

**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").<sup>1</sup> This notice is directed at all persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B hereto pursuant or traceable to the Shelf Registration Statement and were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options ("Lehman Securities") between June 12, 2007 and September 15, 2008, through and inclusive ("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:**

<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN MAY 17, 2012</b>	The only way to get a payment. Instructions as to how to request a claim form are contained below.
<b>EXCLUDE YOURSELF BY MARCH 22, 2012</b>	Get no payment. The only option that might let you sue the defendants that settled concerning the claims being resolved in this settlement.
<b>OBJECT BY MARCH 22, 2012</b>	Write to the Court about why you don't like the settlement or any aspect thereof.
<b>GO TO A HEARING ON APRIL 12, 2012 AT 4:00 PM</b>	Ask to speak in Court about the fairness of the settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. If it does, it will take time to process all of the claim forms and to distribute payments. Please be patient.

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

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**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.<sup>2</sup> 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.

<sup>2</sup> Additional named plaintiffs in this Action are Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; 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](http://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](http://www.LehmanSecuritiesLitigationSettlement.com). The Stipulation describes the Settled Claims with specific description, in necessarily accurate legal terminology, so please read it carefully.

The Settling Parties will also seek, among other things, a judgment reduction order in connection with the Judgment in the Action. A judgment reduction order generally reduces the liability of non-settling defendants and/or certain other parties for common damages by the greater of the settlement amount paid by or on behalf of the settling defendants for common damages or the percentage share of responsibility of the settling defendants for common damages.<sup>3</sup>

**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](http://www.LehmanSecuritiesLitigationSettlement.com), to request that a Claim Form be mailed to you. Submitting a Claim Form does not necessarily guarantee that you will receive a payment. Please refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the Settlement Fund will be allocated.

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.

<sup>3</sup> The Settling Parties will also seek to include in the Judgment a "bar order" that will, among other things, bar certain claims for contribution and indemnification against or by the Settling Defendants and/or certain other related parties. The bar order typically does not apply to Settlement Class Members.

**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](http://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](http://www.LehmanSecuritiesLitigationSettlement.com). You may also write to the Claims Administrator at, *In re Lehman Brothers Equity/Debt Securities Litigation*, c/o GCG, Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721.

**INFORMATION FOR BROKERS AND OTHER NOMINEES**

**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](http://www.LehmanSecuritiesLitigationSettlement.com).

If you verify and provide details about your assistance with either of these options, you may be reimbursed from the Settlement Fund for the actual expenses you incur to send the Notice and Claim Form, including postage and/or the reasonable costs of determining the names and addresses of beneficial owners. Please send any requests for reimbursement, along with appropriate supporting documentation, to: *In Re: Lehman Brothers Equity/Debt Securities Litigation*, c/o GCG, Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721, or visit [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.**

Dated: January 18, 2012

By Order of the Clerk of the Court  
United States District Court  
Southern District of New York

**Appendix A**

<b>ISSUE DATE</b>	<b>SECURITY (CUSIP)</b>
June 9, 2008	Common Stock (524908100)
February 5, 2008 (the "Series J Offering")	7.95% Non-Cumulative Perpetual Preferred Stock, Series J (the "Series J Shares") (52520W317)
April 4, 2008 (the "Series P Offering")	7.25% Non-Cumulative Perpetual Convertible Preferred Stock, Series P (the "Series P Shares") (52523J453)
June 12, 2008 (the "Series Q Offering")	8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Series Q Shares") (52520W218)
June 15, 2007	Medium-Term Notes, Series I (52517P2S9)
July 19, 2007	6% Notes Due 2012 (52517P4C2)
July 19, 2007	6.50% Subordinated Notes due 2017 (524908R36)
July 19, 2007	6.875% Subordinated Notes Due 2037 (524908R44)
July 31, 2007	100% Principal Protected Notes Linked to a Basket Consisting of a Foreign Equity Component and a Currency Component (524908K25)
August 1, 2007	Partial Principal Protection Notes Linked to a Basket of Global Indices (524908J92)
August 22, 2007	Annual Review Notes with Contingent Principal Protection Linked to an Index (52517P4Y4)
August 29, 2007	Medium-Term Notes, Series I (52517P4T5)
September 26, 2007	6.2% Notes Due 2014 (52517P5X5)
September 26, 2007	7% Notes Due 2027 (52517P5Y3)
December 5, 2007	Medium-Term Notes, Series I (5252M0AU1)
December 7, 2007	Medium-Term Notes, Series I (5252M0AW7)

December 21, 2007	6.75% Subordinated Notes Due 2017 (5249087M6)
December 28, 2007	Medium-Term Notes, Series I (5252M0AY3)
January 22, 2008	5.625% Notes Due 2013 (5252M0BZ9)
January 30, 2008	Medium-Term Notes, Series I (5252M0BX4)
February 5, 2008	Lehman Notes, Series D (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 Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P2P5)
July 31, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P3H2)
August 31, 2007	100% Principal Protection Notes Linked to an International Index Basket (52522L186)
August 31, 2007	100% Principal Protection Notes Linked to a Global Index Basket (52522L889)
September 28, 2007	Performance Securities with Partial Protection Linked to a Global Index Basket (52522L244)
September 28, 2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates (52517P5K3)

October 31, 2007	Medium-Term Notes, Series 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](http://www.LehmanSecuritiesLitigationSettlement.com). Court approval of the D&O Settlement is independent from Court approval of the D&O Plan of Allocation. Any determination with respect to the D&O Plan of Allocation will not affect the D&O Settlement, if approved.

Each person or entity claiming to be an Authorized Claimant will be required to submit a Proof of Claim Form ("Claim Form"), signed under penalty of perjury and supported by such documents as specified in the Claim Form, 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).<sup>4</sup>

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

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

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

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

For Lehman Preferred Stock listed on Exhibit 2 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;

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<sup>4</sup> Due to the impact of Lehman's bankruptcy on Lehman's common stock price, the 90-day look-back period under the Private Securities Litigation Reform Act of 1995 is not being utilized as an offset.

- 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 only if the initial option transaction was either purchasing or acquiring a call option or selling or writing a put option.

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

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

Exhibit 4 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**

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

**Exhibit 2**  
**Lehman Preferred Stock**

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<b>Security CUSIP</b>	<b>Series</b>	<b>Issue Date</b>	<b>Issue Price</b>	<b>Fixed Coupon</b>	<b>Total Face Value</b>	<b>Closing Price on October 28, 2008</b>
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

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

<b>CUSIP</b>	<b>Issue Date</b>	<b>Description</b>	<b>Par Amount Per Note</b>	<b>Issue Price Per Note</b>	<b>Value Per Note as of October 28, 2008</b>
52520W564 524908VP2	3/30/2007	100% Principal Protection Notes Linked to a Global Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52520W556 524908VQ0	3/30/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
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 <sup>2</sup>
52520W515	4/30/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52520W440	5/31/2007	100% Principal Protection Notes Linked to a Currency Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52517P2S9	6/15/2007	Medium-Term Notes, Series I	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
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 <sup>2</sup>
52517P4C2	7/19/2007	6% Notes Due 2012	\$1,000.00	\$998.98	\$120.00 <sup>1</sup>
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 <sup>2</sup>
52517P3H2	7/31/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
524908J92	8/1/2007	Partial Principal Protection Notes Linked to a Basket of Global Indices*	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P4Y4	8/22/2007	Annual Review Notes with Contingent Principal Protection Linked to an Index	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52517P4T5	8/29/2007	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L889	8/31/2007	100% Principal Protection Notes Linked to a Global Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L186	8/31/2007	100% Principal Protection Notes Linked to an International Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52517P5X5	9/26/2007	6.2% Notes Due 2014	\$1,000.00	\$999.16	\$122.50 <sup>1</sup>
52517P5Y3	9/26/2007	7% Notes Due 2027	\$1,000.00	\$998.08	\$125.00 <sup>1</sup>
52522L244	9/28/2007	Performance Securities with Partial Protection Linked to a Global Index Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52517P5K3	9/28/2007	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52522L335	10/31/2007	Return Optimization Securities Linked to an Index	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L319	10/31/2007	Return Optimization Securities Linked to an Index	\$10.00	\$10.00	\$1.21 <sup>2</sup>

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

CUSIP	Issue Date	Description	Par Amount Per Note	Issue Price Per Note	Value Per Note as of October 28, 2008
52522L293	10/31/2007	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
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 <sup>2</sup>
52520W333	11/30/2007	100% Principal Protection Notes Linked to an Asian Currency Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L459	11/30/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index *	\$10.00	\$10.00	\$1.21 <sup>2</sup>
5252M0AU1	12/5/2007	Medium-Term Notes, Series I	\$1,000.00	\$1,000.00 <sup>4</sup>	\$120.96 <sup>2</sup>
5252M0AW7	12/7/2007	Medium-Term Notes, Series I	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
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 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L491	12/31/2007	Return Optimization Securities with Partial Protection Linked to the S&P 500® Index *	\$10.00	\$10.00	\$1.21 <sup>2</sup>
5252M0BZ9	1/22/2008	5.625% Notes Due 2013	\$1,000.00	\$995.44	\$111.00 <sup>1</sup>
5252M0BX4	1/30/2008	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L525	1/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500® Index *	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52517P4N8	1/31/2008	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates*	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
52520W325	1/31/2008	100% Principal Protection Notes Linked to an Asian Currency Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52519FFE6	2/5/2008	Lehman Notes, Series D	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52522L657	2/8/2008	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500® Financials Index	\$10.00	\$10.00	\$1.21 <sup>2</sup>
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 <sup>2</sup>
5252M0DH7	2/20/2008	Buffered Return Enhanced Notes Linked to the Financial Select Sector SPDR Fund	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
5252M0CQ8	2/27/2008	Medium-Term Notes, Series I	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
52522L574	2/29/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index *	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L566	2/29/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index *	\$10.00	\$10.00	\$1.21 <sup>2</sup>
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 <sup>2</sup>
52523J412	2/29/2008	100% Principal Protection Notes Linked to an Asian Currency Basket*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
5252M0EH6	3/13/2008	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
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 <sup>2</sup>

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

<b>CUSIP</b>	<b>Issue Date</b>	<b>Description</b>	<b>Par Amount Per Note</b>	<b>Issue Price Per Note</b>	<b>Value Per Note as of October 28, 2008</b>
52522L806	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500® Index*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L798	3/31/2008	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000® Index*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52522L814	3/31/2008	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
5252M0FA0	4/21/2008	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
5252M0EY9	4/21/2008	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
52523J172	4/23/2008	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
5252M0FD4	4/24/2008	6.875% Notes Due 2018	\$1,000.00	\$996.69	\$126.30 <sup>1</sup>
52519FFM8	4/29/2008	Lehman Notes, Series D	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
5252M0FR3	5/7/2008	Buffered Semi-Annual Review Notes Linked to the Financial Select Sector SPDR® Fund	\$1,000.00	\$1,000.00	\$120.96 <sup>2</sup>
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 <sup>2</sup>
5252M0FH5	5/19/2008	Medium-Term Notes, Series I	\$1,000.00	\$1,000.00 <sup>3</sup>	\$120.96 <sup>2</sup>
52523J230	5/30/2008	Return Optimization Securities with Partial Protection Linked to the S&P 500® Financials Index*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
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 <sup>2</sup>
5252M0GN1	6/26/2008	Medium-Term Notes, Series I	\$1,000.00 <sup>5</sup>	\$1,000.00	\$120.96 <sup>2</sup>
52523J248	6/30/2008	100% Principal Protection Absolute Return Barrier Notes*	\$10.00	\$10.00	\$1.21 <sup>2</sup>
52523J255	6/30/2008	100% Principal Protection Absolute Return Barrier Notes*	\$10.00	\$10.00	\$1.21 <sup>2</sup>

1 Actual Closing Price Per Note on October 28, 2008.

2 Because reliable pricing data was not available for this security, the average of Closing Prices for five Notes (CUSIP Nos. 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		6/16/08						9/12/08 to							
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08	
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		6/16/08										9/12/08 to				
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08		
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		6/16/08											9/12/08 to			
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08		
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	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	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	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	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	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	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	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	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	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	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	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	0.00	13.50
Call	24.00	10/18/2008							60.74	-48.73	19.09	54.48	61.57	63.78	34.44	0.33	0.23	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	27.35	0.21	0.14	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	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	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	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	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	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	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
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
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
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
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
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
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
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
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
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
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
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
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

\*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		6/16/08										9/12/08 to					
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08			
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	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	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		

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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		6/16/08										9/12/08 to			
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08	
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		6/16/08 to 9/12/08										9/12/08 to 9/15/08			
			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		6/16/08						9/12/08 to						
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08
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								

\*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		6/16/08										9/12/08 to						
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08				
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	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

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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		6/16/08										9/12/08 to			
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08	
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	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		6/16/08													9/12/08 to	
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/15/08		
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	

\*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	6/16/08 to													9/12/08 to 9/15/08	
				6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08		
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														9.69	0.00	262.50
Put	6.00	4/18/2009														12.11	0.00	342.50
Put	7.50	4/18/2009														15.60	0.00	465.00
Put	9.00	4/18/2009														18.49	0.00	595.00
Put	10.00	4/18/2009														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														18.56	0.00	960.00
Put	14.00	4/18/2009														19.53	0.00	1,055.00
Put	15.00	4/18/2009														24.39	0.00	1,150.00
Put	16.00	4/18/2009														21.24	0.00	1,242.50
Put	17.00	4/18/2009														21.97	0.00	1,342.50
Put	18.00	4/18/2009														22.70	0.00	1,435.00
Put	19.00	4/18/2009														23.04	0.00	1,535.00
Put	20.00	4/18/2009														23.51	0.00	1,635.00
Put	25.00	4/18/2009														25.75	0.00	2,137.50
Put	30.00	4/18/2009														26.41	0.00	2,637.50
Put	35.00	4/18/2009														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.

# **Tab 1**

## **MODIFICATION TO THE PLAN OF ALLOCATION FOR THE D&O SETTLEMENT FUND**

The Court has approved a limited modification to the Plan of Allocation for the D&O Settlement. The modification concerns the inflation amount for common stock and options for the last four days of the Settlement Class Period for purposes of calculating the claimant's "Recognized Loss" or "Recognized Gain." Except as set forth below, the Plan of Allocation otherwise remains unchanged.

The original Plan of Allocation can be viewed by clicking on this link: <http://www.lehmansecuritieslitigationsettlement.com/notice.php>. Exhibit 1 identifies the inflation per share in the price of Lehman's common stock. Exhibit 4 is an analogous table related to Lehman call and put options.

The modified exhibits, attached hereto, reflect the revised the amount of inflation per share for common stock between September 10, 2008 and September 14, 2008. Otherwise, the exhibits are the same.

The Proof of Claim Form (available here) requires claimants to provide certain information to the Claims Administrator in order to be eligible to participate in the distribution. Settlement Class Members need not provide any additional information to the Claims Administrator as a result of the modification of the Plan of Allocation because the Proof of Claim Form already requires claimants to list every purchase and sale of common stock during the period June 12, 2007 through and including the close of trading on the date the Claimant submitted the Claim Form, and to list all call or put options purchased or sold between June 7, 2007 and September 15, 2008.

The original Plan of Allocation explains how the Claims Administrator calculates "Recognized Loss" and "Recognized Gain." With the modifications to Exhibits 1 and 4, the following explanation replaces the explanation in the Plan of Allocation for calculating "Recognized Loss" and "Recognized Gain" for purchasers of Lehman common stock and transactions in Lehman call and put options:

**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 14, 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 through September 14, 2008*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase (as shown on Exhibit 1).<sup>1</sup>

\* \* \*

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

\* \* \*

### **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 14, 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 through September 14, 2008*, the Recognized Loss or Recognized Gain equals the Inflation per option on the date of purchase as shown on Exhibit 4.

### **2. Sale of Exchange-Traded Put Options**

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

- a) *if re-purchased, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if re-purchased, exercised or expired after June 6, 2008 but on or before September 14, 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 after September 14, 2008*, the Recognized Loss or Recognized Gain equals the Deflation per option on the date of sale or writing as shown on Exhibit 4.

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

**Modified Exhibit 1**  
**Inflation in Lehman Brothers Common Stock**

<b>Start Date</b>	<b>End Date</b>	<b>Inflation (\$ Per Share)</b>
June 12, 2007	July 2, 2007	12.08
July 3, 2007	July 31, 2007	12.19
August 1, 2007	August 31, 2007	12.41
September 4, 2007	October 1, 2007	12.77
October 2, 2007	October 31, 2007	12.48
November 1, 2007	November 30, 2007	12.75
December 1, 2007	December 31, 2007	13.10
January 1, 2008	January 31, 2008	12.84
February 1, 2008	February 29, 2008	13.79
March 3, 2008	March 31, 2008	15.08
April 1, 2008	April 30, 2008	15.64
May 1, 2008	June 2, 2008	14.94
June 3, 2008	June 6, 2008	14.68
June 9, 2008	June 9, 2008	12.97
June 10, 2008	June 10, 2008	10.87
June 11, 2008	June 11, 2008	9.00
June 12, 2008	June 12, 2008	7.06
June 13, 2008	June 13, 2008	8.20
June 16, 2008	June 30, 2008	8.73
July 1, 2008	July 31, 2008	9.05
August 1, 2008	September 2, 2008	9.28
September 3, 2008	September 4, 2008	10.37
September 5, 2008	September 5, 2008	10.96
September 8, 2008	September 8, 2008	7.90
September 9, 2008	September 9, 2008	3.06
September 10, 2008	September 10, 2008	5.08
September 11, 2008	September 11, 2008	2.50
September 12, 2008	September 14, 2008	2.22
September 15, 2008	September 15, 2008	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																	
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										9/12/08 to 9/15/2008	Closing Price on 9/15/08**	
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08			9/10/08
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	22.50	6/21/2008	485.60	338.05	156.79	2.02	-109.97	-41.06	0.00								
Call	25.00	6/21/2008	419.12	280.05	119.50	-4.69	-82.66	-33.23	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	22.50	7/19/2008	460.33	317.92	147.73	6.28	-109.05	-38.30	0.00								
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	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								

**Modified Exhibit 4  
Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or											9/12/08	Closing Price				
			Before	6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/14/08
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	401.07	142.55	115.09	0.00	2.00
Call	4.00	9/20/2008														22.78	6.68	0.00	0.00
Call	5.00	9/20/2008							916.56	958.61	919.13	977.30	678.15	213.51	225.09	40.42	28.53	0.00	0.00
Call	6.00	9/20/2008														23.31	15.23	0.00	1.50
Call	7.50	9/20/2008							765.07	806.69	767.51	824.94	531.22	96.01	84.77	1.99	0.63	0.00	0.00
Call	9.00	9/20/2008														0.50	0.11	0.00	0.00
Call	10.00	9/20/2008							652.52	691.96	654.56	707.23	442.77	99.87	97.10	10.89	7.01	0.00	0.00
Call	11.00	9/20/2008														8.02	4.98	0.00	0.00
Call	12.00	9/20/2008														5.98	3.58	0.00	0.00
Call	12.50	9/20/2008														2.13			
Call	13.00	9/20/2008							398.80	432.72	399.88	444.20	231.47	7.98	5.98	0.01	0.00	0.00	0.00
Call	14.00	9/20/2008							336.57	367.99	337.36	377.68	188.81	4.24	3.01	0.00	0.00	0.00	0.00
Call	15.00	9/20/2008							275.94	304.46	276.57	312.29	149.32	2.02	1.33	0.00	0.00	0.00	0.00
Call	16.00	9/20/2008							221.09	246.42	221.58	252.40	116.02	0.96	0.59	0.00	0.00	0.00	0.00
Call	17.00	9/20/2008							169.35	191.28	169.80	195.52	85.79	0.38	0.21	0.00	0.00	0.00	0.00
Call	18.00	9/20/2008							128.68	147.09	129.16	149.94	64.95	0.19	0.10	0.00	0.00	0.00	0.00
Call	19.00	9/20/2008							92.29	107.27	92.85	109.22	45.85	0.07	0.03	0.00	0.00	0.00	0.00
Call	20.00	9/20/2008							64.94	76.81	65.52	78.11	33.64	0.04	0.01	0.00	0.00	0.00	0.00
Call	21.00	9/20/2008							28.24	37.29	28.82	38.22	6.41	0.00	0.00	0.00	0.00	0.00	0.00
Call	22.00	9/20/2008							16.87	23.61	17.47	24.25	3.24	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08								9/12/08		Closing Price on 9/15/08**
									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	to 9/14/08	9/15/2008	
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	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	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	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	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	403.73	161.95	138.59	0.00	5.00
Call	4.00	10/18/2008														103.01	85.08	0.00	3.00
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	284.84	94.86	78.87	0.00	3.00
Call	6.00	10/18/2008														97.08	81.65	0.00	2.50
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	209.94	69.00	56.77	0.00	0.00
Call	9.00	10/18/2008														54.74	44.50	0.00	0.00
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	116.25	20.54	15.16	0.00	1.50
Call	11.00	10/18/2008														16.28	11.83	0.00	0.00
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	69.04	8.40	5.73	0.00	0.00
Call	14.00	10/18/2008							429.43	460.13	430.61	470.60	278.04	53.85	49.90	4.86	3.15	0.00	0.00
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	41.93	3.72	2.36	0.00	1.50
Call	16.00	10/18/2008							323.15	349.11	324.00	357.07	203.57	38.22	34.34	2.70	1.67	0.00	0.00
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	27.10	1.91	1.15	0.00	2.00
Call	19.00	10/18/2008							199.68	217.66	200.08	222.24	127.82	31.65	29.56	2.55	1.62	0.00	0.00
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	22.42	1.60	0.97	0.00	0.00
Call	21.00	10/18/2008							91.08	131.13	144.06	131.41	147.06	84.79	21.17	19.24	1.28	0.76	0.00
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	17.87	1.22	0.73	0.00	0.00
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
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	0.00	0.00
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
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	0.00	0.00
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
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
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	0.00	0.00
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	0.00	0.00
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	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	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	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	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	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	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	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	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	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	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	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	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	0.00
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	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	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	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	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	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before		6/16/08													9/12/08 to		Closing Price on 9/15/08**
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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	9/14/08	9/15/2008		
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	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	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	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	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	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	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	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	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	421.29	186.58	163.07	0.00	7.50	
Call	4.00	1/17/2009													153.36	133.03	0.00	4.00		
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	336.33	132.39	113.93	0.00	4.00	
Call	6.00	1/17/2009													116.35	99.88	0.00	4.50		
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	266.63	95.08	81.10	0.00	0.00	
Call	9.00	1/17/2009													76.76	65.90	0.00	3.00		
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	202.22	62.54	52.48	0.00	4.00	
Call	11.00	1/17/2009													57.17	49.05	0.00	3.00		
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	155.58	45.97	38.37	0.00	2.50	
Call	14.00	1/17/2009							531.96	562.72	533.45	574.33	373.07	108.42	129.83	36.57	30.19	0.00	3.00	
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	115.08	31.70	26.22	0.00	1.50	
Call	16.00	1/17/2009							442.62	469.89	443.79	479.66	306.28	87.21	102.96	27.71	22.71	0.00	0.00	
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	84.58	21.07	16.52	0.00	0.00	
Call	19.00	1/17/2009							316.30	337.83	317.13	344.97	216.10	62.14	69.41	15.78	12.16	0.00	0.00	
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	57.57	9.90	7.38	0.00	0.00	
Call	21.00	1/17/2009							243.35	260.95	243.98	266.67	165.35	47.46	49.43	7.86	5.77	0.00	0.00	
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	40.76	5.92	4.27	0.00	0.00	
Call	24.00	1/17/2009							163.06	49.23	119.10	154.92	167.01	155.28	170.95	106.83	33.02	33.83	4.52	0.00
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	30.11	3.82	2.69	0.00	0.00	
Call	26.00	1/17/2009							117.34	15.86	79.12	111.82	120.78	112.07	123.79	78.63	26.08	26.37	3.15	0.00
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	22.15	2.42	1.65	0.00	0.00	
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	18.84	1.90	1.28	0.00	0.00	
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	18.34	1.87	1.26	0.00	0.00	
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	17.83	1.84	1.24	0.00	0.00	
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	14.98	1.42	0.94	0.00	0.00	
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	11.62	0.96	0.62	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	12.08	1.05	0.69	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	0.00	0.00	
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	0.00	0.00	
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	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	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	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	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	0.00	0.00	
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	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	0.00	0.00	
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	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	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	0.00	0.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																					
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08										9/12/08		Closing Price on 9/15/08**
									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	9/14/08	9/15/2008			
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	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	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	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	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	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	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	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	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	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	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	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	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	0.00		
Call	2.50	4/18/2009							985.23	1027.35	987.90	1046.06	746.84	278.47	427.46	191.31	167.56	0.00	6.50		
Call	4.00	4/18/2009														162.85	141.76	0.00	3.50		
Call	5.00	4/18/2009							912.49	953.29	914.91	970.81	683.95	245.22	353.15	144.15	124.87	0.00	4.50		
Call	6.00	4/18/2009														126.48	109.00	0.00	3.50		
Call	7.50	4/18/2009							827.66	866.45	829.95	882.86	613.19	211.54	287.03	105.72	90.66	0.00	4.00		
Call	9.00	4/18/2009														87.03	74.78	0.00	3.50		
Call	10.00	4/18/2009							736.10	772.33	738.15	787.31	538.90	180.28	234.55	79.41	67.50	0.00	3.00		
Call	11.00	4/18/2009														64.68	55.15	0.00	3.00		
Call	12.00	4/18/2009														56.41	47.98	0.00	3.00		
Call	13.00	4/18/2009							619.92	652.44	621.66	665.35	447.43	144.76	176.91	51.54	43.06	0.00	0.00		
Call	14.00	4/18/2009							580.59	611.70	582.20	623.88	416.71	133.94	162.25	46.06	38.47	0.00	0.00		
Call	15.00	4/18/2009							541.20	570.89	542.72	582.31	386.64	123.32	144.85	37.59	30.94	0.00	0.00		
Call	16.00	4/18/2009							503.04	531.25	504.48	541.95	357.87	114.16	133.78	34.63	28.25	0.00	0.00		
Call	17.00	4/18/2009							464.81	491.51	466.18	501.42	329.61	104.38	121.46	29.88	25.02	0.00	0.00		
Call	18.00	4/18/2009							427.90	453.01	429.21	462.21	302.10	96.15	108.53	23.76	19.63	0.00	0.00		
Call	19.00	4/18/2009							394.78	418.31	395.99	426.84	278.49	89.26	100.48	22.19	17.89	0.00	0.00		
Call	20.00	4/18/2009							360.20	382.14	361.36	389.92	254.35	82.06	93.69	22.26	17.67	0.00	2.00		
Call	25.00	4/18/2009							215.40	229.71	216.46	234.77	153.48	54.40	60.04	12.19	9.40	0.00	0.00		
Call	30.00	4/18/2009							121.50	129.64	122.54	133.22	90.18	37.72	39.71	6.89	5.17	0.00	0.00		
Call	35.00	4/18/2009							64.03	68.19	64.96	70.78	49.99	24.40	24.73	3.56	2.58	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	446.39	205.90	180.83	0.00	15.50		
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	386.00	168.18	146.46	0.00	8.50		
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	322.98	129.86	111.55	0.00	8.00		
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	273.42	102.04	86.48	0.00	5.50		
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	233.47	84.13	69.40	0.00	7.50		
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	194.81	64.38	52.65	0.00	5.50		
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	164.96	52.43	44.34	0.00	3.00		
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	139.11	41.80	34.61	0.00	0.00		
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	117.65	31.97	26.87	0.00	3.50		
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	108.97	33.76	25.94	0.00	0.00		
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	82.21	22.28	17.40	0.00	0.00		
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	72.22	23.46	17.05	0.00	2.00		
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	53.64	16.79	13.49	0.00	2.50		
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	51.60	20.07	16.32	0.00	0.00		

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										9/12/08 to		Closing Price on 9/15/08**		
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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		9/14/08	9/15/2008
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	51.79	27.49	22.73	0.00	1.50
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	50.11	28.89	23.98	0.00	0.00
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	20.36	3.48	2.62	0.00	0.00
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	18.55	3.15	2.36	0.00	0.00
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	14.50	2.28	1.69	0.00	0.00
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	13.85	2.20	1.63	0.00	0.00
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	9.73	1.37	1.00	0.00	0.00
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	7.86	1.07	0.77	0.00	0.00
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	0.00	0.00
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										
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										

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										9/12/08 to		Closing Price on 9/15/08**		
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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		9/14/08	9/15/2008
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	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										
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	106.09	101.60	99.37	0.00	233.00
Put	4.00	9/20/2008													190.19	179.23	0.00	382.50	
Put	5.00	9/20/2008							106.98	107.41	107.10	107.68	104.17	91.91	292.31	219.60	202.78	0.00	482.50
Put	6.00	9/20/2008													234.66	213.61	0.00	580.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers 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	6/16/08 to												Closing Price on 9/15/08**						
				6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08		9/11/08	9/12/08 to 9/14/08	9/15/2008			
Put	7.50	9/20/2008							268.43	269.58	268.73	270.46	259.24	212.06	425.76	247.89	221.63	0.00	732.50			
Put	9.00	9/20/2008														249.19	222.04	0.00	879.00			
Put	10.00	9/20/2008							383.91	387.80	384.45	390.56	351.88	209.23	415.11	239.91	216.05	0.00	982.50			
Put	11.00	9/20/2008														242.56	217.88	0.00	1,080.00			
Put	12.00	9/20/2008														244.42	219.12	0.00	1,182.50			
Put	12.50	9/20/2008														25.55						
Put	13.00	9/20/2008							626.15	635.33	627.62	642.31	549.09	294.67	499.48	249.55	222.12	0.00	1,285.00			
Put	14.00	9/20/2008							687.38	698.99	689.15	708.06	590.92	299.50	503.45	249.57	222.12	0.00	1,380.00			
Put	15.00	9/20/2008							745.48	759.90	747.49	771.18	628.00	302.31	505.66	249.58	222.12	0.00	1,482.50			
Put	16.00	9/20/2008							801.68	819.18	803.89	832.76	662.72	304.09	507.00	249.58	222.12	0.00	1,580.00			
Put	17.00	9/20/2008							851.41	872.19	853.73	887.88	691.23	304.94	507.60	249.58	222.12	0.00	1,680.00			
Put	18.00	9/20/2008							894.23	918.40	896.61	936.10	714.10	305.34	507.87	249.58	222.12	0.00	1,782.50			
Put	19.00	9/20/2008							926.30	953.71	928.61	972.79	728.38	305.48	507.95	249.58	222.12	0.00	1,882.50			
Put	20.00	9/20/2008							953.59	983.97	955.83	1004.38	742.93	305.61	508.03	249.58	222.12	0.00	1,982.50			
Put	21.00	9/20/2008							973.64	1006.76	976.18	1028.62	752.93	305.66	508.06	249.58	222.12	0.00	2,080.00			
Put	22.00	9/20/2008							989.60	1024.81	991.91	1045.11	760.61	305.69	508.07	249.58	222.12	0.00	2,182.50			
Put	23.00	9/20/2008							1020.50	1057.17	1023.02	1077.41	787.91	305.75	508.10	249.58	222.12	0.00	2,282.50			
Put	24.00	9/20/2008							1024.16	1062.32	1026.94	1082.51	788.74	305.75	508.10	249.58	222.12	0.00	2,385.00			
Put	25.00	9/20/2008							1026.85	1065.67	1029.39	1085.77	789.20	305.75	508.10	249.58	222.12	0.00	2,480.00			
Put	30.00	9/20/2008							1026.30	1065.86	1028.92	1085.52	788.73	305.75	508.10	249.58	222.12	0.00	2,980.00			
Put	35.00	9/20/2008							1025.92	1065.69	1028.47	1085.16	788.37	305.75	508.10	249.58	222.12	0.00	3,482.50			
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	102.86	82.87	78.55	0.00	235.00			
Put	4.00	10/18/2008														134.59	125.58	0.00	385.00			
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	216.59	149.28	138.18	0.00	485.00			
Put	6.00	10/18/2008														156.51	144.15	0.00	582.50			
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	308.11	192.12	175.70	0.00	735.00			
Put	9.00	10/18/2008														206.01	187.47	0.00	880.00			
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	384.92	226.14	204.53	0.00	985.00			
Put	11.00	10/18/2008														230.71	208.16	0.00	1,080.00			
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	433.28	239.54	215.11	0.00	1,230.00			
Put	14.00	10/18/2008							595.10	607.35	596.57	615.92	502.49	249.30	454.73	243.96	218.40	0.00	1,382.50			
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	461.27	244.88	219.04	0.00	1,482.50			
Put	16.00	10/18/2008							698.41	715.24	700.30	726.70	574.44	264.75	470.05	246.24	220.00	0.00	1,582.50			
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	474.46	246.63	220.24	0.00	1,729.00			
Put	19.00	10/18/2008							825.94	850.42	828.32	865.91	654.46	276.99	481.13	247.45	220.79	0.00	1,880.00			
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	505.63	249.56	222.12	0.00	1,982.50			
Put	21.00	10/18/2008							897.51	910.58	940.01	913.40	957.44	711.07	303.54	506.38	249.57	222.12	0.00	2,079.00		
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	507.05	249.58	222.12	0.00	2,229.00			
Put	24.00	10/18/2008							979.97	895.12	942.51	960.32	995.14	963.13	1015.33	739.97	304.74	507.34	249.58	222.12	0.00	2,385.00
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	507.59	249.58	222.12	0.00	2,480.00			
Put	26.00	10/18/2008							1006.62	907.75	963.37	984.86	1021.89	987.35	1042.41	753.69	305.17	507.67	249.58	222.12	0.00	2,579.00
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	507.82	249.58	222.12	0.00	2,679.00			
Put	28.00	10/18/2008							1016.21	903.19	967.82	993.31	1031.96	996.06	1051.37	760.68	305.30	507.77	249.58	222.12	0.00	2,779.00
Put	29.00	10/18/2008							1023.61	904.14	972.73	1000.40	1039.53	1002.96	1058.99	765.41	305.42	507.86	249.58	222.12	0.00	2,879.00
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	507.82	249.58	222.12	0.00	2,980.00			
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	507.78	249.58	222.12	0.00	3,079.00			
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	507.74	249.58	222.12	0.00	3,179.00			

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08								9/12/08		Closing Price on 9/15/08**	
									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	9/14/08	9/15/2008		
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	507.79	249.58	222.12	0.00	3,279.00	
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	507.84	249.58	222.12	0.00	3,379.00	
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	508.10	249.58	222.12	0.00	3,485.00	
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	507.69	249.58	222.12	0.00	3,579.00	
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	507.54	249.58	222.12	0.00	3,679.00	
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	507.96	249.58	222.12	0.00	3,779.00	
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	507.70	249.58	222.12	0.00	3,879.00	
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	507.93	249.58	222.12	0.00	3,979.00	
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	507.64	249.58	222.12	0.00	4,079.00	
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	507.48	249.57	222.12	0.00	4,179.00	
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	507.44	249.57	222.12	0.00	4,279.00	
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	507.41	249.57	222.12	0.00	4,379.00	
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	507.38	249.57	222.12	0.00	4,479.00	
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	507.34	249.57	222.12	0.00	4,579.00	
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	507.47	249.57	222.12	0.00	4,679.00	
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	507.28	249.56	222.11	0.00	4,779.00	
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	507.24	249.56	222.11	0.00	4,879.00	
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	507.21	249.56	222.11	0.00	4,979.00	
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	507.05	249.55	222.11	0.00	5,479.00	
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	506.90	249.54	222.10	0.00	5,979.00	
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	506.75	249.53	222.09	0.00	6,479.00	
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	505.67	249.45	222.04	0.00	6,979.00	
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	506.48	249.50	222.08	0.00	7,479.00	
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	505.30	249.40	222.01	0.00	7,979.00	
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	505.12	249.37	221.99	0.00	8,479.00	
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	94.11	70.09	65.73	0.00	236.50	
Put	4.00	1/17/2009													112.45	104.77	0.00	385.00		
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	188.55	132.62	122.22	0.00	480.00	
Put	6.00	1/17/2009													147.72	135.05	0.00	580.00		
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	266.18	177.59	162.23	0.00	730.00	
Put	9.00	1/17/2009													194.34	175.73	0.00	880.00		
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	335.30	212.90	192.35	0.00	982.50	
Put	11.00	1/17/2009													216.27	194.58	0.00	1,079.00		
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	365.10	211.68	191.63	0.00	1,232.50	
Put	14.00	1/17/2009							504.04	516.16	505.31	523.90	418.59	202.33	390.23	221.24	199.70	0.00	1,380.00	
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	402.90	225.58	203.30	0.00	1,482.50	
Put	16.00	1/17/2009							594.88	610.45	596.48	620.17	486.71	225.43	419.98	231.42	208.14	0.00	1,580.00	
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	437.17	236.53	212.28	0.00	1,730.00	
Put	19.00	1/17/2009							718.79	740.01	720.79	752.73	574.64	251.60	450.14	239.92	214.97	0.00	1,879.00	
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	456.62	241.44	216.16	0.00	1,980.00	
Put	21.00	1/17/2009							773.34	786.43	788.69	825.95	620.17	261.78	460.82	242.31	216.82	0.00	2,080.00	
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	476.65	245.82	219.51	0.00	2,235.00	
Put	24.00	1/17/2009							893.45	812.25	857.44	874.84	905.22	877.37	922.19	678.72	277.70	219.61	0.00	2,379.00
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	482.89	246.76	220.19	0.00	2,482.50	
Put	26.00	1/17/2009							939.03	846.37	898.68	919.25	952.90	922.14	971.33	708.19	285.90	220.73	0.00	2,579.00
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	489.47	247.78	220.93	0.00	2,679.00	
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	491.57	248.06	221.12	0.00	2,780.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers 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	6/16/08								9/12/08		Closing Price on 9/15/08**	
								6/13/08	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	9/14/08		9/15/2008
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	506.89	249.56	222.11	0.00	2,879.00
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	507.35	249.57	222.12	0.00	2,985.00
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	507.25	249.57	222.12	0.00	3,079.00
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	507.55	249.58	222.12	0.00	3,179.00
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	507.48	249.57	222.12	0.00	3,279.00
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	507.40	249.57	222.12	0.00	3,379.00
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	507.46	249.57	222.12	0.00	3,479.00
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	488.16	247.04	220.33	0.00	3,579.00
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	507.60	249.57	222.12	0.00	3,679.00
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	487.39	246.79	220.13	0.00	3,779.00
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	487.01	246.67	220.03	0.00	3,879.00
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	507.92	249.58	222.12	0.00	3,985.00
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	505.61	249.48	222.07	0.00	4,090.00
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	507.30	249.56	222.11	0.00	4,179.00
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	507.23	249.56	222.11	0.00	4,279.00
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	506.29	249.51	222.09	0.00	4,379.00
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	506.67	249.53	222.10	0.00	4,479.00
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	505.54	249.46	222.05	0.00	4,579.00
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	507.36	249.56	222.11	0.00	4,679.00
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	505.89	249.48	222.06	0.00	4,779.00
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	505.40	249.44	222.04	0.00	4,980.00
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	506.94	249.54	222.10	0.00	5,479.00
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	505.42	249.41	222.02	0.00	5,979.00
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	484.29	245.19	218.78	0.00	6,479.00
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	502.97	249.09	221.79	0.00	6,979.00
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	503.77	249.18	221.85	0.00	7,479.00
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	501.97	248.89	221.64	0.00	7,979.00
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	503.51	249.10	221.79	0.00	8,979.00
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	502.80	248.96	221.68	0.00	9,979.00
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	502.10	248.81	221.57	0.00	10,979.00
Put	2.50	4/18/2009							52.39	53.17	52.50	53.60	46.98	28.81	89.55	66.30	62.04	0.00	236.00
Put	4.00	4/18/2009													106.70	98.85	0.00	380.00	
Put	5.00	4/18/2009							127.33	129.52	127.58	130.80	111.88	65.39	180.94	128.29	118.61	0.00	480.00
Put	6.00	4/18/2009													147.14	135.03	0.00	579.00	
Put	7.50	4/18/2009							214.73	218.88	215.14	221.40	185.36	102.92	256.68	174.42	158.82	0.00	735.00
Put	9.00	4/18/2009													195.77	177.28	0.00	879.00	
Put	10.00	4/18/2009							310.78	317.45	311.45	321.58	264.01	139.31	316.47	204.74	184.26	0.00	979.00
Put	11.00	4/18/2009													218.82	196.82	0.00	1,079.00	
Put	12.00	4/18/2009													233.37	210.11	0.00	1,179.00	
Put	13.00	4/18/2009							422.62	433.01	423.67	439.45	350.88	170.27	341.14	199.12	180.56	0.00	1,279.00
Put	14.00	4/18/2009							462.54	474.33	463.73	481.61	381.59	181.49	357.56	206.13	186.60	0.00	1,379.00
Put	15.00	4/18/2009							505.44	518.67	506.74	526.78	415.01	195.94	398.03	237.99	213.60	0.00	1,479.00
Put	16.00	4/18/2009							541.25	556.00	542.70	564.97	441.38	202.45	386.64	217.75	196.51	0.00	1,579.00
Put	17.00	4/18/2009							579.50	595.80	581.05	605.64	469.62	211.72	399.17	222.39	200.43	0.00	1,679.00
Put	18.00	4/18/2009							618.03	635.92	619.72	646.61	498.29	221.62	411.86	226.93	204.23	0.00	1,779.00
Put	19.00	4/18/2009							650.46	669.93	652.24	681.56	520.80	226.85	417.95	228.77	205.73	0.00	1,879.00
Put	20.00	4/18/2009							685.50	706.63	687.36	718.96	545.65	233.80	426.30	231.44	207.94	0.00	1,979.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers 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	6/16/08													9/12/08 to 9/15/2008	Closing Price on 9/15/08**	
				6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	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			9/14/08
Put	25.00	4/18/2009							838.47	867.54	840.98	883.69	652.99	267.73	467.15	243.08	217.34	0.00	2,479.00
Put	30.00	4/18/2009							927.72	962.96	930.49	981.67	709.86	280.84	481.08	245.87	219.46	0.00	2,979.00
Put	35.00	4/18/2009							993.87	1033.66	997.41	1054.80	759.64	304.63	507.19	249.57	222.11	0.00	3,479.00
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	86.71	64.61	60.52	0.00	237.50
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	179.06	129.05	118.33	0.00	480.00
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	263.59	185.38	170.85	0.00	732.50
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	324.28	218.24	197.74	0.00	985.00
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	317.26	187.41	170.25	0.00	1,229.00
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	358.05	205.47	185.92	0.00	1,487.50
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	393.49	219.71	198.09	0.00	1,735.00
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	420.50	229.31	206.14	0.00	1,982.50
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	438.59	234.93	210.75	0.00	2,229.00
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	457.71	240.44	215.21	0.00	2,479.00
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	474.21	244.23	218.18	0.00	2,990.00
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	482.17	245.74	219.32	0.00	3,479.00
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	488.94	246.98	220.26	0.00	3,985.00
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	504.92	249.41	222.02	0.00	4,485.00
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	501.15	248.94	221.70	0.00	4,979.00
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	470.47	241.44	215.74	0.00	5,479.00
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	462.61	238.69	213.44	0.00	5,979.00
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	497.68	248.21	221.14	0.00	6,479.00
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	450.70	234.09	209.53	0.00	6,979.00
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	458.31	236.64	211.66	0.00	7,479.00
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	447.16	232.41	208.06	0.00	7,979.00
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	489.87	246.14	219.49	0.00	8,979.00
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	486.76	245.19	218.70	0.00	9,979.00

\*\* 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.

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT WITH THE SETTLING UNDERWRITER DEFENDANTS, SETTLEMENT FAIRNESS HEARING AND MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**IF YOU PURCHASED OR ACQUIRED THE LEHMAN SECURITIES DESCRIBED BELOW, YOU COULD GET PAYMENTS FROM LEGAL SETTLEMENTS WITH CERTAIN DEFENDANTS.**

*A U.S. Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

- Multiple settlements have been reached in the class action lawsuit *In re Lehman Brothers Equity/Debt Securities Litigation*, No. 08-CV-5523-LAK (S.D.N.Y.) (the "Action"). This notice addresses the settlements reached with all but one of the underwriters named as defendants in the Action (the "Underwriter Settlement").<sup>1</sup> The initial settlement was reached with the first group of settling Underwriter Defendants in the amount of \$417,000,000 pursuant to a Stipulation of Settlement and Release executed on December 2, 2011 (the "First Underwriter Stipulation"). The second settlement was reached with the second group of settling Underwriter Defendants<sup>2</sup> for additional monetary recoveries in the aggregate amount of \$9,218,000 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 to or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and were damaged thereby (the "Underwriter Class").<sup>3</sup>
- 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.

<sup>1</sup> The \$90 million settlement reached with the director and officer defendants (the "D&O Settlement") is addressed briefly below in Question 6.

<sup>2</sup> The first group of settling Underwriter Defendants and the second group of settling Underwriter Defendants shall be jointly referred to as the "Settling Underwriter Defendants," as defined in Part 1 of the Section entitled "Basic Information," below.

<sup>3</sup> The Shelf Registration Statement refers to the shelf registration statement filed by Lehman Brothers Holdings Inc. ("LBHI") with the U.S. Securities and Exchange Commission ("SEC") on Form S-3 and dated May 30, 2006, together with any amendments thereto, as well as any materials incorporated by reference therein. The Offering Materials refer to the materials incorporated by reference in the Shelf Registration Statement.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN MAY 17, 2012</b>	The only way to get a payment. Instructions as to how to request a claim form are contained below.
<b>EXCLUDE YOURSELF BY MARCH 22, 2012</b>	Get no payment. The only option that might let you sue the defendants that settled concerning the claims being resolved in the Underwriter Settlement.
<b>OBJECT BY MARCH 22, 2012</b>	Write to the Court about why you do not like the Underwriter Settlement or any aspect thereof.
<b>GO TO A HEARING ON APRIL 12, 2012 AT 4:00 PM</b>	Ask to speak in Court about the fairness of the Underwriter Settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Underwriter Settlement. If it does, it will take time to process all of the claim forms and to distribute payments. Please be patient.

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## 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.<sup>4</sup> The Lead Plaintiffs sued on behalf of others who have similar claims. All of these people together are referred to as a “settlement class” or as “settlement class members.” One Court resolves the issues for all settlement class members, except for any persons or entities who choose to exclude themselves from the settlement class (see Question 17 below), if the Court determines that a class action is an appropriate method to do so.

### 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](http://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.

<sup>4</sup> The Lead Plaintiffs who purchased Lehman Securities are Alameda County Employees’ Retirement Association and Government of Guam Retirement Fund, and additional named plaintiffs in this Action who purchased Lehman Securities are Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Montgomery County Retirement Board; Teamsters Allied Benefit Funds; John Buzanowski; and Ann Lee (all collectively, “Named Plaintiffs”).

## 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](http://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](http://www.LehmanSecuritiesLitigationSettlement.com). The First Underwriter Stipulation describes the Settled Claims with specific description, in necessarily accurate legal terminology, so please read it carefully.

The Settling Parties will also seek, among other things, a judgment reduction order in connection with the Judgment in the Action. A judgment reduction order generally reduces the liability of non-settling defendants and/or certain other parties for common damages by the greater of the settlement amount paid by or on behalf of the settling defendants for common damages or the percentage share of responsibility of the settling defendants for common damages.<sup>5</sup>

**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](http://www.LehmanSecuritiesLitigationSettlement.com), to request that a Claim Form be mailed to you. Submitting a Claim Form does not necessarily guarantee that you will receive a payment. Please refer to the attached Plan of Allocation for further information on how Lead Plaintiffs propose the 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.

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<sup>5</sup> The Settling Parties will also seek to include in the Judgment a “bar order” that will, among other things, bar certain claims for contribution and indemnification against or by the Settling Underwriter Defendants and/or certain other related parties. The bar order typically does not apply to class members.

**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	<p><b><u>For the First Group of Settling Underwriter Defendants:</u></b>            CLEARY GOTTLIEB STEEN &amp; HAMILTON LLP            Mitchell Lowenthal            Victor L. Hou            Roger Cooper            One Liberty Plaza            New York, NY 10006</p> <p><b><u>For the Second Group of Settling Underwriter Defendants:</u></b>            HOWARD RICE NEMEROVSKI            CANADY FALK &amp; RABKIN PC            Kenneth G. Hausman            Three Embarcadero Center            Seventh Floor            San Francisco, CA 94111-4024</p>

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](http://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](http://www.LehmanSecuritiesLitigationSettlement.com). You may also write to the Claims Administrator at, *In re Lehman Brothers Equity/Debt Securities Litigation*, c/o GCG, Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721.

## INFORMATION FOR BROKERS AND OTHER NOMINEES

### 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](http://www.LehmanSecuritiesLitigationSettlement.com).

If you verify and provide details about your assistance with either of these options, you may be reimbursed from the Underwriter Settlement Fund for the actual expenses you incur to send the Notice and Claim Form, including postage and/or the reasonable costs of determining the names and addresses of beneficial owners. Please send any requests for reimbursement, along with appropriate supporting documentation, to: *In Re: Lehman Brothers Equity/Debt Securities Litigation – Settling Underwriter Defendants Settlement*, c/o GCG, Claims Administrator, P.O. Box 9821, Dublin, OH 43017-5721, or visit [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.**

Dated: 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<sup>1</sup> (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](http://www.LehmanSecuritiesLitigationSettlement.com). Approval of the Underwriter Settlement is independent from approval of the Underwriter Plan of Allocation. Any determination with respect to the Underwriter Plan of Allocation will not affect the Underwriter Settlement, if approved.

Each person or entity claiming to be an Authorized Claimant will be required to submit a Proof of Claim Form (“Claim Form”), signed under penalty of perjury and supported by such documents as specified in the Claim Form, 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.**

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<sup>1</sup>The Settling Underwriter Defendants are: A.G. Edwards & Sons, Inc.; ABN AMRO Inc.; ANZ Securities, Inc.; Banc of America Securities LLC; BBVA Securities Inc.; BNP Paribas; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Caja de Ahorros y Monte de Piedad de Madrid; Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Corporate and Investment Bank); CIBC World Markets Corp.; Citigroup Global Markets Inc.; Charles Schwab & Co., Inc.; Commerzbank Capital Markets Corp.; Daiwa Capital Markets Europe Limited (f/k/a Daiwa Securities SMBC Europe Limited); DnB NOR Markets Inc. (the trade name of which is DnB NOR Markets); DZ Financial Markets LLC; Edward D. Jones & Co., L.P.; Fidelity Capital Markets Services (a division of National Financial Services LLC); Fortis Securities LLC; BMO Capital Markets Corp. (f/k/a Harris Nesbitt Corp.); HSBC Securities (USA) Inc.; HVB Capital Markets, Inc.; Incapital LLC; ING Financial Markets LLC; Loop Capital Markets, LLC; Mellon Financial Markets, LLC (n/k/a BNY Mellon Capital Markets, LLC); Merrill Lynch, Pierce, Fenner & Smith Inc.; Mizuho Securities USA Inc.; Morgan Stanley & Co. Inc.; MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners); Muriel Siebert & Co., Inc. and Seibert Capital Markets; nabCapital Securities, LLC (n/k/a nabSecurities, LLC); National Australia Bank Ltd.; Natixis Bleichroeder Inc. (n/k/a Natixis Securities Americas LLC); Raymond James & Associates, Inc.; RBC Capital Markets, LLC (f/k/a RBC Dain Rauscher Inc.); RBS Greenwich Capital (n/k/a RBS Securities 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 <sup>1</sup>
52520W317	7.95% Non-Cumulative Perpetual Preferred Stock, Series J	2/5/2008		\$25.00	\$0.01
5252M0BZ9	5.625% Notes Due 2013	1/22/2008	\$1,000.00	\$995.44	\$111.00 <sup>2</sup>
5252M0FD4	6.875% Notes Due 2018	4/24/2008	\$1,000.00	\$996.69	\$126.30 <sup>2</sup>
52517P5X5	6.2% Notes Due 2014	9/26/2007	\$1,000.00	\$999.16	\$122.50 <sup>2</sup>
52517P4C2	6% Notes Due 2012	7/19/2007	\$1,000.00	\$998.98	\$120.00 <sup>2</sup>
52517P5Y3	7% Notes Due 2027	9/26/2007	\$1,000.00	\$998.08	\$125.00 <sup>2</sup>
52519FFE6	Lehman Notes, Series D	2/5/2008	\$1,000.00 <sup>4</sup>	\$1,000.00	\$120.96 <sup>3</sup>
52519FFM8	Lehman Notes, Series D	4/29/2008	\$1,000.00 <sup>4</sup>	\$1,000.00	\$120.96 <sup>3</sup>
524908R36	6.50% Subordinated Notes Due 2017	7/19/2007	\$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