. Lack has authored "Civil Rights for Trafficked Persons: Recommendations for a More Effective Federal Civil Remedy," University of Pittsburgh School of Law, *Journal of Law and Commerce*, Vol. 26 (2007). Ms. Lack is licensed to practice law in Pennsylvania and New Jersey. She concentrates her practice in the areas of ERISA and consumer protection litigation.

SUZANNE M. BRUNEY, a staff attorney at the Firm, received her law degree from Villanova University School of Law. She received her Bachelor of Arts in Criminal Justice from Temple University in Philadelphia, Pennsylvania. Ms. Bruney is licensed to practice law in Pennsylvania, New Jersey and the United States Virgin Islands. She is admitted to the United States District Court for the District of New Jersey, the Eastern District of Pennsylvania and the District of the United States Virgin Islands.

Prior to joining Kessler Topaz, Ms. Bruney was an associate at Gollatz, Griffin & Ewing, P.C. in Philadelphia, Pennsylvania where she concentrated her practice on product liability and mass tort matters. Ms. Bruney also has experience representing regionally based chemical and pharmaceutical clients in defense of antitrust and other complex litigation matters as well as government investigations. She concentrates her practice at Kessler Topaz in the area of securities litigation.

BETHANY O'NEILL BYRNE, a staff attorney of the Firm, received her law degree from the Widener University School of Law in Delaware and her undergraduate degree from Villanova University. She is licensed to practice law in the Commonwealth of Pennsylvania and the State of New Jersey. Ms. Byrne concentrates her practice in the area of securities litigation.

ELIZABETH WATSON CALHOUN, a staff attorney of the Firm, focuses on securities litigation. She has represented investors in major securities fraud and has also represented shareholders in derivative and direct shareholder litigation. Prior to joining the Firm, Ms. Calhoun was employed with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A.

Ms. Calhoun received her law degree from Georgetown University Law Center (*cum laude*), where she served as Executive Editor of the Georgetown Journal of Gender and the Law. She received her undergraduate degree in Political Science from the University of Maine, Orono (*with high distinction*).

Ms. Calhoun is admitted to practice before the state court of Pennsylvania and the U.S. District Court for the Eastern District of Pennsylvania.

QUIANA CHAPMAN-SMITH, a staff attorney at the Firm, received her law degree from Temple University Beasley School of Law in Pennsylvania and her Bachelor of Science in Management and Organizations from The Pennsylvania State University. Prior to joining Kessler Topaz, she worked in

pharmaceutical litigation. She is licensed to practice law in the Commonwealth of Pennsylvania. Ms. Chapman-Smith concentrates her practice in the area of securities litigation.

MICHELLE A. COCCAGNA, an associate of the Firm, received her law degree from Villanova University School of Law in 2007 and her Bachelor of Science degree, magna cum laude, in Finance and International Business from Villanova University in 2004. She is licensed to practice law in Pennsylvania and New Jersey and has been admitted to practice before the United States District Court for the District of New Jersey and the United States District Court for the Eastern District of Pennsylvania. Prior to joining Kessler Topaz, Ms. Coccagna worked as in-house counsel for a financial services firm in New York City. She concentrates her practice in the areas of consumer protection and wage and hour litigation.

JASON CONWAY, a staff attorney of the Firm, received his law degree from the Queensland University of Technology, Australia in 2003, where he was published in the journal of the national plaintiff lawyers' association. While completing his studies, Mr. Conway clerked for a criminal defense firm where he participated in trials and related litigation.

Prior to joining Kessler Topaz, Mr. Conway worked with the Philadelphia law firm of Sheller, Ludwig & Badey, P.C., where he litigated complex class action matters, including tobacco, environmental and product liability cases. Mr. Conway is licensed to practice law in the State of New York and has been admitted to practice before the United States Court of Appeals for the 9th Circuit. Mr. Conway concentrates his practice in the area of FLSA and wage and hour litigation.

ALTHEA H. CRABTREE, a staff attorney of the Firm, received her law degree from the Temple University Beasley School of Law and earned her B.A. degree from Temple University where she majored in English. She is licensed to practice law in Pennsylvania and admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Prior to joining Kessler Topaz, Ms. Crabtree worked at the Philadelphia law firm Dechert LLP where she practiced in the areas of antitrust and white collar crime. She concentrates her practice at Kessler Topaz in securities litigation.

JOSHUA E. D'ANCONA, an associate of the Firm, received his J.D., magna cum laude, from the Temple University Beasley School of Law in 2007, where he served on the Temple Law Review and as president of the Moot Court Honors Society. Before joining the Firm in 2009, he served as a law clerk to the Honorable Cynthia M. Rufe of the United States District Court for the Eastern District of Pennsylvania. Mr. D'Ancona graduated with honors from Wesleyan University. He is licensed to practice in Pennsylvania and New Jersey, and practices in the securities litigation and lead plaintiff departments of the firm.

MARK S. DANEK, an associate of the Firm, received his undergraduate degree in Architecture from Temple University in 1996, and his law degree from Duquesne University School of Law in 1999. Prior to joining Kessler Topaz, Mr. Danek was employed as in-house counsel of a real estate investment trust corporation that specialized in the collection of delinquent property tax receivables. He is licensed to practice law in the Commonwealth of Pennsylvania and has been admitted to practice before the Courts of the Commonwealth of Pennsylvania, the United States District Court for the Western District of Pennsylvania and the Supreme Court of the United States of America. Mr. Danek concentrates his practice in the area of securities litigation.

JONATHAN R. DAVIDSON, an associate of the Firm, is a graduate of The George Washington University where he received his Bachelor of Arts, summa cum laude, in Political Communication. Mr. Davidson received his Juris Doctor and Dispute Resolution Certificate from Pepperdine University School of Law and is licensed to practice law in the state of California. Prior to joining the firm, Mr. Davidson served as In-House Counsel for a real estate development company in Los Angeles.

Mr. Davidson concentrates his practice at Kessler Topaz in the areas of shareholder litigation and institutional investor relations. He consults with Firm clients regarding their rights and responsibilities with respect to their investments and taking an active role in shareholder litigation. Mr. Davidson also assists clients in evaluating what systems they have in place to identify and monitor shareholder and consumer litigation that has an impact on their funds, and helps them assess the strength of such cases and to what extent they may be affected by the alleged misconduct. Mr. Davidson currently works with numerous U.S. institutional investors, including public pension systems at the state, county and municipal level, as well as Taft-Hartley funds across all trades. Mr. Davidson has also spoken on the subjects of shareholder litigation, corporate governance, investor activism and recovery of investment losses, and has written articles on these topics for various publications, most notably the International Foundation's Benefits Magazine.

RYAN T. DEGNAN, an associate of the Firm, received his law degree from Temple University Beasley School of Law in 2010, where he was a Notes and Comments Editor for the Temple Journal of Science, Technology & Environmental Law. Mr. Degnan earned his undergraduate degree in Biology from The Johns Hopkins University in 2004. While a law student, Mr. Degnan served as a Judicial Intern to the Honorable Gene E.K. Pratter of the United States District Court for the Eastern District of Pennsylvania. Mr. Degnan is licensed to practice in Pennsylvania and is a member of the Firm's lead plaintiff litigation practice group.

BENJAMIN J. DE GROOT, an associate of the Firm, received his law degree from Columbia Law School where he was a Stone Scholar. He earned his B.A., with honors, in Philosophy and German Studies from the University of Arizona. Mr. de Groot is licensed to practice law in Pennsylvania and New York.

Following a clerkship with Judge Robert W. Sweet of the Southern District of New York, Mr. de Groot practiced litigation as an associate at Cleary Gottlieb Steen and Hamilton, LLP in New York. Prior to joining Kessler Topaz, he helped found A.I.S.G., a startup security integration firm in New York. Mr. de Groot's practice is currently focused in the case development department and he assists with the Firm's litigation discovery.

SCOTT DePHILLIPS, a staff attorney at the Firm, received his law degree from Widener University School of Law in Delaware. While in law school, Mr. DePhillips participated in the Delaware Civil Clinic where he represented clients and appeared in Court on their behalf. After law school, Mr. DePhillips was an Associate with the law firm of Maron & Marvel in Wilmington, Delaware and Federman & Phelan in Philadelphia, Pennsylvania. He also represented clients throughout New Jersey in Municipal Court. Mr. DePhillips holds a Master's degree in Public Administration from American University in Washington, D.C. and a Bachelor's degree in English from Seton Hall University. He attended The Washington Center in Washington, D.C. as well, where he met with foreign dignitaries, members of Congress and government officials. Mr. DePhillips is licensed to practice law in the Commonwealth of Pennsylvania and New Jersey. He concentrates his practice in the area of securities litigation.

DONNA EAGLESON, a staff attorney of the Firm, received her law degree from the University of Dayton School of Law in Dayton, Ohio. Prior to joining Kessler Topaz, Ms. Eagleson worked as an attorney in the law enforcement field, and practiced insurance defense law with the Philadelphia firm Margolis Edelstein. Ms. Eagleson is licensed to practice law in Pennsylvania and concentrates in the area of securities litigation discovery matters.

JENNIFER L. ENCK, an associate of the Firm, received her law degree, cum laude, from Syracuse University College of Law in 2003 and her undergraduate degree in International Politics from The

Pennsylvania State University in 1999. Ms. Enck also received a Masters degree in International Relations from Syracuse University's Maxwell School of Citizenship and Public Affairs.

Prior to joining Kessler Topaz, Ms. Enck was an associate with Spector, Roseman & Kodroff, P.C. in Philadelphia, where she worked on a number of complex antitrust, securities and consumer protection cases. Ms. Enck is licensed to practice law in Pennsylvania. She concentrates her practice in the areas of securities litigation and settlement matters.

TRICIA G. FERGUSON, a staff attorney at the Firm, received her law degree from Villanova University School of Law and her undergraduate degree in Political Science and Government from University of Pittsburgh.

Ms. Ferguson is licensed to practice law in the Commonwealth of Pennsylvania and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania. She concentrates her practice in the area of securities litigation.

KIMBERLY V. GAMBLE, a staff attorney at the Firm, received her law degree from Widener University, School of Law in Wilmington, DE. While in law school she was a CASA/Youth Advocates volunteer and had internships with the Delaware County Public Defender's Office as well as The Honorable Judge Ann Osborne in Media, Pennsylvania. She received her Bachelor of Arts degree in Sociology from The Pennsylvania State University.

Prior to joining Kessler Topaz, she worked in pharmaceutical litigation and now concentrates her practice in the area of securities litigation. Ms. Gamble is licensed to practice law in the Commonwealth of Pennsylvania.

WARREN GASKILL, a staff attorney at the Firm, received his law degree from the Widener University School of Law, Wilmington, DE and his undergraduate degree from Rutgers, the State University of New Jersey, New Brunswick, NJ. Immediately following law school, Mr. Gaskill served as a law clerk for The Honorable Valerie H. Armstrong, A.J.S.C., New Jersey Superior Court, in Atlantic City, NJ. Prior to joining Kessler Topaz, Mr. Gaskill was an associate at the Atlantic City, NJ based law firm of Cooper, Levenson, April, Neidelman, and Wagenheim PA. Mr. Gaskill concentrates in the area of securities law and is admitted to bar in Pennsylvania, New Jersey and the U.S. District Court, District of New Jersey.

SATI GIBSON, a staff attorney at the Firm, received her law degree from Boston College Law School and her undergraduate degree in Political Science from Oberlin College. Ms. Gibson is licensed to practice law in Pennsylvania and is admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Prior to joining Kessler Topaz, Ms. Gibson worked as a staff attorney at Legal Aid of Southeastern Pennsylvania, representing the senior population in a variety of cases, including bankruptcy and guardianship matters. She now concentrates her practice at Kessler Topaz in the area of securities litigation.

TYLER S. GRADEN, an associate of the Firm, received undergraduate degrees in Economics and International Relations, cum laude, from American University, and his Juris Doctor degree, cum laude, from Temple Law School. Mr. Graden is licensed to practice law in Pennsylvania and New Jersey. In addition, he is admitted to practice before the United States District Courts for the Eastern District of Pennsylvania, the Western District of Pennsylvania, and the District of New Jersey. Mr. Graden concentrates his practice in the areas of ERISA, employment law and consumer protection litigation.

Prior to joining Kessler Topaz, Mr. Graden practiced with the Philadelphia law firm Conrad O'Brien where he litigated various complex commercial matters. Mr. Graden also has experience working in the legal department of a Fortune 500 company and prosecuting criminal matters on behalf of the Philadelphia District Attorney's Office. Prior to attending law school, Mr. Graden served as an investigator at the Equal Employment Opportunity Commission, where he investigated and resolved individual and systemic claims of employment discrimination.

JOHN J. GROSS, an associate of the Firm, received his law degree from Widener University School of Law, and his undergraduate degree from Temple University. Mr. Gross is licensed to practice law in Pennsylvania, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania, the Second Circuit Court of Appeals, the Ninth Circuit Court of Appeals and the United States Supreme Court. Mr. Gross concentrates his practice in the area of securities litigation.

MARK K. GYANDOH, an associate of the Firm, received his undergraduate degree from Haverford College and his law degree from Temple University School of Law. While attending law school, Mr. Gyandoh served as the research editor for the *Temple International and Comparative Law Journal*. He also interned as a judicial clerk for the Honorable Dolores K. Sloviter of the U.S. Court of Appeals for the Third Circuit and the Honorable Jerome B. Simandle of the U.S. District Court for New Jersey.

After graduating from law school Mr. Gyandoh was employed as a judicial clerk for the Honorable Dennis Braithwaite of the Superior Court of New Jersey Appellate Division. Mr. Gyandoh is the author of "Foreign Evidence Gathering: What Obstacles Stand in the Way of Justice?" 15 Temp. Int'l & Comp. L.J. (2001) and "Incorporating the Principle of Co-Equal Branches into the European Constitution: Lessons to Be Learned from the United States" found in *Redefining Europe* (2005).

Mr. Gyandoh is licensed to practice in New Jersey and Pennsylvania and concentrates in the area of ERISA, antitrust and consumer protection. Mr. Gyandoh litigates ERISA fiduciary breach class actions across the country and was recently part of one of the few trial teams that have ever tried a "company stock" imprudent investment case to verdict in *Brieger et al. v. Tellabs, Inc.*, No. 06-CV-01882 (N.D. Ill.).

LIGAYA T. HERNANDEZ, an associate of the Firm, received her J.D. and a Health Law Certificate from Loyola University Chicago. While in law school she served as Senior Editor for the *Annals of Health Law Journal*, received the CALI Award for highest grade in Appellate Advocacy, and was on the Dean's List. Ms. Hernandez also served as a judicial extern for the Honorable Mary Anne Mason of the Circuit Court of Cook County, Illinois.

Ms. Hernandez received a Master in Health Services Administration in Health Policy from The George Washington University and a Bachelor of Science degree in Biology from the University of Pittsburgh. She is licensed to practice law in Pennsylvania and New Jersey and is admitted to practice before the United States District Court for the Eastern District of Pennsylvania and the United States District Court for the District of New Jersey. Ms. Hernandez concentrates her practice in the areas of mergers and acquisitions and shareholder derivative actions.

SUFEI HU, a staff attorney of the Firm, received her J.D. from Villanova University School of Law, where she was a member of the Moot Court Board. Prior to joining the Firm, Ms. Hu worked in pharmaceutical, anti-trust, and securities law. Ms. Hu received her undergraduate degree from Haverford College in Political Science, with honors. She is licensed to practice law in Pennsylvania and New Jersey, and is admitted to the United States District Court of the Eastern District of Pennsylvania. She concentrates her practice in the area of securities litigation.

SAMANTHA E. JONES, an associate of the Firm, received her Juris Doctor from Temple University Beasley School of Law in 2011. While at Temple, Ms. Jones was the president of the Moot Court Honor

Society and a member of Temple's Trial Team. Upon graduating from Temple, Ms. Jones was awarded the Philadelphia Trial Lawyers Association James A. Manderino Award. Ms. Jones received her undergraduate degrees in Political Science and Spanish from The Pennsylvania State University in 2007. Ms. Jones is licensed to practice in Pennsylvania and New Jersey. She concentrates her practice in the ERISA department of the Firm.

JENNIFER L. JOOST, an associate in the Firm's San Francisco office, received her law degree, cum laude, from Temple University Beasley School of Law, where she was the Special Projects Editor for the *Temple International and Comparative Law Journal.* Ms. Joost earned her undergraduate degree in History, with honors, from Washington University in St. Louis in 2003. She is licensed to practice in Pennsylvania and New Jersey and admitted to practice before the United States Courts of Appeals for the Second, Fourth, Ninth, and Eleventh Circuits, and the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey. She concentrates her practice at Kessler Topaz in the area of securities litigation.

Ms. Joost has served as an associate on the following matters: *In re Wireless Facilities, Inc.*, No. 04-CV-1589-JAH (NLS) (S.D. Cal.) and *In re ProQuest Inc. Securities Litigation*, No. 2:06-cv-10619 (E.D. Mich.). Additionally, she is currently serving as an associate on the following matters: *In re UBS AG Securities Litigation*, No. 1:07-cv-11225-RJS, currently pending in the United States District Court for the Southern District of New York; *Luther, et al. v. Countrywide Financial Corp.*, No. BC 380698, currently pending in the Superior Court of the State of California, County of Los Angeles; and *In re Citigroup, Inc. Bond Litig.*, No. 08 Civ. 9522 (SHS), currently pending in the United States District Court for the Southern District of New York.

STACEY KAPLAN, an associate in the Firm's San Francisco office, received her Bachelor of Business Administration from the University of Notre Dame in 2002, with majors in Finance and Philosophy. Ms. Kaplan received her J.D. from the University of California at Los Angeles School of Law in 2005.

During law school, Ms. Kaplan served as a Judicial Extern to the Honorable Terry J. Hatter, Jr., United States District Court, Central District of California. Prior to joining the firm, Ms. Kaplan was an associate with Robbins Geller Rudman & Dowd LLP in San Diego, California.

Ms. Kaplan concentrates her practice on prosecuting securities class actions. She is admitted to the California Bar and is licensed to practice in all California state courts, as well as the United States District Courts for the Northern and Central Districts of California.

D. SEAMUS KASKELA, an associate of the Firm, received his B.S. in Sociology from Saint Joseph's University, his M.B.A. from The Pennsylvania State University, and his law degree from Rutgers School of Law – Camden. Mr. Kaskela is licensed to practice law in Pennsylvania and New Jersey, and is admitted to practice before the United States District Court for the Eastern District of Pennsylvania and the United States District Court for the District of New Jersey. Mr. Kaskela works in the Firm's case development department.

MATTHEW R. KAUFMANN, a staff attorney of the Firm, received his JD/MBA from Temple University's Beasley School of Law and Fox School of Business, where he won the Terrence H. Klasky Memorial Award for outstanding achievement in banking, negotiable instrument, and consumer protection law. Mr. Kaufmann received his Bachelor of Science in Mathematics and Economics from Duke University. He is licensed to practice law in Pennsylvania, and concentrates his practice in the area of securities litigation.

JOHN Q. KERRIGAN, an associate of the Firm, received his J.D. in 2007 from the Temple University Beasley School of Law. Before joining the firm in 2009, he was an associate in the litigation department of Curtin and Heefner LLP in Morrisville, Pennsylvania. Mr. Kerrigan graduated Phi Beta Kappa from

Johns Hopkins University and received an MA in English from Georgetown University. He is licensed to practice law in Pennsylvania and New Jersey and concentrates his practice in the areas of mergers and acquisitions and shareholder derivative actions.

RICHARD KIM, an associate in the Firm's Radnor office, received his undergraduate degree from Bucknell University, with a major in Finance. Mr. Kim received both his J.D. and M.B.A. from Rutgers School of Law – Camden.

During law school, Mr. Kim interned with the U.S. Securities and Exchange Commission's Philadelphia Regional Office. Following law school, he served as a law clerk to the Honorable Robert J. Mellon of the Court of Common Pleas, Bucks County, PA. Prior to joining the firm, Mr. Kim was a litigation associate with a Philadelphia, PA based firm.

Mr. Kim concentrates his practice on mergers and acquisition litigation and shareholder derivative litigation. He is admitted to practice law in both Pennsylvania and New Jersey.

MEREDITH LAMBERT, an associate of the Firm, received her law degree in 2010 from Temple University Beasley School of Law, where she was an Associate Editor for the Temple International and Comparative Law Journal. Ms. Lambert earned a Bachelors of Arts degree in History and a Certificate of Proficiency in Spanish Language and Culture from Princeton University in 2006. While a law student, Ms. Lambert served as Judicial Extern to the Honorable Judge Leonard P. Stark of the U.S. District Court for the District of Delaware. Ms. Lambert is licensed to practice in Pennsylvania and concentrates her practice in the area of securities litigation.

SETH A. LINEHAN, a staff attorney of the Firm, received his law degree from the Widener University School of Law. Mr. Linehan received his Bachelor of Arts degree, magna cum laude, from Rider University. He served as law clerk to the Honorable Stephen B. Rubin, J.S.C., in both Somerset and Hunterdon Counties in New Jersey. Mr. Linehan is licensed to practice law in Pennsylvania and New Jersey and is admitted to practice before the United States District Court, District of New Jersey. He concentrates his practice in the area of securities litigation.

DAN A. LOVIN, a staff attorney of the Firm, received his law degree from Widener University School of Law in 2006. He received his undergraduate degree from Bucknell University.

Mr. Lovin is licensed to practice law in the Commonwealth of Pennsylvania, the State of New Jersey, and the United States District Court for the State of New Jersey. His concentration of practice is in securities litigation.

JAMES A. MARO, JR., an associate of the Firm, received his law degree from the Villanova University School of Law. He received a B.A. in Political Science from the Johns Hopkins University. Mr. Maro is licensed to practice law in Commonwealth of Pennsylvania and New Jersey. He is admitted to practice in the United States Court of Appeals for the Third Circuit and the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey.

Mr. Maro concentrates his practice in the Firm's case development department. He also has experience in the areas of consumer protection, ERISA, mergers and acquisitions, and shareholder derivative actions.

KATRICE TAYLOR MATHURIN, a staff attorney of the Firm, received her law degree from the University of Richmond School of Law. She received her undergraduate degree from The Johns Hopkins University. During law school, Ms. Mathurin practiced as an intern in the office of the United States Attorney for the Eastern District of Virginia, where she represented the United States in matters before the District Court. She also practiced in the University of Richmond Children's Law Center Disability Clinic. Prior to joining Kessler Topaz, Ms. Mathurin practiced in the areas of real estate and construction

litigation. Ms. Mathurin is licensed to practice law in Pennsylvania and concentrates in the area of securities litigation.

PATRICK J. MATTUCCI, a staff attorney at the Firm, received his law degree from the University of Pennsylvania Law School, and his undergraduate degree in History from Yale University. Mr. Mattucci is licensed to practice law in Pennsylvania, and concentrates his practice in the area of securities litigation.

NICHELLE D. MAULTSBY-WILEY, a staff attorney of the Firm, received her law degree from Villanova University School of Law, where she was a member of the Mock Trial Team. While a law student, Ms. Maultsby-Wiley served as a Judicial Extern to the Honorable J. Curtis Joyner of the United States District Court for the Eastern District of Pennsylvania. She received her Bachelor of Arts in Criminology and Criminal Justice from the University of Maryland-College Park.

Prior to joining Kessler Topaz, Ms. Maultsby-Wiley was a project attorney at Pepper Hamilton LLP in Philadelphia, where she worked in the health effects litigation practice group. Ms. Maultsby-Wiley is licensed to practice law in Pennsylvania and now concentrates her practice in the area of securities litigation.

THOMAS S. MELLON, a staff attorney at the Firm, received his law degree from Vermont Law School, cum laude. He received his Bachelor of Arts in History from Ohio Wesleyan University. Mr. Mellon is licensed to practice in Pennsylvania, and has been admitted to practice before the United States District Courts for the Eastern District and Middle District of Pennsylvania and the District of New Jersey as well as the U.S. Court of Appeals for the Third Circuit. He concentrates his practice in the area of securities litigation.

Prior to joining the Firm, Mr. Mellon practiced in the area of insurance defense litigation, with emphasis on general and professional liability, product liability, subrogation and coverage, representing individuals and businesses in both state and federal court.

DAVID E. MILLER, a staff attorney of the Firm, received his law degree from the Villanova School of Law, where he was an Associate Editor of the Villanova Sports and Entertainment Journal. Mr. Miller received his undergraduate degree, from Franklin and Marshall College, with a B.A. in Biological Foundations of Behavior, with a concentration in Neuroscience. Prior to joining Kessler Topaz, he worked in both pharmaceutical and construction litigation.

Mr. Miller is licensed to practice law in the Commonwealth of Pennsylvania and the State of New Jersey, and concentrates his practice in mergers and acquisition litigation and stockholder derivative litigation.

JAMES H. MILLER, an associate of the Firm, received his J.D. in 2005 from Villanova University School of Law, where he was enrolled in Villanova University's JD/MBA program. Mr. Miller received his Master of Business Administration from Villanova University in 2005, and received his Bachelor of Chemical Engineering from Villanova University in 2002. Mr. Miller is licensed to practice law in Pennsylvania and concentrates his practice in the areas of mergers and acquisitions and shareholder derivative actions.

CASANDRA A. MURPHY, an associate of the Firm, received her law degree from Widener University School of Law and her undergraduate from Gettysburg College. Prior to joining Kessler Topaz, Ms. Murphy was an associate at Post & Schell, P.C. where she practiced general casualty litigation. Ms. Murphy is licensed to practice in Pennsylvania and New Jersey, and has been admitted to practice before the United State District Court for the Eastern District of Pennsylvania. Ms. Murphy has lectured for the Pennsylvania Bar Institute and the Philadelphia Judicial Conference. She concentrates her practice in the areas of consumer protection, ERISA, pharmaceutical pricing and antitrust litigation.

MICHELLE M. NEWCOMER, an associate of the Firm, received her law degree from Villanova University School of Law in 2005. Ms. Newcomer received her undergraduate degrees in Finance and Art History from Loyola College in Maryland in 2002. Throughout her legal career, Ms. Newcomer has concentrated her practice in the area of securities litigation, representing individual and institutional investors and helping them to recover millions against corporate and executive defendants for violations of the federal securities laws. In this respect, Ms. Newcomer helped secure the following recoveries for investors: *In re Tenet Healthcare Corp. Sec. Litig.*, No. 02-8462 (C.D. Cal.) (settled – $281.5 million); *In re Acclaim Entertainment, Inc. Sec. Litig.*, No. 2:03-CV-1270 (JS) (ETB) (E.D.N.Y.) (settled – $13.65 million); *In re Zale Corp. Sec. Litig.*, No. 3:06-CV-01470-N (settled – $5.9 million); and *In re Leadis Tech., Inc. Sec. Litig.*, No. C-05-0882-CRB (N.D. Cal.) (settled – $4.2 million). Ms. Newcomer is also currently involved in several high profile securities fraud suits, including: *In re Lehman Brothers Sec. & ERISA Litig.*, No. 09 MD 2017 (LAK) (S.D.N.Y.) and *In re SemGroup Energy Partners, L.P. Sec. Litig.*, No. 08-MD-1989-GFK-FHM (N.D. Olka.).

Ms. Newcomer is licensed to practice law in the Commonwealth of Pennsylvania and the State of New Jersey and has been admitted to practice before the Supreme Court of the United States, the United States Court of Appeals for the Ninth and Tenth Circuits, and the United States District Court for the District of New Jersey.

MARGARET E. ONASCH, an associate of the Firm, received her law degree, cum laude, from Temple University Beasley School of Law. While at Temple, Ms. Onasch was a Beasley Scholar and a staff editor for the Temple Journal of Science, Technology, and Environmental Law. Ms. Onasch earned her undergraduate degree with honors in Sociology and Spanish from Franklin and Marshall College in 2007. During law school, Ms. Onasch served as a judicial Intern to the Honorable Glynnis D. Hill of the Philadelphia Court of Common Pleas. Ms. Onasch is licensed to practice in Pennsylvania and New Jersey. She concentrates her practice in the area of securities litigation.

WILLIAM F. O'SHEA, III, a staff attorney of the Firm, received his law degree from the Villanova University School of Law in 1998 and received his undergraduate degree in English from Villanova University in 1991. During law school, Mr. O'Shea was a member of the Northeast Regional Champion team in the Philip C. Jessup International Moot Court Competition.

Prior to joining the Firm, Mr. O'Shea practiced in the areas of commercial litigation and business transactions, representing a broad range of clients, including individuals, entrepreneurs, financial institutions, Fortune 500 corporations and major league sports teams, and has experience dealing with various municipal, state, federal and international governmental entities and regulatory agencies. Mr. O'Shea is licensed to practice law in Pennsylvania and New Jersey, and has been admitted to practice before the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey. Mr. O'Shea concentrates his practice in the area of securities litigation.

TINU OSINUPEBI, a staff attorney at the Firm, received her law degree from Temple University Beasley School of Law as well as a LLM in Taxation. While a law student, Ms. Osinupebi served as a judicial clerk to the Honorable Sandy LV Bryd and the Honorable Lydia Kirkland both of the First Judicial District Court of Pennsylvania. She received her Bachelor of Arts in Environmental Science and Policy with a minor in Geology, from Duke University.

Prior to joining Kessler Topaz, Ms. Osinupebi was a project attorney at Pepper Hamilton LLP in Philadelphia, where she worked in the pharmaceutical products liability litigation practice group. Ms. Osinupebi is licensed to practice law in Pennsylvania and New Jersey and concentrates her practice in the area of securities litigation.

JENNA M. PELLECCHIA, an associate of the Firm, received her law degree, cum laude, from Villanova University School of Law in 2010 and her undergraduate degrees in Physics and Mathematics

from Duke University in 2007. Ms. Pellecchia is licensed to practice law in Pennsylvania and New Jersey. She concentrates her practice in the areas of Intellectual Property law and Patent Litigation.

ERIK PETERSON, an associate in the Firm's San Francisco office, received his Bachelor of Arts from James Madison University and his Master of Public Administration, concentrating in public finance, with honors, from the University of Kentucky. Mr. Peterson graduated cum laude from the University of Kentucky College of Law, where he was Editor-in-Chief of the *Journal of Natural Resources and Environmental Law.* There he received the CALI Award in Federal Taxation and authored Navigating the Waters of Informational Standing in *American Canoe Ass'n, Inc. v. City of Louisa,* 20 J. Nat. Resources & Envtl. L. 291 (2006).

During law school, Mr. Peterson served as Judicial Intern to United States District Court Judge T.S. Ellis, III, Eastern District of Virginia. Following law school, Mr. Peterson served as Law Clerk to United States District Court Judge Gregory F. Van Tatenhove, Eastern District of Kentucky. Prior to joining the firm, Mr. Peterson was associated with Coughlin Stoia Geller Rudman & Robbins LLP in San Diego, California.

Mr. Peterson concentrates his practice on prosecuting securities class actions. He is licensed to practice in California and Kentucky and is admitted to practice before all United States District Courts in California, as well as the United States Court of Appeals for the Sixth Circuit, and is also a member of the Firm's lead plaintiff litigation practice group.

ALESSANDRA C. PHILLIPS, an associate of the Firm, focuses on securities litigation. She has represented investors in major securities fraud litigation including financial frauds involving Alstom SA, Bank of America, and Medtronic, Inc. Ms. Phillips has also represented shareholders in derivative and direct shareholder litigation in the Delaware Court of Chancery and in other state courts around the country. Prior to joining the firm, Ms. Phillips was associated with the Wilmington, Delaware law firm of Grant & Eisenhofer, P.A.

Ms. Phillips received her law degree from the Temple University Beasley School of Law, where she served as treasurer for the Moot Court Honor Society and was a member of Temple's National Trial Team. She was awarded the school's Victor A. Jaczun Award for Excellence in Trial Advocacy. She received her undergraduate degree in Humanities from Yale University in 1996, with distinction in the major.

Ms. Phillips is admitted to practice before the state courts of Pennsylvania, Delaware, and New Jersey, and in the U.S. District Courts for the Eastern District of Pennsylvania and the District of New Jersey.

TIMM O. PHOEBE, a staff attorney at the Firm, received his law degree from Duquesne University in Pittsburgh, PA and his undergraduate degree from the University of Pittsburgh. Mr. Phoebe is licensed to practice law in the Commonwealth of Pennsylvania and is admitted to practice before the U.S. District Court for the Western District of Pennsylvania and the United States Court of Appeals for the Eleventh Circuit.

Mr. Phoebe's previous experience includes litigation practice for special counsel to American Nuclear Insurers representing nuclear utilities across the nation in claims based upon allegations of injuries arising from exposure to ionizing radiation. Mr. Phoebe has participated in the litigation of many high profile cases including *In Re Three Mile Island*, 67 F.3d 1103 (3rd. Cir. 1995), *O'Connor v. Commonwealth Edison*, 13 F.3d 1090 (7th Cir. 1994), *Landry v. Florida Power & Light*, 998 F. 2d 1021 (11th Cir. 1993), and *Whiting v. Boston Edison Co.*, 891 F. Supp. 12 (Dist. Court, D. Massachusetts 1995). Mr. Phoebe has had further experience in criminal litigation, having been an Assistant Public Defender in Chester County, PA.

Prior to his law career, Mr. Phoebe worked for the nuclear industry in reactor operations and health physics. He is a veteran of both the U.S. Navy and Army.

R. MATTHEW PLONA, a staff attorney at the Firm, received his law degree from Villanova University School of Law, where he was Student Editor of the Journal of Law and Investment Management. Mr. Plona received his Bachelor of Arts degree, cum laude, from John Carroll University. He holds a Master's degree in Urban Affairs from St. Louis University and a Master's degree in City Planning from the University of Pennsylvania. Prior to joining Kessler Topaz he worked in complex civil litigation at Kline & Specter and as a sole practitioner. He is licensed to practice law in Pennsylvania and New Jersey and before the United States District Court for the District of New Jersey and the Eastern District of Pennsylvania. Mr. Plona concentrates his practice in the area of securities litigation.

JUSTIN O. RELIFORD, an associate of the Firm, concentrates his practice on mergers and acquisition litigation and shareholder derivative litigation. Mr. Reliford graduated from the University of Pennsylvania Law School in 2007. While earning his J.D., Mr. Reliford was a member of the University of Pennsylvania Mock Trial Team and a member of the Keedy Cup Moot Court Board. Mr. Reliford received his B.A. from Williams College in 2003, majoring in Psychology with a concentration in Leadership Studies. Prior to joining the firm, Mr. Reliford was an associate in the labor and employment practice group of Morgan Lewis & Bockius, LLP. There, Mr. Reliford concentrated his practice on employee benefits, fiduciary, and workplace discrimination litigation. Mr. Reliford has extensive experience representing clients in connection with nationwide class and collective actions.

Mr. Reliford is a member of the Pennsylvania and New Jersey bars, and he is admitted to practice in the Third Circuit Court of Appeals, the Eastern District of Pennsylvania, and the District of New Jersey.

C. PATRICK RENEGAR, a staff attorney at the Firm, received his law degree from Widener University School of Law in Wilmington, Delaware. Mr. Renegar received his Bachelor of Arts degree in Political Science from Widener University in Chester, Pennsylvania. Prior to joining Kessler Topaz, he worked in pharmaceutical and securities litigation.

Mr. Renegar is licensed to practice Law in the Commonwealth of Pennsylvania and the State of New Jersey. Mr. Renegar concentrates his practice in the area of securities litigation.

KRISTEN L. ROSS, an associate of the Firm, concentrates her practice in shareholder derivative actions. Ms. Ross received her J.D., with honors, from the George Washington University Law School, and B.A., *magna cum laude*, from Saint Joseph's University, with a major in Economics and minors in International Relations and Business.

Ms. Ross is licensed to practice law in Pennsylvania and New Jersey, and has been admitted to practice before the United States District Courts for the District of New Jersey and the Eastern District of Pennsylvania. Prior to joining Kessler Topaz, Ms. Ross was an associate at Ballard Spahr LLP, where she focused her practice in commercial litigation, particularly foreclosure and bankruptcy proceedings. She also has experience in commercial real estate transactions. During law school, Ms. Ross served as an intern with the United States Attorney's Office for the Eastern District of Pennsylvania.

ALLYSON M. ROSSEEL, a staff attorney of the Firm, received her law degree from Widener University School of Law. She earned her B.A. in Political Science from Widener University and is licensed to practice law in Pennsylvania and New Jersey.

Prior to joining the Firm, Ms. Rosseel was employed as general counsel for a boutique insurance consultancy/brokerage focused on life insurance sales, premium finance and structured settlements. She concentrates her practice at Kessler Topaz in the area of securities litigation.

RICHARD A. RUSSO, JR., an associate of the Firm, received his J.D. from the Temple University Beasley School of Law, cum laude, where he was a member of the *Temple Law Review*. Mr. Russo received his Bachelor of Science in Business Administration, cum laude, from Villanova University. He is licensed to practice law in Pennsylvania and New Jersey, and concentrates his practice in the area of securities litigation.

JOSHUA C. SCHUMACHER, an associate of the Firm, received his undergraduate degree in Politics & Government from George Mason University, and his Juris Doctor degree, cum laude, from Case Western Reserve University. Mr. Schumacher concentrates his practice in the areas of ERISA and consumer protection litigation.

Prior to joining Kessler Topaz, Mr. Schumacher practiced with the Philadelphia law firms of Berger & Montague, P.C. and Duane Morris LLP, where he litigated numerous individual and class cases on behalf of major institutional and corporate clients. Mr. Schumacher is admitted to practice law in the Commonwealth of Pennsylvania and before the United States District Court for the Eastern District of Pennsylvania, and has been admitted *pro hac vice* before numerous other state and federal courts.

Mr. Schumacher has litigated numerous successful actions involving significant recoveries on behalf of aggrieved individuals and investors, including *In re CIGNA Corp. Securities Litigation* ($93M recovery), *In re Sepracor Securities Litigation* ($52.5M recovery) and *Ginsburg v. Philadelphia Stock Exchange, Inc.* ($99M recovery). Mr. Schumacher has also represented a large state government in various civil enforcement proceedings against predatory and so-called "pay day" lenders. In addition, Mr. Schumacher has represented several Fortune 500 companies in wide reaching federal and state litigation, including federal multi-district litigation, employer non-compete clauses, and trademark infringement issues.

KARIN BALTIMORE SCHWEIGER, a staff attorney of the Firm, received her law degree from Widener University School of Law in Delaware. She received her undergraduate degree from Ithaca College and her Master's degree from Syracuse University's Newhouse School of Communications. Prior to joining Kessler Topaz, Ms. Schweiger was a project attorney at Aetna Inc., where she worked in the litigation department.

Ms. Schweiger is licensed to practice law in the Commonwealth of Pennsylvania and the State of Maryland. She concentrates her practice in the areas of shareholder derivative actions and mergers and acquisitions.

TRACEY A. SHREVE, a staff attorney of the Firm, earned her Economics degree from Syracuse University where she was recognized as an International Scholar. Ms. Shreve received her law degree from California Western School of Law and was a member of the Pro Bono Honor Society. She is licensed to practice law in Pennsylvania and has been admitted to practice before the United States Supreme Court. Prior to joining Kessler Topaz, Ms. Shreve worked at a boutique litigation firm located in Center City Philadelphia, and worked as an Assistant Public Defender in Lehigh County. She now concentrates her practice in the area of ERISA and consumer rights.

JULIE SIEBERT-JOHNSON, an associate of the Firm, received her law degree from Villanova University School of Law in 2008. She graduated cum laude from the University of Pennsylvania in 2003. Ms. Siebert-Johnson is licensed to practice law in Pennsylvania and New Jersey. She concentrates her practice in the area of ERISA and consumer protection litigation.

CATHLEEN R. SMITH, a staff attorney of the Firm, received her law degree from Emory University, where she served as a Managing Editor on the Emory International Law Review. She earned her B.S. degree, cum laude, in International Business with minors in Spanish and Law & Justice from The College of New Jersey.

As a law student, Ms. Smith completed internships for the U.S. Attorney's Office for the Middle District of Florida, the Philadelphia District Attorney's Office and the Federal Aviation Administration. She was awarded a Commendation for Excellence for her performance during Emory's award-winning Trial Techniques program.

Prior to joining Kessler Topaz, Ms. Smith was a Staff Attorney at Dechert, LLP in Philadelphia, where she practiced in the areas of anti-trust, white collar crime and products liability. Ms. Smith is licensed to practice law in Pennsylvania and New Jersey. She concentrates her practice at Kessler Topaz in securities litigation.

IOANA A. STANESCU, a staff attorney in the Firm's San Francisco office, received her law degree from the University of San Francisco School of Law. She received her Bachelor of Science in Economics from Duke University. Ms. Stanescu is licensed to practice law in California and concentrates her practice in the area of securities litigation.

JULIE SWERDLOFF, a staff attorney of the Firm, received her undergraduate degree in Real Estate and Business Law from The Pennsylvania State University and received her law degree from Widener University School of Law. While attending law school, she interned as a judicial clerk for the Honorable James R. Melinson of the United States District Court for the Eastern District of Pennsylvania. She is licensed to practice law in Pennsylvania and New Jersey and has been admitted to practice before the United States District Courts for the Eastern District of Pennsylvania and the District of New Jersey.

Prior to joining Kessler Topaz, Ms. Swerdloff managed environmental claims litigation for a Philadelphia-based insurance company and prior to that was an associate at a general practice firm in Montgomery County, PA. At Kessler Topaz, she has been involved in the Firm's derivative and securities class action cases, including the historic Tyco case (*In re Tyco International, Ltd. Sec. Lit.*, No. 02-1335-B (D.N.H. 2002) (settled -- $3.2 billion)) and many options backdating cases. Currently she concentrates her practice in federal and state wage and hour litigation.

ALEXANDRA H. TOMICH, a staff attorney of the Firm, received her law degree from Temple Law School and her undergraduate degree, from Columbia University, with a B.A. in English. She is licensed to practice law in Pennsylvania.

Prior to joining Kessler Topaz, she worked as an associate at Trujillo, Rodriguez, and Richards, LLC in Philadelphia. Ms. Tomich volunteers as an advocate for children through the Support Center for Child Advocates in Philadelphia and at Philadelphia VIP. She concentrates her practice in the area of securities litigation.

AMANDA R. TRASK, an associate of the Firm, received her law degree from Harvard Law School and her undergraduate degree, cum laude, from Bryn Mawr College, with honors in Anthropology. She is licensed to practice law in Pennsylvania and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania.

Prior to joining Kessler Topaz, she worked as an associate at a Philadelphia law firm where she represented defendants in consumer product litigation. Ms. Trask has served as an advocate for children with disabilities and their parents and taught special education law. She currently serves on the Board of the Bryn Mawr College Club of Philadelphia. She concentrates her practice in the areas of ERISA, consumer protection and stockholder derivative actions.

MEGHAN L. WARD, a staff attorney of the Firm, received her law degree from the Widener University School of Law in Delaware and her undergraduate degree in International Affairs from The George Washington University, in Washington, D.C.

Ms. Ward is licensed to practice law in the Commonwealth of Pennsylvania and the State of New Jersey. She concentrates her practice in the area of securities litigation.

JASON M. WARE, a staff attorney at the Firm, received his law degree from Villanova University School of Law. He received his Bachelor of Arts in English from Millersville University. Mr. Ware is licensed to practice law in the Commonwealth of Pennsylvania.

Prior to joining the Firm, Mr. Ware was a Legal Coordinator in the Jackson Cross Partners Advisory Services Group. He was responsible for the legal and title review of commercial real estate portfolios and abstraction of commercial leases. With the Firm, Mr. Ware concentrates his practice in the area of securities litigation.

ZAKIYA WASHINGTON, a staff attorney at the Firm, received her law degree from Temple University Beasley School of Law in Pennsylvania and her Bachelor of Science degree in Entrepreneurship from Hampton University in Virginia. Prior to joining Kessler Topaz, she worked in pharmaceutical and anti-trust litigation. She is licensed to practice law in the Commonwealth of Pennsylvania. Ms. Washington concentrates her practice in the area of securities litigation.

DAVID F. WATKINS JR., a staff attorney of the Firm, received his law degree, with honors, from Rutgers University School of Law-Camden, where he served as Business Editor of the Rutgers Journal of Law and Urban Policy. Mr. Watkins received his Bachelor of Science in Finance from West Chester University of Pennsylvania.

Prior to joining Kessler Topaz, Mr. Watkins worked at a Philadelphia area law firm where he represented Fortune 100 and regionally based clients in United States District Courts across the country in connection with commercial transportation matters. He also worked at a boutique Philadelphia law firm where he practiced in the areas of antitrust and other complex litigation.

Mr. Watkins is admitted to practice law in Pennsylvania and New Jersey, and has been admitted to practice before the United States District Court for the Eastern District of Pennsylvania and the United States District Court for the District of New Jersey. He concentrates his practice at Kessler Topaz in the area of securities litigation.

KURT WEILER, a staff attorney of the Firm, received his law degree from Duquesne University School of Law, where he was a member of the Moot Court Board and McArdle Wall Honoree. He received his undergraduate degree from the University of Pennsylvania.

Prior to joining Kessler Topaz, Mr. Weiler was associate corporate counsel for a Philadelphia-based mortgage company, where he specialized in the area of foreclosures and bankruptcy. Mr. Weiler is licensed to practice law in Pennsylvania and currently concentrates his practice in the area of securities litigation.

ERIC K. YOUNG, a staff attorney of the Firm, received his law degree, magna cum laude, from New York Law School where he served as a member of the New York Law School Law Review. He earned his B.A. degree, cum laude, from Hofstra University where he majored in Film Studies and Production. He is licensed to practice law in the Commonwealth of Pennsylvania.

Prior to joining Kessler Topaz, Mr. Young was a Staff Attorney at the Philadelphia law firm Dechert LLP where he practiced in the areas of antitrust and white collar crime. He concentrates his practice at Kessler Topaz in securities litigation.

DIANA J. ZINSER, a staff attorney of the Firm, received her J.D. from Temple University Beasley School of Law in 2006. She received her B.A., *cum laude*, in political science with a minor in economics from Saint Joseph's University in 2003 and was a member of the Phi Beta Kappa honor society.

Prior to joining the firm, Ms. Zinser was a project attorney at Pepper Hamilton LLP in Philadelphia, where she worked in the health effects litigation practice group. Ms. Zinser is licensed to practice law in Pennsylvania, and concentrates her practice in the area of consumer protection, ERISA, pharmaceutical pricing and antitrust litigation.

OF COUNSEL

DONNA SIEGEL MOFFA, Of Counsel to the Firm, received her law degree, with honors, from Georgetown University Law Center in May 1982. She received her undergraduate degree, cum laude, from Mount Holyoke College in Massachusetts. Ms. Siegel Moffa is admitted to practice before the Third Circuit Court of Appeals, the United States Courts for the District of New Jersey and the District of Columbia, as well as the Supreme Court of New Jersey and the District of Columbia Court of Appeals. Prior to joining the firm, Ms. Siegel Moffa was a member of the law firm of Trujillo, Rodriguez & Richards, LLC, where she litigated, and served as co-lead counsel, in complex class actions arising under federal and state consumer protection statutes, lending laws and laws governing contracts and employee compensation. Prior to entering private practice, Ms. Siegel Moffa worked at both the Federal Energy Regulatory Commission (FERC) and the Federal Trade Commission (FTC). At the FTC, she prosecuted cases involving allegations of deceptive and unsubstantiated advertising. In addition, both at FERC and the FTC, Ms. Siegel Moffa was involved in a wide range of administrative and regulatory issues including labeling and marketing claims, compliance, FOIA and disclosure obligations, employment matters, licensing and rulemaking proceedings.

Ms. Siegel Moffa continues to concentrate her practice in the area of consumer protection litigation. She served as co-lead counsel for the class in *Robinson v. Thorn Americas, Inc.*, L-03697-94 (Law Div. 1995), a case that resulted in a significant monetary recovery for consumers and changes to rent-to-own contracts in New Jersey. Ms. Siegel Moffa was also counsel in *Muhammad v. County Bank of Rehoboth Beach, Delaware,* 189 N.J. 1 (2006), U.S. Sup. Ct. cert. denied, 127 S. Ct. 2032(2007), in which the New Jersey Supreme Court struck a class action ban in a consumer arbitration contract. She has served as class counsel representing consumers pressing TILA claims, e.g. *Cannon v. Cherry Hill Toyota, Inc.,* 184 F.R.D. 540 (D.N.J. 1999), and *Dal Ponte v. Am. Mortg. Express Corp.*, CV- 04-2152 (D.N.J. 2006), and has pursued a wide variety of claims that impact consumers and individuals including those involving predatory and sub-prime lending, mandatory arbitration clauses, price fixing, improper medical billing practices, the marketing of light cigarettes and employee compensation. Ms. Siegel Moffa's practice has involved significant appellate work representing individuals, classes, and non-profit organizations participating as amicus curiae, such as the National Consumer Law Center and the AARP. In addition, Ms. Siegel Moffa has regularly addressed consumer protection and litigation issues in presentations to organizations and professional associations. Ms. Siegel Moffa is a member of the Pennsylvania Bar Association, the New Jersey State Bar Association, the Camden County Bar Association, the District of Columbia Bar Association, the National Association of Consumer Advocates and the Public Justice Foundation.

CONSULTANTS

PETER KRANEVELD, an advisor to the Firm, works with Kessler Topaz to analyze and evaluate corporate governance issues, shareholder rights and activism and how these fit into the interests of the Firm's large international client base of pension funds and other institutional investors. An economist by training, Mr. Kraneveld has a long history of working with pension funds and other institutional shareholders. He recently completed an eight year stint working with Dutch pension fund PGGM, a

public pension fund for the healthcare sector in the Netherlands, and one of the largest pension funds in Europe. Mr. Kraneveld's last three years at PGGM were spent as a Special Advisor for International Affairs where his main responsibilities included setting up a network among national and international lobbying organizations, domestic and foreign pension funds and international civil servants and using it to promote the interests of the pension fund industry. Mr. Kraneveld served as Chief Economist for PGGM's Investments Directorate from 1999 until 2004 where his accomplishments included the Tactical Asset Allocation process and designing alternative scenarios for Asset Liability Management. Prior to his work with PGGM, Mr. Kraneveld worked with the Organisation for Economic Co-operation and Development (OECD) and the Dutch Ministry of Economic Affairs.

DAVID RABBINER serves as Kessler Topaz's Director of Investigative Services and leads investigations necessary to further and strengthen the Firm's class action litigation efforts. Although his investigative services are primarily devoted to securities matters, Mr. Rabbiner routinely provides litigation support, conducts due diligence, and lends general investigative expertise and assistance to the Firm's other class action practice areas. Mr. Rabbiner plays an integral role on the Firm's legal team, providing critical investigative services to obtain evidence and information to help ensure a successful litigation outcome. Before joining Kessler Topaz, Mr. Rabbiner enjoyed a broad based, successful career as an FBI Special Agent, including service as an Assistant Special Agent in Charge, overseeing multiple criminal programs, in one of the Bureau's largest field offices. He holds an A.B. in English Language and Literature from the University of Michigan and a Juris Doctor from the University of Miami School of Law.

Exhibit 7C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF JONATHAN K. LEVINE IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF GIRARD GIBBS LLP

Jonathan K. Levine, declares as follows:

1. I am a member of the law firm of Girard Gibbs LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents Mohan Ananda, Richard Barrett, Neel Duncan, Nick Fotinos, Stephen Gott, Karim Kano, Barbara Moskowitz, Ronald Profili, Lawrence Rose, Joe Rottman, Grace Wang, Miriam Wolf, Fred Mandell, Roy Wiegert and proposed intervenor Joseph Humble, acted as one of plaintiffs' counsel in the Action and as a member of the Executive Committee designated by the Court. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed in connection with the claims asserted against the officer and director defendants at the direction or with the permission of the Executive Committee and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes serving as a member of the Executive Committee designated by the Court, researching and drafting portions of the Second and Third Amended Class Action Complaints, researching and drafting oppositions to defendants' motions to dismiss the Second and Third Amended Class Action Complaints, preparing for and attending Court hearings, preparing for and attending settlement mediations, editing settlement documents and conferring with experts about the plan of allocation, and conferring with lead counsel on strategy, scheduling, discovery and settlement.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action against the officer and director defendants, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended litigating this Action against the officer and director defendants by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012 is

373.54. The total lodestar for that work is $247,074.10, consisting of $244,454.10 for attorneys' time and $2,620.00 for professional support staff time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $5,107.35 in unreimbursed expenses in connection with the work performed litigating this Action against the officer and director defendants at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 2, 2012.

Jonathan K. Levine

Exhibit 1

EXHIBIT 1

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

GIRARD GIBBS LLP

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Daniel C. Girard	149.33	$795.00	$118,717.35
Jonathan K. Levine	119.50	$645.00	$77,077.50
Amanda Steiner	42.76	$595.00	$25,442.20
Associates			
Dena Sharp	36.97	$485.00	$17,930.45
Regina A. Sandler	11.88	$445.00	$5,286.60
Professional Support Staff			
David P. Willard	13.10	$200.00	$2,620.00
TOTAL LODESTAR	**373.54**		**$247,074.10**

Exhibit 2

EXHIBIT 2

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

GIRARD GIBBS LLP

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
Court Fees	
Service of Process	
On-Line Legal Research*	
On-Line Factual Research*	
Document Management/Litigation Support	
Telephones/Faxes	
Postage & Express Mail	
Hand Delivery Charges	
Internal Copying	
Outside Copying	
Out of Town Travel	$4,403.42
Local Transportation	$388.00
Working Meals	$315.93
Court Reporters and Transcripts	
Special Publications	
Staff Overtime	
Investigators	
Experts	
Mediation Fees	
Contributions to Plaintiffs' Litigation Fund	
TOTAL EXPENSES:	$5,107.35

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF JAMES J. SABELLA IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF GRANT & EISENHOFER P.A.

JAMES J. SABELLA hereby declares as follows:

1. I am a director of the law firm of Grant & Eisenhofer P.A. ("G&E"). I have been a member of the Bar of this Court for nearly 35 years. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which is co-counsel to plaintiff Belmont Holdings Corp., acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes principally research and drafting portions of plaintiffs' brief in opposition to Defendants'

motions to dismiss; drafting portions of the amended complaint; and review and coding of documents produced by defendants and others.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012 is 4,141.10. The total lodestar for that work is $1,427,257.00, consisting of $1,424,540.00 for attorneys' time and $2,717.00 for professional support staff time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $89,480.74 in unreimbursed expenses in connection with the work performed at the

direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on February 28, 2012.

JAMES J. SABELLA

Exhibit 1

EXHIBIT 1

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

GRANT & EISENHOFER P.A.

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Directors			
James J. Sabella	116.00	$850.00	$98,600.00
Keith Fleischman	35.50	795.00	28,222.50
Counsel/Associates/Staff Attorneys			
Deborah Elman	50.90	595.00	30,285.50
David Straite	20.90	450.00	9,405.00
Jim Cavanaugh	500.30	380.00	190,114.00
Lawrence Kempner	447.70	380.00	170,126.00
Matthew Rieder	114.40	380.00	43,472.00
Edward Lilly	316.00	325.00	102,700.00
Lisa Grumbine	526.90	325.00	171,242.50
Simona Bonifacic	779.70	325.00	253,402.50
Kerry Dustin	430.00	290.00	124,700.00
Katie Anderson	205.80	275.00	56,595.00
Kimberly B. Schwartz	582.70	250.00	145,675.00
Professional Support Staff			
Beatrice Smith	14.30	190.00	2,717.00
TOTAL LODESTAR	4,141.10		$1,427,257.00

Exhibit 2

EXHIBIT 2

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

GRANT & EISENHOFER P.A.

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
Court Fees	
Service of Process	
On-Line Legal Research*	$19,429.19
On-Line Factual Research*	
Document Management/Litigation Support	
Telephones/Faxes	$7.40
Postage & Express Mail	$71.45
Hand Delivery Charges	
Internal Copying	$13,972.70
Outside Copying	
Out of Town Travel	
Local Transportation	
Working Meals	
Court Reporters and Transcripts	
Special Publications	
Staff Overtime	
Investigators	
Experts	
Mediation Fees	
Contributions to Plaintiffs' Litigation Fund	$56,000.00
TOTAL EXPENSES:	$89,480.74

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF MARK A. STRAUSS, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF KIRBY McINERNEY LLP

MARK A. STRAUSS, declares as follows:

1. I am a member of the law firm of Kirby McInerney LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents plaintiffs Ann Lee and Michael Karfunkel, acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class included extensive discovery-related document review and analysis at the direction of the Executive Committee.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

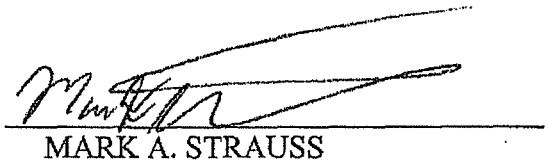
6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012 is 4,692.50. The total lodestar for that work is $1,694,625.00, consisting of $1,683,431.25 for attorneys' time and $11,193.75 for professional support staff time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $110,714.88 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on February 29, 2012.



MARK A. STRAUSS

Exhibit 1

EXHIBIT 1

In re Lehman Brothers Equity/Debt Securities Litigation

08-CV-5523-LAK

KIRBY McINERNEY LLP

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Dan Hume	10.00	$ 700	$ 7,000.00
Mark Strauss	38.75	600	23,250.00
Of Counsel			
James Carroll	152.75	525	80,193.75
Henry Telias	15.50	600	9,300.00
Attorneys			
Kathryn Allen	75.00	350	26,250.00
Carissa Beene	230.50	325	74,912.50
Bradley Bush	230.25	400	92,100.00
Stephen Christy	331.25	325	107,656.25
Ravinder Deol	20.00	375	7,500.00
Morgan Faber	56.75	400	22,700.00
Jason Forgey	41.00	425	17,425.00
Elizabeth Graham	132.00	450	59,400.00
James Hill	686.50	300	205,950.00
Rob Hill	207.00	500	103,500.00
Nancy Hull	271.50	325	88,237.50
Nyla Kazi	42.00	325	13,650.00
Amy Oakden	46.25	425	19,656.25
Surya Palaniappan*	14.00	200	2,800.00
Surya Palaniappan**	5.00	325	1,625.00
Brett Parker	350.50	325	113,912.50
Deep Patel	360.75	400	144,300.00
Jennifer Sharp	475.00	425	201,875.00
Jason Waltrip	48.25	350	16,887.50
Michael Warden	374.50	350	131,075.00
Kelly Wise	374.25	300	112,275.00
Professional Support Staff			
Stacey Edmonds	62.50	65	4,062.50
Erin O'Balle	40.75	175	7,131.25
TOTAL LODESTAR	**4,692.50**		**$1,694,625.00**

* Pre-admission

** Post-admission

Exhibit 2

EXHIBIT 2

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

KIRBY McINERNEY LLP

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
On-Line Legal Research*	$ 25.04
On-Line Factual Research*	45.20
Telephones/Faxes	333.67
FedEx/Express Mail	169.67
Court Reporters and Transcripts	141.30
Contributions to Plaintiffs' Litigation Fund	110,000.00
TOTAL EXPENSES:	**$ 110,714.88**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7F

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF JONATHAN GARDNER IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF LABATON SUCHAROW LLP

JONATHAN GARDNER, declares as follows:

1. I am a member of the law firm of Labaton Sucharow LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents Lead Plaintiff the City of Edinburgh Council as Administering Authority of the Lothian Pension Fund ("Lothian"), acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair as well as for services provided to our client for which we had the prior approval of the Executive Committee and/or its Chair.[1]

[1] As detailed below, we have included time and expenses for work performed in representing Lothian during the lead plaintiff process and in litigating the Action once Lothian was appointed as a Lead Plaintiff which were incurred prior to the formation of the Executive Committee in January 2009. This work was performed at the direction of or with the permission of Kessler Topaz Meltzer & Check LLP ("Kessler Topaz") – one of the Court appointed Lead Counsel in this Action.

3. Specifically, the work performed by my firm for the benefit of the class includes, among other things, researching and investigating the claims and defenses, participating in the drafting of complaints, opposing motions to dismiss, obtaining discovery and reviewing and analyzing document productions, and participating in numerous conferences with Lead Counsel and other plaintiffs' counsel. Additionally, the following services were provided by my firm with respect to our client, Lead Plaintiff Lothian, with the prior approval of the Executive Committee and/or its Chair: consulting, communicating and strategizing with Lothian via telephone, email and in-person meetings concerning the Action; analyzing damages; and advising and obtaining Lothian's authority on issues related to efforts to settle the Action.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012 is 9,446.0. The total lodestar for that work is

$3,968,044.00, consisting of $3,893,532.50 for attorneys' time and $74,511.50 for professional support staff time.

7. The total lodestar for my firm includes 374.4 hours, with a lodestar value of $238,783.50, related to work performed at the direction of and in conjunction with Lead Counsel, Kessler Topaz, to have Lothian appointed a lead plaintiff and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

8. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

9. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $44,278.19 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012.

10. These unreimbursed expenses include $6,327.26 incurred in connection with Lothian's motion to be appointed lead plaintiff and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

11. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 5, 2012.

JONATHAN GARDNER

Exhibit 1

EXHIBIT 1

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

LABATON SUCHAROW LLP

TIME REPORT

From inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Dubbs, T.	18.3	$975.00	$17,842.50
Keller, C.	70.7	$850.00	$60,095.00
Belfi, E.	78.7	$775.00	$60,992.50
Gardner, J.	266.0	$750.00	$199,500.00
Of Counsel			
Scarlato, P.	186.2	$650.00	$121,030.00
Goldman, M.	11.6	$650.00	$7,540.00
Penny, B.	44.0	$595.00	$26,180.00
Associates			
Villegas, C.	77.1	$650.00	$50,115.00
Nguyen, A.	212.5	$600.00	$127,500.00
Ellman, A.	18.7	$600.00	$11,220.00
Hallowell, S.	17.3	$600.00	$10,380.00
Smith, P.	158.0	$575.00	$90,850.00
Martin, C.	52.0	$575.00	$29,900.00
Cividini, D.	17.7	$525.00	9,292.50
Sontag, M.	837.2	$425.00	$355,810.00
Quiles, T.	824.2	$425.00	$350,285.00
George, L.	644.7	$425.00	$273,997.50
Ladson, E.	311.4	$425.00	$132,345.00
Allan, A.	736.2	$400.00	$294,480.00
Hirsh, J.	641.9	$400.00	$256,760.00
Zaneski, A.	553.4	$400.00	$221,360.00
Kennedy, A.	546.1	$400.00	$218,440.00
Hawkins, D.	143.0	$400.00	$57,200.00
Donnelly, C.	618.6	$350.00	$216,510.00
Lee, L.	544.5	$350.00	$190,575.00
Gianturco, D.	164.0	$350.00	$57,400.00

NAME	HOURS	HOURLY RATE	LODESTAR
Schraier, S.	484.3	$325.00	$157,397.50
Shrem, E.	417.7	$325.00	$135,752.50
Tindall, A.	405.6	$300.00	$121,680.00
Pasarell, R.	56.6	$275.00	$15,565.00
Winterstein, B.	56.5	$275.00	$15,537.50
Professional Support Staff			
Ching, N.	29.0	$405.00	$11,745.00
Goldberg, H.	20.0	$350.00	$7,000.00
Malonzo, F.	54.7	$335.00	$18,324.50
McKenzie, D.	58.0	$300.00	$17,400.00
Chianelli, T.	18.7	$295.00	$5,516.50
Benitez, N.	16.1	$295.00	$4,749.50
Capuozzo, C.	20.6	$285.00	$5,871.00
Chan, C.	14.2	$275.00	$3,905.00
TOTAL LODESTAR	**9,446.0**		**$3,968,044.00**

Exhibit 2

EXHIBIT 2

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

LABATON SUCHAROW LLP

EXPENSE REPORT

From inception through February 15, 2012

CATEGORY	AMOUNT
Service of Process	$ 486.35
On-Line Legal Research*	$ 5,728.38
On-Line Factual Research*	$ 35.00
Document Management/Litigation Support	$ 770.00
Telephones/Faxes	$ 182.83
Postage & Express Mail	$ 156.06
Internal Copying	$ 6,205.60
Out of Town Travel	$ 9,318.38
Local Transportation	$ 1,121.98
Working Meals	$ 635.11
Staff Overtime	$ 722.50
Experts	$ 1,516.00
Notice to Class	$ 600.00
Contributions to Plaintiffs' Litigation Fund	$16,800.00
TOTAL EXPENSES:	**$44,278.19**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7G

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF DEBORAH R. GROSS, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF LAW OFFICES BERNARD M. GROSS, P.C.

DEBORAH R. GROSS, declares as follows:

1. I am a member of the law firm of LAW OFFICES BERNARD M. GROSS, P.C. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents Belmont Holdings, acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes communicating and meeting with Belmont Holdings concerning the litigation, briefing, court rulings, settlement discussions and negotiations, and discovery; participating in document review at the direction of Lead Counsel and the Executive Committee which includes participating in

conference calls concerning the document reviews, preparing for the document reviews, training on the system, reviewing documents and communicating with co-counsel.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012 is 1,524.75. The total lodestar for that work is $758,867.50, consisting of attorneys' time. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items.

7. Expense items are billed separately and such charges are not duplicated in my firm's billing rates. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $57,154.33 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

8. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 7, 2012.

DEBORAH R. GROSS

Exhibit 1

EXHIBIT 1

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

LAW OFFICES BERNARD M. GROSS P.C.

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Deborah R. Gross	50.75	750.00	38,062.50
Associates			
Susan Gross	343.50	525.00	180,337.50
Andrew Kurtz	28.75	495.00	14,231.25
Susan Halpern	265.50	485.00	128,767.50
Kay Sickles	375.25	500.00	187,625.00
Tina Moukoulis	131.50	475.00	62, 462.50
Eileen Lavin	288.75	475.00	137,156.25
Timothy J. Domis	20.0	200.00	4,000.00
Andrew Seid	20.75	300.00	6,225.00
Professional Support Staff			
TOTAL LODESTAR	1,524.75		$758,867.50

Exhibit 2

EXHIBIT 2

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

LAW OFFICES BERNARD M. GROSS, P.C.

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
Court Fees	31.68
On-Line Legal Research*	156.02
Telephones/Faxes	64.97
Postage & Express Mail	22.06
Internal Copying	1,804.00
Out of Town Travel	575.60
Contributions to Plaintiffs' Litigation Fund	54,500.00
TOTAL EXPENSES:	57,154.33

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7H

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF JAMES V. BASHIAN IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF LAW OFFICES OF JAMES V. BASHIAN, P.C.

JAMES V. BASHIAN, declares as follows:

1. I am a member of the law firm of LAW OFFICES OF JAMES V. BASHIAN, P.C. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm represents plaintiffs Frederick Telling, Robert Feinerman, Carla La Grassa, Irwin and Phyllis Ingwer, Island Medical Trust, Sydney and Stephen Ratnow, Steward Bregman, and David Kotz in the Action. Each of the plaintiffs purchased various structured notes which are, as a result of their participation in this consolidated litigation, included in the settlement with the officer and director defendants. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed in connection with the claims asserted against the officer and director defendants at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes our participation in the research and drafting of those portions of the consolidated amended complaint which address the claims of structured note holders as well as those portions of the responsive documents to the defendants' motion to dismiss the complaint. Further, with respect to the inclusion of our clients' claims concerning their structured notes in the Action, we expended considerable time in the review of client documents and SEC filings concerning product and pricing supplements pertinent to structured notes for inclusion in the complaint. We regularly communicated with members of the executive committee and structured note plaintiffs concerning matters pertinent to their claims.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action against the officer and director defendants, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January

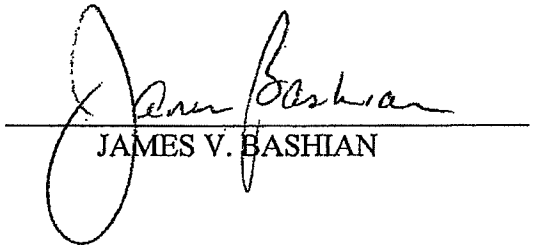
9, 2009 through February 15, 2012 is 254.70. The total lodestar for that work is $149,506.50 in attorneys' time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $56.40 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on February 29, 2012.



JAMES V. BASHIAN

Exhibit 1

EXHIBIT 1

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

LAW OFFICES OF JAMES V. BASHIAN, P.C.

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
James V. Bashian	**242.70**	**595.00**	**$144,406.50**
Of Counsel			
Robert Ryan	**12.00**	**425.00**	**5,100.00**
Professional Support Staff			
TOTAL LODESTAR	**254.70**		**$149,506.50**

Exhibit 2

EXHIBIT 2

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

LAW OFFICES OF JAMES V. BASHIAN, P.C.

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
Court Fees	
Service of Process	
On-Line Legal Research*	
On-Line Factual Research*	
Document Management/Litigation Support (pacer)	36.40
Telephones/Faxes	
Postage & Express Mail	
Hand Delivery Charges	
Internal Copying	
Outside Copying	
Out of Town Travel	
Local Transportation	20.00
Working Meals	
Court Reporters and Transcripts	
Special Publications	
Staff Overtime	
Investigators	
Experts	
Mediation Fees	
Contributions to Plaintiffs' Litigation Fund	
TOTAL EXPENSES:	$56.40

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7I

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF IRA M. LEVEE IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF LOWENSTEIN SANDLER PC

Ira M. Levee, declares as follows:

1. I am of counsel of the law firm of Lowenstein Sandler PC ("Lowenstein"). I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represented Alameda County Employees' Retirement Association, Government of Guam Retirement Fund, Northern Ireland Local governmental Officers Superannuation Committee, City of Edinburgh Counsel as Administering Authority of the Lothian Pension Fund, and Operating Engineers Local 3 Trust ("Lead Plaintiffs"), acted as bankruptcy counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class, with the prior approval of the Executive Committee and/or its Chair, through the direction and supervision of Lead Counsel, included the following tasks in connection with the Lehman Brothers Holdings, Inc. Chapter 11 bankruptcy proceeding:

> Continuous monitoring of Chapter 11 proceeding; review pleadings potentially relevant to the class, its claim and the claims of individual named plaintiffs and prepare and file objections where necessary; review the Debtors' proposed plan of reorganization and disclosure statement and numerous supporting confirmation pleadings and documents; conduct legal research re: same; draft objection and memorandum in opposition to adequacy of the disclosure statement and to confirmation of the plan; review motion to establish bar date; research and discussions with lead counsel re: potential discovery; prepare individual and class proofs of claim; review D&O liability insurance policies; review relevant transcripts of depositions; preparation for and attendance at various relevant hearings at United States Bankruptcy Court for the Southern District of New York; review claims objections; file response and negotiate resolution of claims objections; review pleadings re: insurance coverage disputes; review and respond to motions by the court-appointed chapter 11 examiner regarding the examiner's report; extensive communications via telephone and e-mail with counsel for the Debtors and counsel for the Creditors' Committee; extensive communications via e-mail and telephone with Lead Counsel.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from September 15, 2008 through February 15, 2012 is 1272.00 hours. The total lodestar for that work is $665,842.00, consisting of $651,141.50 for attorneys' time and $14,700.50 for professional support staff time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $7,505.40 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from September 15, 2008 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 2, 2012.

IRA M. LEVEE

Exhibit 1

EXHIBIT 1

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

LOWENSTEIN SANDLER PC

TIME REPORT

From September 15, 2008 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Michael S. Etkin	474.90	$725.00	$344,302.50
S. Jason Teele	129.70	$555.00	$ 71,983.50
Counsel			
Jeffrey A. Kramer	117.90	$450.00	$ 53,055.00
Ira M. Levee	268.10	$495.00	$132,709.50
Associates			
Jonathan A. Kaplan	19.40	$350.00	$ 6,790.00
Erin S. Levin	61.20	$300.00	$ 18,360.00
Sean Quigley	37.30	$370.00	$ 13,801.00
Nicole Stefanelli	11.60	$370.00	$ 4,292.00
Marianna Udem	17.20	$340.00	$ 5,848.00
Professional Support Staff			
Kim Marie LaFiura-Smith	22.40	$180.00	$ 4,032.00
Denise Toulson	112.30	$ 95.00	$ 10,668.50
TOTAL LODESTAR	1,272.00		$665,842.00

Exhibit 2

EXHIBIT 2

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

LOWENSTEIN SANDLER PC

EXPENSE REPORT

From September 15, 2008 through February 15, 2012

CATEGORY	AMOUNT
Court Fees	$ 150.00
On-Line Legal Research*	$ 2,638.83
Telephones/Faxes	$ 137.51
Hand Delivery Charges	$ 813.40
Postage & Express Mail	$ 7.56
Internal Copying	$ 2,365.08
Local Transportation	$ 757.72
Court Reporters and Transcripts	$ 635.30
TOTAL EXPENSES:	$ 7,505.40

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7J

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF MARVIN L. FRANK IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF MURRAY FRANK LLP

Marvin L. Frank, declares as follows:

1. I am a member of the law firm of Murray Frank LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents Marsha Kosseff, acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair as well as for services provided to our client for which we had the prior approval of the Executive Committee and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes review and comment on the amended complaint sent to us by the Chair for review, coordination of the amended complaint with our client, review and comment on plaintiffs' opposition to the

motions to dismiss sent to us by the Chair for review, review and comment upon plaintiffs' third amended complaint draft sent to us by the Chair for review, coordination of the third amended complaint with our client, review of documents provided by lead counsel, keeping up with the litigation emails, conversations with Lead Counsel, and keeping client apprised of developments.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012 is 467.6. The total lodestar for that work is $261,440, consisting of $261,440 for attorneys' time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $331.56 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on February 28, 2012.

MARVIN L. FRANK

Exhibit 1

EXHIBIT 1

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

MURRAY FRANK LLP

TIME REPORT

From Inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Marvin L. Frank	222.2	$750	$166,650
Associates			
Gregory B. Linkh	32.5	$550	$17,875
Brian D. Brooks	19.2	$475	$9,120
Matthew Lepore	193.7	$350	$67,795
TOTAL LODESTAR	**467.6**		**$261,440**

Exhibit 2

EXHIBIT 2

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

Murray Frank LLP

EXPENSE REPORT

From Inception through February 15, 2012

CATEGORY	AMOUNT
On-Line Legal Research*	$244.92
Postage & Express Mail	$50.34
Internal Copying	$36.30
TOTAL EXPENSES:	$331.56

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7K

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF MARC I. GROSS, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF POMERANTZ HAUDEK GROSSMAN & GROSS LLP

Marc I. Gross, declares as follows:

1. I am a member of the law firm of Pomerantz Haudek Grossman & Gross LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents American European Insurance Company, acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes document review and analysis. Additionally, the following services were provided by my firm to our client(s) with the prior approval the Executive Committee and/or its Chair: limited review of the Consolidated Complaint with the client.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012 is 46. The total lodestar for that work is $17,250.00, consisting of $17,250.00 for attorneys' time.

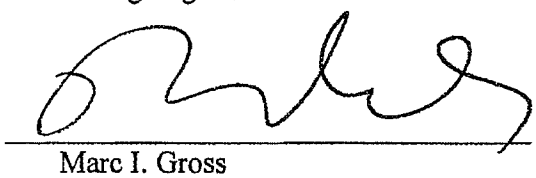
7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $406.01 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on March 5, 2012.



Marc I. Gross

Exhibit 1

EXHIBIT 1

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

Pomerantz Haudek Grossman & Gross LLP

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Associates:			
Joyce, Bridge	**46**	**375**	**$17,250.00**
TOTAL LODESTAR	**46**		**$17,250.00**

Exhibit 2

EXHIBIT 2

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

POMERANTZ HAUDEK GROSSMAN & GROSS LLP

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
Computer Research*	$287.69
Local Transportation	$118.32
TOTAL EXPENSES:	$406.01

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7L

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF JOSEPH E. WHITE, III, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF SAXENA WHITE P.A.

I, Joseph E. White, III, declares as follows:

1. I am a shareholder of the law firm of Saxena White P.A. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents Lead Plaintiff Operating Engineers Local 3 Trust Fund ("Operating Engineers"), additional named Plaintiff Brockton Contributory Retirement System, ("Brockton") and additional named Plaintiff Teamsters Allied Benefit Funds ("Teamsters"), acted as one of plaintiffs' counsel in the Action. As detailed below, we have included time and expenses for work performed in representing Teamsters in the preparation and filing of the initial complaint in this action, as well as representing Operating Engineers during the lead plaintiff process and in litigating the Action once Operating Engineers was appointed as a Lead Plaintiff, which were incurred prior to the formation of the Executive Committee in January 2009. This

work was performed at the direction of or with the permission of Bernstein Litowitz Berger & Grossman LLP, one of the Court appointed Lead Counsel in this Action.

3. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair, as well as for services provided to our client for which we had the prior approval of the Executive Committee and/or its Chair.

4. Specifically, the work performed by my firm for the benefit of the class includes, among other things, researching and investigating the claims and defenses, participating in the drafting of complaints, opposing motions to dismiss, obtaining discovery and reviewing and analyzing document productions, and participating in numerous conferences with Lead Counsel and other Plaintiffs' counsel. Additionally, the following services were performed by my firm with respect to our client, Lead Plaintiff Operating Engineers, with the prior approval of the Executive Committee and/or its Chair: consulting, communicating and strategizing with Operating Engineers via telephone, email and in-person meetings concerning the Action; analyzing damages; and advising and obtaining Operating Engineers' authority on issues related to efforts to settle the Action.

5. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by

my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

6. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

7. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012 is 2,436.25. The total lodestar for that work is $998,868.75, consisting of $918,747.50 for attorneys' time and $80,121.25 for professional support staff time.

8. The total lodestar for my firm includes 242.5 hours, with a lodestar value of $110,160.00, related to work performed at the direction of and in conjunction with Lead Counsel, Bernstein Litowitz Berger & Grossman LLP, to have Operating Engineers appointed as lead plaintiff, and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

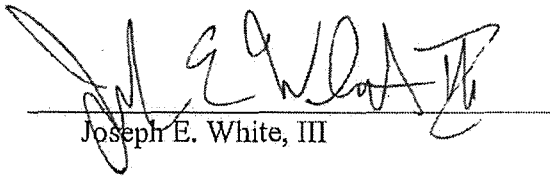
9. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

10. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $12,049.76 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012.

11. These unreimbursed expenses include $1,017.88 incurred in connection with Operating Engineer's motion to be appointed lead plaintiff and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

12. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 7, 2012.



Joseph E. White, III

Exhibit 1

EXHIBIT 1

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

SAXENA WHITE P.A.

TIME REPORT

From Inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Shareholders			
Maya Saxena, Esq.	154.5	695.00	107,377.50
Joseph White, Esq.	144.75	695.00	100,601.25
Senior Counsel			
Christopher Jones, Esq.	83.75	650.00	54,437.50
Associates			
Alberto Naranjo, Esq.	598.00	350.00	209,300.00
Brandon Grzandziel, Esq.	124.25	395.00	49,078.75
Danae Dunkley, Esq.	116.50	350.00	40,775.00
David Frank, Esq.	157.50	350.00	55,125.00
Kylie Wagenet, Esq.	56.75	350.00	19,862.50
Lester Hooker, Esq.	115.50	425.00	49,087.50
Toni Kissel, Esq.	579.50	395.00	228,902.50
Yanaisdys Martinez, Esq.	12.00	350.00	4,200.00
Professional Support Staff			
Gregory Stone	202.00	295.00	59,590.00
Kara King	15.75	225.00	3,543.75
Stefanie Leverette	75.50	225.00	16,987.5
TOTAL LODESTAR	**2,436.25**		**998,868.75**

Exhibit 2

EXHIBIT 2

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

SAXENA WHITE P.A.
EXPENSE REPORT

From Inception through February 15, 2012

CATEGORY	AMOUNT
Court Fees	395.00
Service of Process	
On-Line Legal Research*	2,286.66
On-Line Factual Research*	
Document Management/Litigation Support	
Telephones/Faxes	5.76
Postage & Express Mail	251.90
Hand Delivery Charges	
Internal Copying	1,250.00
Outside Copying	206.98
Out of Town Travel	6,540.59
Local Transportation	
Working Meals	618.55
Court Reporters and Transcripts	274.32
Special Publications	220.00
Staff Overtime	
Investigators	
Experts	
Mediation Fees	
Contributions to Plaintiffs' Litigation Fund	
TOTAL EXPENSES:	**12,049.76**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7M

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION **This Document Applies To:** ***In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK***	**Case No. 09-MD-2017 (LAK)** **ECF CASE**

DECLARATION OF ROBERT M. ROSEMAN IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF SPECTOR ROSEMAN KODROFF & WILLIS, P.C.

Robert M. Roseman, declares as follows:

1. I am a member of the law firm of Spector Roseman Kodroff & Willis, P.C. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm, which represents the Co-Lead Plaintiff, Northern Ireland Local Government Officers' Superannuation Committee ("NILGOSC"), acted as one of plaintiffs' counsel in the Action. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair as well as for services provided to our client for which we had the prior approval of the Executive Committee and/or its Chair. As detailed below, we have included time and expenses for work performed in representing NILGOSC during the lead plaintiff process and in litigating the Action once NILGOSC was appointed as a Lead Plaintiff

which were incurred prior to the formation of the Executive Committee in January 2009. This work was performed at the direction of or with the permission of Bernstein Litowitz - one of the Court appointed Lead Counsel in this Action.

3. Specifically, the work performed by my firm for the benefit of the class includes the following: assisting Lead Counsel in drafting the amended complaint; legal research for Plaintiffs' opposition to Defendants' motions to dismiss; and reviewing and analyzing documents produced by Defendants. Additionally, the following services were provided by my firm to our client with the prior approval the Executive Committee and/or its Chair: providing monthly status reports; providing and discussing draft complaints which were eventually filed in this Action, relevant pleadings, and Court rulings; notifying and discussing settlement proposals; and assisting our client in gathering documents relevant to this Action.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff of my firm who was involved in litigating this Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular current rates which have been accepted in other securities or shareholder litigation.

6. The total number of hours expended on this Action by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012 is 2,315.75. The total lodestar for that work is $1,025,126.25, consisting of $1,016,677.50 for attorneys' time and $8,448.75 for professional support staff time.

7. The total lodestar for my firm includes 135.75 hours, with a lodestar value of $86,661.25, related to work performed at the direction of and in conjunction with Lead Counsel, Bernstein Litowitz to have NILGOSC appointed a lead plaintiff and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

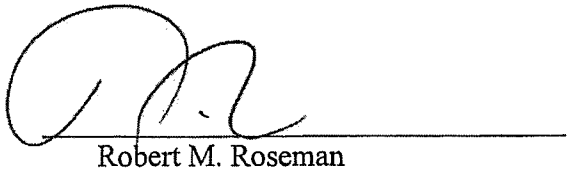
8. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

9. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $52,558.12 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair from inception through February 15, 2012.

10. These unreimbursed expenses include $12,360.83 incurred in connection with NILGOSC's motion to be appointed lead plaintiff and in litigating the Action thereafter prior to the formation of the Executive Committee in January 2009.

11. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 2, 2012.



Robert M. Roseman

Exhibit 1

EXHIBIT 1

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

Spector Roseman Kodroff & Willis PC

TIME REPORT

From Inception through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Robert M. Roseman	266.25	$710	$189,037.50
Andrew Abramowitz	42.00	$610	$25,620.00
David Felderman	124.25	$555	$68,958.75
Associates			
Mary Ann Giorno	11.75	$415	$4,876.25
Rachel E. Kopp	151.50	$390	$59,085.00
Of Counsel			
Lindsay Doering	543.50	$400	$217,400.00
Lawrence Schwartz	269.00	$400	$107,600.00
Ryan Calef	351.25	$400	$140,500.00
Selen Okuoglu	509.00	$400	$203,600.00
Professional Support Staff			
Gerri DeMarshall	11.00	$205	$2,255.00
Chanell S. Surratt	11.25	$195	$2,193.75
Rosy G. Briones	25.00	$160	$4,000.00
TOTAL LODESTAR	2,315.75		$1,025,126.25

Exhibit 2

EXHIBIT 2

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

Spector Roseman Kodroff & Willis PC

EXPENSE REPORT

From Inception through February 15, 2012

CATEGORY	AMOUNT
On-Line Legal Research*	$38,327.57
Telephones/Faxes	$246.27
Postage & Express Mail	$43.45
Internal Copying	$1,268.75
Out of Town Travel	$3,453.33
Expert	$9,218.75
TOTAL EXPENSES:	$52,558.12

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

Exhibit 7N

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES AND ERISA LITIGATION This Document Applies To: *In re Lehman Brothers Equity/Debt Securities Litigation, 08-CV-5523-LAK*	Case No. 09-MD-2017 (LAK) ECF CASE

DECLARATION OF SUSAN SALVETTI, IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES FILED ON BEHALF OF ZWERLING, SCHACHTER & ZWERLING, LLP

Susan Salvetti, declares as follows:

1. I am a member of the law firm of Zwerling, Schachter & Zwerling, LLP. I submit this declaration in support of my firm's application for an award of attorneys' fees in connection with certain services rendered in the above-captioned action (the "Action"), as well as for reimbursement of certain expenses incurred by my firm in connection with the Action.

2. My firm acted as one of plaintiffs' counsel in the Action and represents the following six plaintiffs: Francisco Perez; Eddie Davis; Richard Fleischman; J. Harry Pickle, Trustee Gastroenterology Associates, Ltd. Profit Sharing Plan FBO Charles M. Brooks M.D.; Arthur Simons; and Juan Tolosa. My firm seeks attorneys' fees and reimbursement of expenses only for the work performed in connection with the claims asserted against the officer and director defendants at the direction or with the permission of the Executive Committee designated by the Court and/or its Chair.

3. Specifically, the work performed by my firm for the benefit of the class includes: investigating and researching facts and claims asserted in the Second Amended Consolidated

Class Action Complaint ("SAC") and the Third Amended Class Action Complaint ("TAC"); participating in drafting and editing the SAC and TAC; participating in conferences with co-counsel to discuss strategies and claims' analysis; researching, analyzing and preparing memoranda of law regarding legal issues in connection with defendants' motions to dismiss; participating in the preparation of plaintiffs' opposition to defendants' motions to dismiss the SAC and TAC; review of documents regarding the settlement; and written and oral communications with the firm's clients.

4. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney of my firm who was involved in litigating this Action against the officer and director defendants, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

5. The hourly rates used to calculate my firm's lodestar are the hourly rates charged for work performed by my firm in non-contingent matters and/or have been accepted in other securities or shareholder litigation.

6. The number of hours expended by my firm performing work at the direction or with the permission of the Executive Committee and/or its Chair in litigating this Action against the officer and director defendants from January 9, 2009 through February 15, 2012 is 119.8. The total lodestar for that work is $67,414.50, all consisting of attorneys' time.

7. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in the schedule attached hereto as Exhibit 2, my firm has incurred a total of $277.91 in unreimbursed expenses in connection with the work performed at the direction or with the permission of the Executive Committee and/or its Chair in litigating this Action against the officer and director defendants from January 9, 2009 through February 15, 2012.

9. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on March 2, 2012.

Susan Salvetti

Exhibit 1

EXHIBIT 1

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

ZWERLING, SCHACHTER & ZWERLING, LLP

TIME REPORT

From January 9, 2009 through February 15, 2012

NAME	HOURS	HOURLY RATE	LODESTAR
Partners			
Robin F. Zwerling	6.6	$750	$4,950.00
Susan Salvetti	29.3	$750	$21,975.00
Richard Speirs	6.9	$625	$4,312.50
Associates			
Hillary Sobel	2.5	$600	$1,500.00
Stephen Brodsky	28.1	$520	$14,612.00
Ana Maria Cabassa	4.6	$500	$2,300.00
Justin M. Tarshis	41.8	$425	$17,765.00
TOTAL LODESTAR	**119.8**		**$67,414.50**

Exhibit 2

EXHIBIT 2

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

ZWERLING, SCHACHTER & ZWERLING, LLP

EXPENSE REPORT

From January 9, 2009 through February 15, 2012

CATEGORY	AMOUNT
On-Line Legal Research*	$29.96
Telephones/Faxes	$1.68
Postage & Express Mail	$4.32
Internal Copying	$241.95
TOTAL EXPENSES:	**$277.91**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. There are no administrative charges included in these figures.

Exhibit 8

FEE AWARDS ON PSLRA SECURITIES CLASS ACTION SETTLEMENTS FROM $100 MILLION to $1 BILLION

	Case Name	Settlement Amount (in millions)	Fee Award %	Gov't Action Vs. Settling Defs	Restmt
1	In re UnitedHealth Group Inc. PSLRA Litig., 643 F. Supp. 2d 1094, 1106 (D. Minn. 2009)	$926	7%	Yes	Yes
2	In re American Int'l Grp., Inc. Sec. Litig., Master File No. 04 Civ. 8141 (DAB), 2010 WL 5060697, at *3 (S.D.N.Y. Dec. 2, 2010); 2012 WL 345509, at *5 (S.D.N.Y. Feb. 2, 2012)	$822.5	12.26%	Yes	Yes
3	Carlson v. Xerox Corp., 596 F. Supp. 2d 400, 414 (D. Conn. Jan. 14, 2009)	$750	16%	Yes	Yes
4	In re Wachovia Preferred Securities and Bond/Notes Litigation, Master File No. 09 Civ. 6351 (RJS), slip op. at 6 (S.D.N.Y. Dec. 30, 2011)	$627	12%	No	No
5	In re Countrywide Fin. Corp. Sec. Litig., No. 07-cv-05295, Dkt. No. 1062, slip op. at 4 (C.D. Cal. March 4, 2011)	$601.5	7.7%	Yes	No
6	In re Cardinal Health, Inc. Sec. Litig., 528 F. Supp. 2d 752, 770 (S.D. Ohio 2007)	$600	18%	Yes	Yes
7	In re IPO Sec. Litig., 671 F. Supp. 2d 467, 516 (S.D.N.Y. 2009)	$586	33.3%	Yes	No
8	In re HealthSouth Corp. Stockholder Litig., No. 03-cv-1500, Dkt. No. 1112, slip op. at 2 (N.D. Ala. Feb. 12, 2008), Dkt. No. 1617, slip op. at 1 (N.D. Ala. June 12, 2009); Dkt. No. 1721, slip op. at 2 (N.D. Ala. July 26, 2010)	$537.5	18.1%	Yes	Yes
9	In re Lucent Tech., Inc., Sec. Litig., 327 F. Supp. 2d 426, 442 (D.N.J. 2004)	$517	17%	Yes	Yes
10	In re BankAmerica Corp. Sec. Litig., 228 F. Supp. 2d 1061, 1066 (E.D. Mo. 2002)	$490	18%	Yes	No
11	In re Merrill Lynch & Co., Inc. Sec., Derivative & ERISA Litig., No. 07-cv-9633, 2009 WL 2407551, at *1 (S.D.N.Y. Aug. 4, 2009)	$475	7.8%	Yes	No
12	In re Dynegy Inc. Sec. Litig., Master File No. H-02-1571, Dkt. No. 686, slip op. at 1 (S.D. Tex July 7, 2005)	$474	8.7%	Yes	Yes
13	In re Raytheon Co. Sec. Litig., No. 99-12142, Dkt. No. 645, slip op. at 9 (D. Mass. Dec. 6, 2004)	$460	9%	Yes	Yes
14	In re Waste Management Sec. Litig., No. 99-2183, Dkt. No. 248, slip op. at 14 (S.D. Tex. Apr. 29, 2002) (Waste Management II)	$457	7.9%	Yes	No
15	In re Adelphia Commc'ns Corp. Sec. & Derivative Litig., No. 03 MDL 1529 LMM, 2006 WL 3378705, at *3 (S.D.N.Y. Nov. 16, 2006), *aff'd* , 272 Fed. Appx. 9 (2d Cir. 2008)	$455	21.4%	Yes	Yes
16	In re Qwest Communications Int'l, Sec. Litig., No. 01-cv-1451, 2006 U.S. Dist. LEXIS 71267, at *31 (D. Colo. Sept. 29, 2006), 625 F. Supp. 2d 1143, 1154 (D. Colo. May 27, 2009)	$445	15%	Yes	Yes
17	Ohio Pub. Employees Ret. Sys. v. Freddie Mac., No. 03-CV-4261, 2006 U.S. Dist. LEXIS 98380 at *4 (S.D.N.Y. Oct. 26, 2006)	$410	20%	Yes	Yes
18	In re Global Crossing Sec. & ERISA Litig., 225 F.R.D. 436, 469 (S.D.N.Y. 2004); No. 02 Civ. 910 (GEL), 2005 WL 1668532, at *5 (S.D.N.Y. July 12, 2005); Dkt. No. 655 (Nov. 4, 2005); Dkt. No. 722 (Oct. 30, 2006); Dkt. No. 773 (Oct. 1, 2007)	$408	17.8%	Yes	Yes

FEE AWARDS ON PSLRA SECURITIES CLASS ACTION SETTLEMENTS FROM $100 MILLION to $1 BILLION

	Case Name	Settlement Amount (in millions)	Fee Award %	Gov't Action Vs. Settling Defs	Restmt
19	In re Marsh & McLennan Cos., Sec. Litig., No. 04-civ-8144, 2009 WL 5178546, at *19-20 (S.D.N.Y. Dec. 23, 2009)	$400	13.5%	Yes	No
20	In re Cendant PRIDES Litig., No. 98-2819, Dkt. No. 178, slip op. at 47 (D.N.J. June 11, 2002); Dkt. No. 192, slip op. at 2 (D.N.J. Feb. 1, 2006)	$374	7.7%	Yes	Yes
21	In re Refco, Inc. Sec. Litig., No. 05 Civ. 8626 (JSR), Dkt. No. 757, slip op. at 2 (S.D.N.Y. Oct. 27, 2010); Dkt. No. 781, slip op. at 2 (S.D.N.Y. Mar. 22, 2011)	$367.3	12.3%	Yes	Yes
22	In re Rite Aid Corp. Sec. Litig., 146 F. Supp. 2d 706, 736 (E.D. Pa. 2001) (awarding 25% of $193 million with multiplier of 4.5 to 8.5); 362 F. Supp. 2d 587 (E.D. Pa. March 24, 2005) (reaffirming award of 25% of $126.6 million with 6.96 multiplier) (muliplier in chart is weighted average of 6.5 and 6.96)	$319.6	25%	Yes	Yes
23	In re Williams Sec. Litig., No. 02-cv-72-SPF, Dkt. No. 1638, slip op. at 2 (N.D. Okla. Feb. 12, 2007)	$311	25%	Yes	No
24	In re General Motors Corp. Sec. and Derivative Litig., No. 06-md-1749, Dkt. No. 139, slip op. at 2 (E.D. Mich. Jan. 6, 2009)	$303	15%	Yes	Yes
25	In re Oxford Health Plans, Inc. Sec. Litig., MDL No. 1222, 2003 U.S. Dist. LEXIS 26795, at *13 (S.D.N.Y. June 12, 2003); Dkt. No. 369, slip op. at 8 (S.D.N.Y. June 12, 2003)	$300	28%	Yes	No
26	In re DaimlerChrysler AG Sec. Litig., No. 00-0993 (KAJ), Dkt. No. 971, slip op. at 1 (D. Del. Feb. 5, 2004)	$300	22.5%	No	No
27	In re Bristol-Myers Squibb Sec. Litig., 361 F. Supp. 2d 229, 231 (S.D.N.Y. 2005)	$300	4%	Yes	Yes
28	Wyatt v. El Paso Corp., No. 02-2717, Dkt. No. 376, slip op. at 2 (S.D. Tex. Mar. 9, 2007)	$285	14.4%	Yes	Yes
29	In re Tenet Healthcare Corp. Sec. Litig., No. 02-8462, Dkt. No. 296, slip op. at 3 (C.D. Cal. May 26, 2006); Dkt. No. 444, slip op. at 9 (C.D. Cal. Dec. 4, 2008)	$282	13.9%	Yes	No
30	In re HealthSouth Bondholder Litig., No. 03-cv-1500, Dkt. No. 1113, slip op. at 2 (N.D. Ala. Feb. 12. 2008); Dkt. No. 1722, slip op. at 2-3 (N.D. Ala. 2010)	$267	11.5%	Yes	Yes
31	In re 3Com Corp. Sec. Litig., No. C-97-21083, Dkt. No. 180, slip op. at 12 (N.D. Cal. Mar. 9, 2001)	$259	18%	Yes	Yes
32	In re Charles Schwab Corp. Sec. Litig., No. C 08-01510 WHA, 2011 WL 1481424, at *8 (N.D. Cal. Apr. 19, 2011)	$235	9.2%	No	No
33	In re Comverse Tech., Inc., Sec. Litig., No. 06-1825, 2010 WL 2653354, at *6 (E.D.N.Y. June 23, 2010)	$225	25%	Yes	Yes
34	In re Waste Management, Inc. Sec. Litig., No. 97 C 7709, 1999 WL 967012, at *3 (N.D. Ill. Oct. 18, 1999)	$220	20%	Yes	Yes
35	In re Sears, Roebuck & Co. Sec. Litig., No. 02-7527, Dkt. No. 289, slip op. at 7 (N.D. Ill. Jan. 8, 2007)	$215	14.8%	No	No
36	In re Washington Mutual, Inc. Securities Litig., No. 2:08-md-1919 MJP, slip op. at 2 (W.D. Wash. Nov. 4, 2011)	$208.5	21.0%	No	No

FEE AWARDS ON PSLRA SECURITIES CLASS ACTION SETTLEMENTS FROM $100 MILLION to $1 BILLION

	Case Name	Settlement Amount (in millions)	Fee Award %	Gov't Action Vs. Settling Defs	Restmt
37	In re The Mills Corp. Sec. Litig., 265 F.R.D. 246, 266 (E.D. Va. 2009)	$202.8	18%	Yes	Yes
38	In re CMS Energy Sec. Litig., No. 02-cv-72004, 2007 U.S. Dist. LEXIS 96786, at *14 (E.D. Mich. Sept. 6, 2007)	$200	22.5%	Yes	Yes
39	In re WellCare Health Plans, Inc. Sec. Litig., No. 07-1940, Dkt. No. 278, slip op. at 2 (M.D. Fla. May 4, 2011)	$200	17%	Yes	Yes
40	In re AremisSoft Corp. Sec. Litig., 210 F.R.D. 109, 130-35 (D.N.J. 2002)	$194	21.6%	Yes	Yes
41	In re Motorola Sec. Litig., No. 03-287, Dkt. No. 531-2, slip op. at 9 (N.D. Ill. Sept. 7, 2007)	$190	15.1%	No	No
42	In re Bristol-Myers Squibb Sec. Litig., No. 00-1990 (SRC), Dkt. No. 367, slip op. at 2 (D.N.J. May 11, 2006), *aff'd* 2007 WL 2153284 (3d Cir. 2007) (unpublished)	$185	19.8%	No	No
43	In re Maxim Integrated Prods. Inc. Sec. Litig., No. 08-832, Dkt. No. 312, slip op. at 2 (N.D. Cal. Nov. 1, 2010)	$173	17%	Yes	Yes
44	In re Juniper Networks, Inc. Sec. Litig., No. 06-4327, Dkt. No. 623, slip op. at 1-2 (N.D. Cal. Aug. 31, 2010)	$169.5	5.3%	Yes	Yes
45	In re Schering-Plough Corp. Sec. Litig., No. 01-829, 2009 WL 5218066, at *5-*6 (D.N.J. Dec. 31, 2009)	$165	23%	No	No
46	In re Dollar General Corp. Sec. Litig., No. 3:01-0388, Dkt. No. 209, slip op. at 16 (M.D. Tenn. May 24, 2002)	$162	20.9%	No	Yes
47	In re Broadcom Corp. Class Action Litig., No. 06-05036, Dkt. No. 355, slip op. at 1 (C.D. Cal. Aug. 11, 2010)	$160.5	18.5%	Yes	Yes
48	In re Brocade Sec. Litig., No. 05-2042, Dkt. No. 496, slip op. at 13 (N.D. Cal. Jan. 26, 2009)	$160	25%	Yes	Yes
49	In re MicroStrategy, Inc. Sec. Litig., 172 F. Supp. 2d 778, 790 (E.D. Va. 2001)	$154	18%	Yes	Yes
50	In re Satyam Computer Svc. Sec. Litig., No. 09-MD-2027, Dkt. No. 365, slip op. at 2 (S.D.N.Y. Sept. 13, 2011)	$150.5	17%	Yes	Yes
51	In re AT&T Wireless Tracking Stock Sec. Litig., No. 00-8754, Dkt. No. 82 (S.D.N.Y. Jan. 29, 2007)	$150	15%	Yes	No
52	In re Broadcom Corp. Sec. Litig., No. 01-275, 2005 U.S. Dist. LEXIS 41993, at *14 (C.D. Cal. Sept. 14, 2005)	$150	25%	Yes	Yes
53	In re Merrill Lynch & Co., Inc. Sec., Derivative & ERISA Litig., No. 07-cv-9633, Dkt. No. 326, slip op. at 2-3 (S.D.N.Y. Dec. 2, 2009) (bondholders)	$150	15%	Yes	No
54	Schwartz v. TXU Corp., No. 02-2243, 2005 WL 3148350, at *24-*34 (N.D. Tex. Nov. 8, 2005)	$150	22.2%	No	No
55	In re Charter Comms. Sec. Litig., No. 02-cv-01186, 2005 WL 4045741, at *12-22 (E.D.Mo. June 30, 2005)	$146.3	20%	Yes	Yes
56	In re Sunbeam Sec. Litig., 176 F. Supp. 2d 1323 (S.D. Fla. 2001); No. 98-08258, Dkt. No. 897, slip op. at 3 (S.D. Fla. Aug. 5, 2002); Dkt. No. 907, slip op. at 11 (S.D. Fla. Aug. 9, 2002)	$141	25%	Yes	Yes
57	In re Biovail Corp. Sec. Litig., No. 03-8917, Dkt. No. 277, slip op. at 2 (S.D.N.Y. Aug. 8, 2008)	$138	16%	Yes	Yes

FEE AWARDS ON PSLRA SECURITIES CLASS ACTION SETTLEMENTS FROM $100 MILLION to $1 BILLION

	Case Name	Settlement Amount (in millions)	Fee Award %	Gov't Action Vs. Settling Defs	Restmt
58	Carpenters Health & Welfare Fund. v. the Coca-Cola Co., 587 F. Supp. 2d 1266, 1272 (N.D. Ga. 2008)	$137.5	21%	Yes	No
59	In re Electronic Data Sys. Corp. Sec. Litig., No. 03-110, Dkt. No. 292, slip op. at 2 (E.D. Tex. Mar. 7, 2006)	$137.5	17.48%	Yes	No
60	In re Informix Corp. Sec. Litig., No. C 97-1289 CRB, 1999 U.S. Dist. LEXIS 23579, at *6 (N.D. Cal. Nov. 23, 1999)	$136.5	30%	Yes	Yes
61	In re Computer Associates Class Action Sec. Litig., No. 98-4839 (TCP); In re Computer Associates 2002 Class Action Sec. Litig., No. 02-1226, 2003 WL 25770761 at *4 (E.D.N.Y. Dec. 8, 2003)	$133.5	25.3%	Yes	No
62	In re Merrill Lynch & Co., Inc. Research Reports Sec. Litig., No. 246 F.R.D. 156, 178 (S.D.N.Y. Sept. 5, 2007)	$133	24%	Yes	No
63	In re Doral Fin. Corp. Sec. Litig., No. 05-md-1706, Dkt. No. 107, slip op. at 2 (S.D.N.Y. July 17, 2007)	$129	15.25%	Yes	Yes
64	In re Delphi Corp. Sec. Litig., 05-md1725, 248 F.R.D. 483, 502-05 (E.D. Mich. Jan. 11, 2008); Dkt. No. 417, slip op. at 2-3 (E.D. Mich. June 26, 2008)	$128	18%	Yes	Yes
65	Spahn v. Edward D. Jones & Co., No. 04-86, Dkt. No. 233, slip op. at 9-10 (E.D. Mo. Oct. 25, 2007)	$127.5	21.2%	Yes	No
66	In re Symbol Techs., Inc. Sec. Litig., No. 02-CV-1383, Dkt. No. 143, slip op. at 3 (E.D.N.Y. Oct. 14, 2004); La. Mun. Police Emps. Ret. Sys. v. Deloitte & Touche LLP, No. 04-621, Dkt. No. 83, slip op. at 2 (E.D.N.Y. Sept. 12, 2006)	$126	10.9%	Yes	Yes
67	In re Wells Fargo Mortgaged-Backed Certificates Litig., No. 09-CV-1376-LHK (PSG), slip op. at 1 (N.D. Cal. Nov. 14, 2011)	$125	19.75%	No	No
68	In re Bristol-Myers Squibb Co. Sec. Litig., No. 07-5867, Dkt. No. 78, slip op. at 1 (S.D.N.Y. Dec. 8, 2009)	$125	17%	Yes	No
69	In re New Century Sec. Litig., 2:07-cv-00931, Dkt. No. 504, slip op. at 1 (C.D. Cal. Nov. 15, 2010)	$124.8	11.5%	Yes	Yes
70	Dusek v. Mattel, No. 99-10864, Dkt. No. 271, slip op. at 14 (C.D. Cal. Sept. 29, 2003)	$122	27%	No	No
71	In re Lernout & Hauspie Sec. Litig., No. 00-CV-11589 (PBS), Dkt. No. 930, slip op. at 9 (D. Mass. Dec. 22, 2004) and Dkt. No. 1007, slip op. at 7 (D. Mass. July 18, 2005)	$120.52	20%	Yes	Yes
72	In re Bank One Sec. Litig. First Chicago S'holder Claims, No. 00-CV-0767, Dkt. No. 351, slip op. at 3 (N.D. Ill. Aug. 26, 2005)	$120	22.5%	Yes	No
73	In re Deutsche Telekom AG Sec. Litig., No. 00-CV-9475, 2005 U.S. Dist. LEXIS 45798, at *12-*13 (S.D.N.Y. June 9, 2005)	$120	28%	No	No
74	In re Peregrine Sys. Inc. Sec. Litig., No. 02-CV-870, Dkt. No. 839, slip op. at 2 (S.D. Cal. Nov. 15, 2006); Dkt. No. 758, slip op. at 2 (S.D. Cal. Oct. 22, 2009)	$117.5	22%	Yes	Yes
75	In re Mercury Interactive Corp. Sec. Litig., No. 05-3395, 2011 WL 826797, at *3 (N.D. Cal. Mar. 3, 2011)	$117.5	22%	Yes	Yes
76	In re Ikon Office Solutions, Inc. Sec. Litig., 194 F.R.D. 166 (E.D. Pa. 2000)	$111	30%	No	Yes

FEE AWARDS ON PSLRA SECURITIES CLASS ACTION SETTLEMENTS FROM $100 MILLION to $1 BILLION

	Case Name	Settlement Amount (in millions)	Fee Award %	Gov't Action Vs. Settling Defs	Restmt
77	In re CVS Corp. Sec. Litig., No. 01-11464, Dkt. No. 191, slip op. at 7 (D. Mass. Sept. 7, 2005)	$110	25%	No	No
78	In re DPL Inc. Sec. Litig., 307 F. Supp. 2d 947, 954 (S.D. Ohio 2004)	$110	20%	No	Yes
79	In re Conseco, Inc. Sec. Litig., No. 1:00-cv-585, Dkt. No. 157, slip op. at 1-2; Dkt. No. 171 at 19; (S.D. Ind. Aug. 7, 2002)	$105	14.6%	Yes	Yes
80	In re Old CCA Sec. Litig./In re Prison Realty Sec. Litig., No. 3:99-458, 2001 U.S. Dist. LEXIS 21942, at *3 (M.D. Tenn. Feb. 9, 2001)	$104	30%	No	No
81	In re American Express Fin. Adv. Sec. Litig., No. 04-1773, Dkt. No. 170, slip op. at 8 (S.D.N.Y. July 18, 2007)	$100	27%	Yes	No
82	In re AT&T Corp. Sec. Litig., 455 F.3d 160 (3d Cir. 2006)	$100	21.25%	No	No
83	In re Honeywell Int'l Inc. Sec. Litig., No. 2:00-cv-03605 (DRD), Dkt. No. 256, slip op. at 1 (D.N.J. Aug. 26, 2004)	$100	20%	No	No

Exhibit 9

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

SCHEDULE OF EXPENSES BY CATEGORY

From Inception through February 29, 2012

CATEGORY	AMOUNT
Court Fees	$ 2,415.07
Service of Process	5,517.32
On-Line Legal Research*	163,502.96
On-Line Factual Research*	49,151.86
Document Management/Litigation Support	111,722.63
Telephone	3,438.77
Postage & Express Mail	5,849.65
Hand Delivery Charges	1,172.12
Local Transportation	3,058.06
Internal Copying	97,826.63
Outside Copying	2,704.32
Out of Town Travel	77,949.79
Working Meals	3,594.92
Court Reporters and Transcripts	3,080.85
Special Publications	362.14
Class Notice	600.00
Staff Overtime	8,864.17
Investigators	66,585.87
Experts	691,279.56
Mediator/Neutral Fees	320,992.58
TOTAL EXPENSES:	**$1,619,669.27**

* The charges reflected for on-line research are for out-of-pocket payments to the vendors for research done in connection with this litigation. Online research is billed to each case based on actual time usage at a set charge by the vendor. There are no administrative charges included in these figures.

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