

27 November 2008

Our ref: AVL/SAP/LBIE/961  
Lehman Regulatory Role reference:  
Your User ID:  
Your Password:

Dear Sir/Madam

**Lehman Brothers International (Europe) - in Administration ("LBIE" or the "Company")**

I wrote to all known creditors on 28 October 2008 enclosing our Proposals for Achieving the Purpose of Administration and to provide details of the creditors' meeting that was being called to consider them. The meeting was duly held on 14th November 2008, and I enclose the result of this meeting in Form 2.23B, which confirms that the Joint Administrators' Proposals dated 28 October 2008 were approved with one modification. That modification was to replace proposal (xi) as follows:

The Administrators will maintain all funds in the estate in the currencies in which such assets have been realised. The Administrators' strategy as regards the selection of an appropriate currency for maintaining estate funds, pending determination and implementation of the appropriate "exit route" will be determined in consultation with the creditors' committee.

The Proposals as approved are enclosed with this letter.

**Creditors' Committee**

The meeting voted to form a creditors' committee. There were 10 nominees and, I confirm that creditors voted for a committee comprising of the following members:

- Lehman Brothers Holdings Inc to be represented by Daniel Ehrmann or Ann Cairns.
- Ramius Credit Opportunities Master Fund Limited to be represented by Marran Ogilvie and/or Owen Littman.

- GLG European Long/Short Fund to be represented by Emmanuel Roman.
- Legal and General Pensions Limited to be represented by Kevin Gregory, Geoffrey Timms or Simon Bezzina.
- Oceanwood Global Opportunities Master Fund represented by William C Nicholas.

The first meeting of the creditors' committee will take place on Wednesday 3<sup>rd</sup> December 2008.

## **Updated information regarding the Administration**

The Administrators' are required to report to the creditors every six months whilst the Company remains in Administration; however it is intended that we will also update creditors on the progress of the Administration via the LBIE creditors' website ("the Website"). **Creditors will require a User ID and password to access the Website. Further information relating to the submission of claims on the Website and the provision of User ID and passwords is set out in the Creditor section of this letter.**

## **What steps should be taken now?**

The Administrators will continue to manage the Administration in accordance with the proposals approved by creditors and in consultation with the creditors' committee.

As per the Proposals, the Administrators' will establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor. If you have not already submitted your claim to the Administrators, please do so by using the Website, as detailed below.

## **Submission of your claim**

Creditors are requested to submit their claims via the Website: <https://dm.pwc.com/LBIECreditors>. A user guide is available on the Website to assist you with completing your claim information.

Specific advice regarding use of the Website for the different types of LBIE creditor i.e. counterparty, trade and employees are set out below.

- **Counterparty creditors**

Counterparty creditors should have already received their User ID and passwords at the time of the circulation of the Administrators' Proposals, which allowed access to the Website in order to submit claims against the Company for voting purposes at the creditors' meeting.

Immediately prior to the creditors' meeting, the Website was closed so that claims could be reviewed for voting purposes. The Website will re-open on or before 30 November 2008 following essential maintenance, after which time, creditors will be able to submit their claims or update information already submitted.

If you are an agent acting on behalf of funds that are creditors of LBIE, a separate claim must be submitted for each such fund. To obtain further User IDs and passwords, please follow the procedure explained below.

For security purposes, if you have not received your User ID and password, or have misplaced this information, please provide the following information by email to **[lbiecreditorclaims@lehman.com](mailto:lbiecreditorclaims@lehman.com)**:

- A letter on company letterhead confirming the email address to which the User ID and password may be sent.
- The letter must be signed by either the company secretary or a company director; the letter signatory must also be copied into your reply.

- **Trade creditors**

All creditors can now gain access to the Website in order to submit your claim. You have been provided with a User ID and password to enable you to access the Website in the heading to this letter. **If you have already obtained a User ID and password by following the procedure set out on the PricewaterhouseCoopers LLP website, then please disregard the new User ID and password provided in this letter and continue to use the information that you have been issued with.**

In previous correspondence, creditors were requested to complete a paper statement of claim form and return it to the Administrators. All claims received in paper form, up to the date of the creditors meeting (14<sup>th</sup> November 2008), will be input onto the Website by my team, and those creditors will be asked to verify their claim on the Website in due course.

However, if you have not already submitted a claim, and you wish to do so, please use the Website to inform us of your claim. Please note that there are no 'trade creditor' specific screens in the present version of the Website. It is intended that the Website's functionality will be updated in due course to include a trade creditor claim screen. In the meantime, you should enter your claim information in the 'Other' section of the Website.

Should you have any queries regarding submitting a claim on the website, please send an email [lbiecreditorclaims@lehman.com](mailto:lbiecreditorclaims@lehman.com).

- **Employees**

Employees of LBIE should have received an RP1 form to enable them to submit their claim. If you have not already submitted your RP1 form, please do so as directed as soon as possible. Employee claim information will be input into the Website by my team, and you will be asked to verify your claim in due course.

If you have not received your RP1 form, please email [uk.employeequeries@lehman.com](mailto:uk.employeequeries@lehman.com) for further information regarding this process, or speak to your usual HR contact at Lehman Brothers.

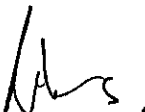
To gain access to the Website, please use the User ID and password provided in the heading to this letter.

**If you are not a creditor of the Company**

Creditor details were obtained from the Company records, however whilst the Joint Administrators' have tried to obtain the most recent details, we are aware that in some cases the information might not be accurate. Therefore, if you believe that you are not a creditor of the Company, please complete the attached form and return it to the Administrators' at the above address or fax number.

Yours faithfully

For and on behalf of the Company



AV Lomas

Joint Administrator

Enclosure: Form 2.23B  
Modified proposals  
Requested to be removed from the creditors list

*AV Lomas, SA Pearson, DY Schwarzmann and MJA Jervis were appointed as Joint Administrators of the Company on 15 September 2008 to manage its affairs, business and property as agents without personal liability. AV Lomas, SA Pearson, DY Schwarzmann and MJA Jervis are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

The Insolvency Act 1986

# Notice of result of meeting of creditors

Name of Company Lehman Brothers International (Europe)	Company number 02538254
In the High Court of Justice, Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 7942 of 2008

(a) Insert full name(s) and address(es) of the administrator(s)

We (a) Anthony Victor Lomas, Steven Anthony Pearson, Dan Yoram Schwarzmann and Michael John Andrew Jervis of, PricewaterhouseCoopers LLP  
Plumtree Court, London EC4A 4HT

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of meeting

(b) IndigO2, The O2, Peninsular Square, London SE10 0DX

(c) Insert date of meeting

on (c) 14 November 2008

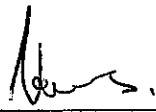
at which:  
Proposals were modified and approved.

The modifications made to the proposals are as follows:

(d) Give details of the modifications (if any)

(d) Proposal (xi) now reads: The Administrators will maintain all funds in the estate in the currencies in which such assets have been realised. The Administrators' strategy as regards the selection of an appropriate currency for maintaining estate funds, pending determination and implementation of the appropriate "exit route" will be determined in consultation with the creditors' committee.

A creditors' committee was formed.

Signed   
Joint Administrator

Dated 27/11/08

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Andrew White	
Plumtree Court, London, EC4A 4HT	
	Tel 020 7583 5000
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House receipt date barcode

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

**Lehman Brothers International (Europe) -  
In Administration**

**Joint Administrators' Proposals as  
agreed by creditors**

## **The Joint Administrators' proposals for achieving the purpose of administration as agreed by creditors are:**

- i) The Administrators will continue to manage and finance LBIE's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for LBIE's creditors as a whole than would be likely if LBIE had been immediately liquidated.
- ii) The Administrators will identify and return Trust Property in accordance with the Order of the High Court dated 7 October 2008. The Administrators will be looking to have the costs of dealing with Trust Property borne by such assets.
- iii) The Administrators may investigate and, if appropriate, pursue any claims that LBIE may have under the Companies Act 1985, the Companies Act 2006 or the Insolvency Act 1986 ("IA86") or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of LBIE or to maximise their realisations or for any other purpose incidental to these proposals.
- iv) The Administrators will at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and the costs of so doing shall be met as a cost of the Administration as part of the Administrators' remuneration.
- v) The Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- vi) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- vii) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.
- viii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end. The Administrators wish to retain a number of the options which are available to them, including:-
  - (a) The Administrators may formulate proposals for a scheme of arrangement under Section 899 of the Companies Act 2006 and if so ordered by the court will put them to meetings of the various classes of creditors. If the scheme of arrangement is approved and sanctioned by the court, the Administration will be brought to an end by notice to the Registrar of Companies on completion of the Administration under Paragraph 84 Sch.B1 IA86, following registration of which LBIE will be dissolved three months later, OR
  - (b) The Administrators may place LBIE into creditors' voluntary liquidation. In these circumstances, it is proposed that Anthony Victor Lomas, Steven Anthony Pearson and Michael John Andrew Jervis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either any or all of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved, OR

- (c) The Administrators may formulate a proposal for a company voluntary arrangement ("CVA") and put it to meetings of LBIE's creditors and shareholders for approval. If the CVA is approved, the Administration will be brought to an end by notice to the Registrar of Companies on completion of the Administration under Paragraph 84 Sch.B1 IA86, following registration of which LBIE will be dissolved three months later, OR
  - (d) The Administrators may apply to the Court to allow the Administrators to distribute surplus funds to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which LBIE will be dissolved three months later. If permission is not granted the Administrators will place LBIE into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
- ix) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time determined by the court.
- x) The Administrators' fees will be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead.
- xi) The Administrators will maintain all funds in the estate in the currencies in which such assets have been realised. The Administrators' strategy as regards the selection of an appropriate currency for maintaining estate funds, pending determination and implementation of the appropriate "exit route" will be determined in consultation with the creditors' committee.



## Lehman Brothers International (Europe) – In Administration

### Request to be removed from creditors list

Name of creditor: \_\_\_\_\_

Regulatory Role reference: \_\_\_\_\_

Name of authorised signatory: \_\_\_\_\_

Position in relation to creditor: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Please return this form to the Joint Administrators of Lehman Brothers International (Europe)  
– In Administration at c/o PricewaterhouseCoopers LLP, Plumtree Court (IMT), London EC4A  
4HT; or Fax number - 020 7212 6598.

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