

Lehman Brothers Inc. Trustee Offers Opportunity for Eligible General Unsecured Creditors to Cash Out by Participating in Accelerated Final Distribution Election

- The Accelerated Final Distribution Election provides eligible general unsecured creditors the opportunity to:
 - (1) receive a distribution equal to 0.75% of the allowed general unsecured claim and retain the rights to any future distributions the Trustee may make; OR
 - (2) sell the claim to the Sponsor for a distribution equal to 2.23% of the allowed general unsecured claim (the 0.75% plus an additional payment of 1.48%).
- The Deadline to participate in the Accelerated Final Distribution Election is August 16, 2018.

NEW YORK, July 11, 2018 -- James W. Giddens, trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act, is now offering eligible general unsecured creditors the opportunity to cash out of the LBI estate by participating in the Accelerated Final Distribution Election (AFDE). Under this plan, eligible claimholders may choose to sell and transfer their claim to the Sponsor (Deutsche Bank AG, London Branch) at a court-approved, market-determined rate and will be immediately cashed out of the LBI estate. Participating claimants will no longer own their claim and will not receive future distributions. Instead, claimants will receive a final distribution equaling 1.48 percent of their allowed general unsecured claim. This amount is in addition to the 0.75 percent being distributed to all allowed general unsecured creditors pursuant to the sixth interim distribution.

The Trustee's professionals mailed out AFDE solicitation packages in early July, and eligible claimants have until August 16, 2018 to opt-in to the AFDE. To participate, claimants must execute and return the Election, Assignment, and Release form enclosed in their solicitation packages by mail or email, or complete the electronic Election, Assignment, and Release form on the Trustee's website (www.lehmantrustee.com) using the individualized access code included in their solicitation package. Disbursements to electing claimholders are scheduled to occur with the sixth interim distribution in the second week of September 2018.

"We are pleased with the rate offered by Deutsche Bank, which is the result of a highly competitive, market-driven bid process to identify the highest and best rate," Giddens said. "The Accelerated Final Distribution Election provides creditors with a mechanism to cash out of the LBI estate, which is approaching its ten-year anniversary."

Approval of the AFDE follows a May 31, 2018 court order approving the Trustee's request to make a sixth interim distribution to LBI's general unsecured creditors constituting 0.75 percent of allowed general unsecured claims and totaling \$170 million. This distribution would bring total payments to allowed general unsecured creditors up to 39.75 percent. As of March 31, 2018, the Trustee reported LBI estate assets at \$547 million,¹ which are projected to decrease to approximately \$377 million following the sixth interim distribution in September 2018.² Future interim and final distributions to general unsecured creditors will be made from any other assets the Trustee may recover, which may or may not be material.

1. See Lehman Brothers Inc. Liquidation Balance Sheet as of March 31, 2018 (ECF No. 14567), available on the Trustee's website at www.lehmantrustee.com.

2. Disbursements to claimants electing to participate in the AFDE will be funded by the Sponsor, Deutsche Bank AG, London Branch. No LBI estate assets will be used to fund payments related to the AFDE.

While the estate remains in a phase of substantial completion, the potential for any future distribution of this magnitude is uncertain. Additionally, the timing of any future distribution will largely depend on the outcome of ongoing litigation with one group of claimants that has appealed the Court's ruling in favor of the Trustee's claims determinations. This sole remaining claims litigation relates to over \$260 million, which the Trustee has reserved for at 100 percent and is included in the estate's assets figure reported above.

Additional information can be found on the Trustee's [website](#). The Trustee is represented by Hughes Hubbard & Reed LLP.

The information in this statement does not apply to any other Lehman entity, including separate insolvency proceedings involving Lehman Brothers Holding, Inc. (LBHI) and Lehman Brothers International (Europe) (LBIE).

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