

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 15
LEHMAN BROTHERS FINANCE AG, IN :
LIQUIDATION, a/k/a LEHMAN BROTHERS : Case No. 09-10583 (JMP)
FINANCE SA, IN LIQUIDATION, :
Debtor in a Foreign Proceeding. :
----- X
In re: : Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Case No. 08-13555 (JMP)
Debtors. : (Jointly Administered)
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**ORDER DISMISSING CHAPTER 11 CASE OF LEHMAN BROTHERS
FINANCE AG a/k/a LEHMAN BROTHERS FINANCE SA
(CASE NO. 08-13887 (JMP)) AND GRANTING RELATED RELIEF**

This matter having come before the Court upon the motion pursuant to section 305 of the Bankruptcy Code for an order dismissing the chapter 11 case of Lehman Brothers Finance AG a/k/a Lehman Brothers Finance SA (Case No. 08-13887 (JMP)) (the “Motion”) filed on February 10, 2009 by or on behalf of PricewaterhouseCoopers, AG Zurich (“PwC”) in its capacity as the duly authorized Bankruptcy Liquidator and putative foreign representative of Lehman Brothers Finance AG, in Liquidation, also known as Lehman Brothers Finance SA, in Liquidation, a Swiss corporation (“LBF”), a debtor in a bankruptcy proceeding (the “Swiss Bankruptcy”) that is pending before, and under the supervision of, the Swiss Federal Banking Commission (the “Swiss Commission”); the Court having reviewed and considered the Motion; due and timely notice of the filing of the Motion having been given pursuant to the Order (I) Scheduling Hearing

Regarding Chapter 15 Petition and Motion to Dismiss Chapter 11 Case, and (II) Approving Notice of the Hearing, dated February 10, 2009, which notice is deemed adequate for all purposes so that no other or further notice thereof need be given; the Court having reviewed and considered (A) Millennium International, Ltd.'s (1) Objection to Chapter 15 Petition for Recognition of Foreign Main Proceeding and Requested Relief and (2) Objection to Motion to Dismiss Chapter 11 Case Upon Recognition of Foreign Main Proceeding (together the "Millennium Objections"); (B) the Response to Chapter 15 Petition and Motion by Debtor in a Foreign Proceeding for an Order Dismissing Chapter 11 Case Upon Recognition of Foreign Main Proceeding, filed by Lehman Brothers Holding Inc. *et al.* (the "Debtors") and (C) PricewaterhouseCoopers AG, Zurich's Reply to the Millennium Objections; and such Millennium Objections having been withdrawn by agreement and no other objections or other responses having been filed; all interested parties having had due and proper notice and an opportunity to be heard; and based upon the agreement of the parties; and after due consideration and good cause appearing therefor, the Court hereby FINDS AND CONCLUDES THAT:

A. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Standing Order of referral of Cases to Bankruptcy Judges of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

C. Venue of the Chapter 15 case is proper in this District pursuant to 28 U.S.C. § 1410.

D. A chapter 11 case regarding LBF (the "Chapter 11 Case") is pending before this Court under Case No. 08-13887 (JMP). The following adversary proceedings (together, the "Adversary Proceedings") have been filed in the Chapter 11 Case: (i) Rye Select Broad Market

XL Portfolio Limited v. Lehman Brothers Special Financing, Inc., et al, Adversary Proceeding No. 08-01624 (JMP); (ii) Rye Select Broad Market XL Portfolio Limited v. Lehman Brothers Special Financing, Inc., et al, Adversary Proceeding No. 08-01625 (JMP); (iii) Kelly v. Lehman Brothers OTC Derivatives, Inc., et al, Adversary Proceeding No. 08-01621 (JMP) (the “Kelly Adversary”); and Millennium International, Ltd. v. Lehman Brothers Finance, SA, et al, Adversary Proceeding No. 09-01115 (JMP) (the “Millennium Adversary”). The first two Adversary Proceedings have been dismissed.

E. Concurrently with the Motion, PwC filed its petition for recognition of the currently pending bankruptcy proceeding in Switzerland (the “Swiss Bankruptcy”) as a foreign main proceeding and for related relief.

F. Pursuant to the Order Granting Recognition of Foreign Main Proceeding and Related Relief Under Chapter 15 entered concurrently herewith in Case No. 09-10583 (the "Chapter 15 Case"), this Court has granted recognition of the Swiss Bankruptcy as a foreign main proceeding, and granted supplemental relief under section 1521 of the Bankruptcy Code.

G. Recognition of the Swiss Bankruptcy as a foreign main proceeding having been granted, and a chapter 15 case having been commenced, the purposes of chapter 15 of the Bankruptcy Code, including the efficient administration of LBF’s assets and maximization of LBF’s assets, warrant dismissal of the Chapter 11 Case.

For all of the foregoing reasons, and after due consideration and good cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion shall be and hereby is granted.
2. The Chapter 11 Case shall be and hereby is dismissed.

3. The provisions of section 11 U.S.C. § 1520, including but not limited to the application of section 362 with respect to LBF and the property of LBF that is within the territorial jurisdiction of the United States, shall be effective immediately.

4. The Kelly Adversary shall continue to be administered by this Court in connection with the above captioned chapter 11 cases and the Chapter 15 case, under the following revised caption, which revised caption shall be denoted by the Clerk of the Bankruptcy Court in the docket of the Kelly Adversary:

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In re:	:	Chapter 15
	:	
LEHMAN BROTHERS FINANCE AG, IN	:	Case No. 09-10583 (JMP)
LIQUIDATION, a/k/a LEHMAN BROTHERS	:	
FINANCE SA, IN LIQUIDATION,	:	
	:	
Debtor in a Foreign Proceeding.	:	
	:	
-----	X	
In re:	:	Chapter 11
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	:	Case No. 08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	
DECLAN KELLY,	:	
Plaintiff,	:	
	:	Adversary Proceeding
v.	:	
LEHMAN BROTHERS OTC DERIVATIVES INC.,	:	Case No. 08-01621 (JMP)
LEHMAN BROTHERS INC., and	:	
LEHMAN BROTHERS FINANCE S.A.,	:	
	:	
Defendants.	:	
-----	X	

5. Additionally, this Court orders that a docket entry shall be made in the Kelly Adversary which states substantially as follows:

"An order has been entered in this case directing that the caption of the case be changed to reflect the dismissal of the Chapter 11 Case against Lehman Brothers Finance S.A., and the commencement of the chapter 15 case currently pending as Case No. 09-10583."

6. The Millennium Adversary will continue to be administered by this Court in connection with the above captioned chapter 11 cases and the Chapter 15 case, under the following revised caption, which revised caption shall be denoted by the Clerk of the Bankruptcy Court in the docket of the Millennium Adversary:

-----	X	
In re:	:	
LEHMAN BROTHERS FINANCE AG, IN	:	Chapter 15
LIQUIDATION, a/k/a LEHMAN BROTHERS FINANCE	:	
SA, IN LIQUIDATION,	:	Case No. 09-10583 (JMP)
	:	
Debtor in a Foreign Proceeding.	:	
	:	
-----	X	
MILLENNIUM INTERNATIONAL LTD.,	:	
Plaintiff,	:	
	:	
v.	:	
	:	
LEHMAN BROTHERS FINANCE, SA and	:	Adversary Proceeding
KBC INVESTMENTS CAYMAN ISLANDS V LIMITED	:	
KBC INVESTMENTS LIMITED and	:	Case No. 09-01115 (JMP)
KBC FINANCIAL PRODUCTS USA, INC. and	:	
KBC FINANCIAL PRODUCTS UK LIMITED and	:	
SOMERS DUBLIN LTD. A/C KBC PLEDGED	:	
TO LEHMAN BROTHERS FINANCE SA	:	
	:	
Defendants.	:	
-----	X	

7. Additionally, this Court orders that a docket entry shall be made in the Millennium Adversary which states substantially as follows:

"An order has been entered in this case directing that the caption of the case be changed to reflect the dismissal of the Chapter 11 Case against Lehman Brothers Finance S.A., and the commencement of the Chapter 15 case currently pending as Case No. 09-10583."

8. This Court hereby asserts, with LBF's consent, subject matter jurisdiction with respect to the Millennium Adversary and personal jurisdiction over LBF in the Millennium Adversary, but solely for the purpose of adjudicating all rights, claims, defenses, objections, and other matters in the Millennium Adversary and liquidating and entering judgment, subject to applicable appeal rights, with respect to (a) any claim that Millennium may have against LBF; (b) any claim that Millennium may have against any other party properly before this Court; or (c) any claim that LBF or such other party may have against Millennium.

9. Any claim by Millennium for monetary damages against LBF reflected in any final judgment entered in, or any settlement with respect to, the Millennium Adversary shall only be asserted in the Swiss Bankruptcy and any such judgment or settlement shall not form the basis for attachment or any other enforcement against LBF or its assets other than as allowed in the Swiss Bankruptcy. This Court may finally adjudicate under applicable law, without the need for Millennium to apply for relief in the Swiss Bankruptcy, any claim that Millennium has against LBF reflected in any final judgment entered in, or any settlement with respect to, the Millennium Adversary which final judgment or settlement (1) sets-off such claim against any claim that LBF, or any other party properly before this Court, may have against Millennium and/or (2) makes any determination of any interest in the Investment Shares (as defined in the adversary complaint filed in the Millennium Adversary). Nothing herein shall constitute a determination as to which

law shall apply to any matter, including but not limited to propriety of set-off, and the parties shall retain all rights concerning which law (including Swiss law) may apply.

10. This Order shall be filed and take effect in both the Chapter 11 Case and the Chapter 15 Case.

Dated: March 12, 2009

By: /s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

AGREED AS TO FORM AND SUBSTANCE
THIS 12th DAY OF MARCH, 2009:

WEIL GOTSHAL & MANGES LLP

ROPES & GRAY LLP

/s/ Richard P. Krasnow
Richard P. Krasnow
Maurice Horwitz
767 Fifth Avenue
New York, NY 10153
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

Attorneys for Debtors and
Debtors in Possession
Lehman Brothers Holdings Inc. *et al.*

/s/ James M. Wilton
James M. Wilton
Peter L. Welsh
One International Place
Boston, Massachusetts 02110
Telephone: (617) 951-7000
Facsimile: (617) 951-7050

Attorneys for Millennium International, Ltd.

GIBSON, DUNN & CRUTCHER LLP

/s/ Michael A. Rosenthal
Michael A. Rosenthal
Rachel F. Castelino
200 Park Avenue
New York, NY 10166
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Attorneys for PricewaterhouseCoopers AG, Zurich,
as Bankruptcy Liquidator of
Lehman Brothers Finance AG, in Liquidation,
a/k/a Lehman Brothers Finance SA, in Liquidation