



**NOTICE TO HOLDERS OF SENIOR NOTES  
OF LEHMAN BROTHERS HOLDINGS INC.  
(SEE ATTACHED EXHIBIT A - LIST OF CUSIP NOS.)**

**RE: FILING OF SECOND AMENDED CHAPTER 11  
PLAN AND DISCLOSURE STATEMENT AND  
VALUATION METHODOLOGY APPLICABLE TO STRUCTURED SECURITIES**

**This Notice provides an update on important matters in the Lehman Brothers Bankruptcy Cases. No action is required in connection with this Notice.**

Wilmington Trust Company (the "Trustee") is the successor indenture trustee under that certain Indenture dated as of September 1, 1987, as amended, supplemented or modified (the "Indenture"), between Lehman Brothers Holdings Inc. (formerly known as Shearson Lehman Brothers Holdings Inc.) ("LBHI") and the Trustee. Under the Indenture, LBHI issued the senior debt securities identified by CUSIP numbers on the attached Exhibit A (the "Senior Notes"). Holders of the Senior Notes are referred to herein as the "Senior Noteholders."

On September 15, 2008, and at various times thereafter, LBHI and certain of its affiliates commenced cases under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Cases"). LBHI and its affiliates that are subject to bankruptcy proceedings in the United States are referred to herein as the "Debtors."

On September 2, 2009, as authorized under the indenture, the Trustee filed a proof of claim against LBHI on behalf of the Senior Noteholders (the "Global Proof of Claim"). The Global Proof of Claim asserts claims against LBHI for, among other things, the principal, interest, and other amounts payable to the Senior Noteholders under the Senior Notes (the "Senior Noteholder Claim").

On July 1, 2011, the Debtors filed the Second Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the "Second Amended Plan") [docket no. 18204 at [www.lehman-docket.com](http://www.lehman-docket.com)] and the related Disclosure Statement for Second Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code (the "Disclosure Statement") [docket no. 18205 at [www.lehman-docket.com](http://www.lehman-docket.com)]. Thirty institutional creditors, representing over \$100 billion in claims against the Debtors, have agreed to support the Second Amended Plan and Disclosure Statement and have signed Plan Support Agreements ("PSAs") with the Debtors. Those creditors who signed PSAs (the "PSA Creditors"), include substantially all of the proponents of the two alternative plans that were filed in the Bankruptcy Cases earlier this year. The proponents of the alternative plans have agreed not to prosecute their plans or seek approval of their disclosure statements while the Debtors seek approval and confirmation of the Second Amended Plan and Disclosure Statement.

The Trustee is a member of the official committee of unsecured creditors (the "Committee") in the Bankruptcy Cases. The Committee supports the Second Amended Plan and will join the Debtors in seeking confirmation of the Second Amended Plan.

A hearing to consider entry of an order determining that the Disclosure Statement contains "adequate information" pursuant to the Bankruptcy Code and approving the Disclosure Statement and the voting procedures and ballots with which creditors, including the Senior Noteholders, will vote on the Second Amended Plan will be held on August 30, 2011. The hearing will be held in Courtroom 601 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York, 10014 on August 30, 2011 at 10:00 a.m. (Eastern Time) (the "Disclosure Statement Hearing"). The deadline for objections and responses to the motion for approval of the Disclosure Statement is August 11, 2011 at 4:00 p.m. (Eastern Time).

**The Debtors have not yet finalized the voting procedures and ballots. Once the Debtors have completed the voting procedures and ballots, and the Bankruptcy Court has approved them, the Debtors will send ballots to all voting creditors, including the Senior Noteholders, in advance of the voting deadline.<sup>1</sup>**

The Second Amended Plan and Disclosure Statement include, among other things, the Debtors' estimate of the percentage recovery for the allowed amount of the Senior Noteholder Claim. A summary chart setting forth the proposed treatment of the Senior Noteholder Claim is included on page 6 of the Disclosure Statement. The Senior Noteholder Claim is classified as a "Class 3" claim. Class 3 consists of "Senior Unsecured Claims against LBHI." According to the Disclosure Statement, Class 3 claimants are expected to recover 21.1% of the allowed amount of their claims. The Debtors have not yet provided a proposed total allowed amount of the Senior Noteholder Claim, nor has the Bankruptcy Court ruled on the claim. As discussed below, the Debtors have provided a proposed estimated allowed claim amount for those Senior Notes that are Senior Structured Securities (as defined below).

The Disclosure Statement includes information regarding the Debtors' proposed methodology (the "Valuation Methodology") for valuing certain of the Senior Notes that the Debtors consider to be "structured securities" (the "Senior Structured Securities"). Structured securities, according to the Disclosure Statement, are notes in which the return at maturity and/or the payment of periodic interest is linked to the performance of an underlying asset or group of assets, including global indices, single stock, currencies, interest rates, and various credit derivative instruments and baskets thereof. A description of the Valuation Methodology is included at pages 43-44 and Exhibit 11 of the Disclosure Statement. The Debtors have provided a spreadsheet that identifies the Senior Structured Securities by CUSIP number and that includes the estimated allowed claim amount for each Senior Structured Security on the "Case Information" tab of their website, [www.lehman-docket.com](http://www.lehman-docket.com). **Senior Notes that are not Senior Structured Securities will not appear on the spreadsheet and will not be subject to the Valuation Methodology.** The Debtors intend to republish the maximum allowable claim amounts for each Senior Structured Security on or before August 15, 2011.

On June 29, 2011, the Debtors filed an Amended Motion Pursuant to Sections 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rule 9019 For Approval of Procedures for Determining the Allowed Amount of Claims Filed Based on Structured Securities Issued or Guaranteed by Lehman Brothers Holdings Inc. (the "Structured Securities Motion") [docket no. 18127 at [www.lehman-docket.com](http://www.lehman-docket.com)] seeking approval of notice and objection procedures to determine the allowed amount of claims based on certain structured securities issued by various Lehman entities. The Structured Securities Motion seeks to establish claim allowance procedures primarily for structured securities that do not have an indenture trustee, including structured securities issued as part of Lehman's European Medium-Term Note Program. The Global Proof of Claim is not subject to the proposed claim allowance procedures under the Structured Securities Motion. A hearing to consider the Structured Securities Motion is scheduled for August 9, 2011 at 2:00 p.m.

The Debtors do not seek court approval of the Valuation Methodology under the Structured Securities Motion, although they do intend to apply the Valuation Methodology to the structured securities that are subject to the motion, as described in the Disclosure Statement. In response to an earlier version of the Structured Securities Motion, on May 13, 2011, the Committee filed an informational statement that an independent analysis by its financial advisors revealed that there may be statistically relevant discrepancies between the Debtors' valuations according to the Valuation Methodology and the values arrived at through the Committee's sample testing process. The process to determine the appropriate methodology for valuing structured securities, including the Senior Structured Securities, is ongoing. Under the PSAs and the Second Amended Plan, the PSA Creditors have agreed that any structured securities claims that are held by such creditors and that are subject to the Structured Securities Motion will be valued according to the Valuation Methodology.

**NO ACTION IS REQUIRED AT THIS TIME. The Trustee will continue to monitor the bankruptcy proceedings, attend court hearings (including the Disclosure Statement Hearing and the hearing on the Structured Securities Motion), and take such further action on behalf of the Senior Noteholders as it deems appropriate. Any Senior Noteholder wishing to take any action in its individual capacity should consult its own professionals.**

The Trustee recommends that the Senior Noteholders monitor the Debtors' website ([www.lehman-docket.com](http://www.lehman-docket.com)), the Committee's website ([www.lehmancreditors.com](http://www.lehmancreditors.com)), and the Trustee's website ([www.wilmingtontrust.com/lehman](http://www.wilmingtontrust.com/lehman)) for

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<sup>1</sup> Senior Noteholders are not yet able to vote on the Second Amended Plan as the voting procedures (including the voting deadline) have yet to be approved by the Bankruptcy court. **No action is required at this time.**

information regarding the Bankruptcy Cases. Copies of the Second Amended Plan and Disclosure Statement are available at each of these websites.

Inquiries regarding the Senior Notes may be directed to the Trustee as follows:

Wilmington Trust Company  
Attn: Julie J. Becker (302) 636-4185<sup>2</sup>  
50 South Sixth Street, Suite 1290  
Minneapolis, Minnesota 55402-1544

or to the Trustee's attorneys:

Covington & Burling LLP  
Attn: Martin E. Beeler (212) 841-1023  
Amanda Raboy (212) 841-1171  
The New York Times Building  
620 Eighth Avenue  
New York, NY 10018

This Notice is provided for informational purposes only. The Trustee gives no legal, financial or tax advice regarding the Senior Notes, the Second Amended Plan, Disclosure Statement or the other matters described herein. Senior Noteholders should consult with their own professionals regarding the Senior Notes.

Dated: July 26, 2011

WILMINGTON TRUST COMPANY,  
solely in its capacity as Indenture Trustee

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<sup>2</sup> *This phone line is monitored daily. Calls will be returned in the order received. Please do not leave multiple messages.*

**Exhibit A**

*Wilmington Trust Company: Lehman Brothers Holdings Inc.*  
**CUSIPs**

<b>Lehman LTD Outstandings as of 09/15/2008*</b>					
524908AA8	52517PF63	52517PW23	52519FBEO	52519FDG3	52519FFF3
524908BF6	52517PF71	52517PW31	52519FBF7	52519FDH1	52519FFG1
524908BQ2	52517PG21	52517PW49	52519FBG5	52519FDJ7	52519FFH9
524908CF5	52517PG39	52517PW56	52519FBH3	52519FDK4	52519FFJ5
524908CM0	52517PG96	52517PW64	52519FBJ9	52519FDL2	52519FFK2
524908LK4	52517PH53	52517PWB3	52519FBK6	52519FDM0	52519FFL0
524908R51	52517PJ77	52517PWC1	52519FBL4	52519FDN8	52519FFN6
524908R69	52517PJ85	52517PWE7	52519FBM2	52519FDP3	52519FFP1
524908R77	52517PK34	52517PX48	52519FBN0	52519FDQ1	52520WDF5
524908S27	52517PK59	52517PX55	52519FBP5	52519FDR9	52520WDK4
524908SQ4	52517PK67	52517PXP1	52519FBS9	52519FDS7	5252M0AR8
524908X21	52517PK83	52517PXT3	52519FBT7	52519FDT5	5252M0AT4
524908X54	52517PK91	52517PXU0	52519FBU4	52519FDU2	5252M0BZ9
52517P2H3	52517PL33	52517PY54	52519FBV2	52519FDV0	5252M0CB1
52517P2K6	52517PL58	52517PYM7	52519FBW0	52519FDW8	5252M0CS4
52517P2L4	52517PN98	52517PYN5	52519FBX8	52519FDX6	5252M0CW5
52517P2R1	52517PP21	52517PYP0	52519FBy6	52519FDY4	5252M0DE4
52517P2X8	52517PP96	52517PYT2	52519FBZ3	52519FDZ1	5252M0DJ3
52517P3L3	52517PQ38	52517PYU9	52519FCA7	52519FEA5	5252M0DR5
52517P3M1	52517PQ46	52517PZE4	52519FCB5	52519FEB3	5252M0DX2
52517P3Y5	52517PQ53	52517PZW4	52519FCC3	52519FEC1	5252M0DY0
52517P4A6	52517PQ61	52517PZX2	52519FCD1	52519FED9	5252M0EJ2
52517P4C2	52517PQ87	52519FAB7	52519FCE9	52519FEE7	5252M0EN3
52517P4S7	52517PR52	52519FAC5	52519FCF6	52519FEF4	5252M0FD4
52517P4Z1	52517PR60	52519FAD3	52519FCG4	52519FEG2	5252M0FK8
52517P5C1	52517PR78	52519FAE1	52519FCH2	52519FEH0	5252M0FT9
52517P5D9	52517PS28	52519FAG6	52519FCJ8	52519FEJ6	82087KAG4
52517P5E7	52517PS69	52519FAH4	52519FCK5	52519FEK3	52517P2E0
52517P5X5	52517PSC6	52519FAJ0	52519FCL3	52519FEL1	52517P2J9
52517P5Y3	52517PSJ1	52519FAK7	52519FCM1	52519FEM9	52517P2P5
52517P6B2	52517PSL6	52519FAL5	52519FCN9	52519FEN7	52517P2S9
52517P6J5	52517PSZ5	52519FAM3	52519FCP4	52519FEP2	52517P2U4
52517P7L9	52517PT68	52519FAN1	52519FCQ2	52519FEQ0	52517P3E9
52517PA35	52517PT92	52519FAP6	52519FCR0	52519FER8	52517P3F6
52517PAE1	52517PU82	52519FAQ4	52519FCT6	52519FES6	52517P3H2
52517PAZ4	52517PUF6	52519FAR2	52519FCU3	52519FET4	52517P3U3
52517PB34	52517PUL3	52519FAS0	52519FCV1	52519FEU1	52517P4B4
52517PC33	52517PUM1	52519FAT8	52519FCW9	52519FEV9	52517P4N8
52517PC41	52517PUN9	52519FAU5	52519FCX7	52519FEW7	52517P4T5
52517PC58	52517PUP4	52519FAV3	52519FCY5	52519FEX5	52517P4X6
52517PD57	52517PUQ2	52519FAW1	52519FCZ2	52519FEY3	52517P5K3
52517PD65	52517PUR0	52519FAX9	52519FDA6	52519FEZ0	52517P5S6
52517PE23	52517PUU3	52519FAZ4	52519FDB4	52519FFA4	52517P6A4
	52517PV81	52519FBA8	52519FDC2	52519FFB2	52517P6C0
	52517PVN8	52519FBB6	52519FDD0	52519FFC0	52517P6L0
	52517PVU2	52519FBC4	52519FDE8	52519FFD8	52517P6S5
	52517PVV0	52519FBD2	52519FDF5	52519FFE6	52517P6W6

\*This information is derived from material provided to the Trustee by Citibank, N.A. in its capacity as predecessor trustee and paying agent, and has not been independently verified by Wilmington Trust Company. No representation or warranty is made as to the completeness or accuracy of this information. Wilmington Trust Company reserves the right to supplement or amend this notice at any time.

Wilmington Trust Company: Lehman Brothers Holdings Inc.

CUSIPs

<b>Lehman LTD Outstandings as of 09/15/2008*</b>	52517PXS5	5252M0CF2	5249083W8	524908SH4	524935CS0
52517PA27	52517PXV8	5252M0CH8	5249084X5	524908SJ0	524935CT8
52517PA43	52517PXX6	5252M0CK1	5249085D8	524908TY6	524935CU5
52517PA68	52517PXX4	5252M0CL9	5249085R7	524908UH1	524935CV3
52517PB42	52517PXZ9	5252M0CM7	5249085Y2	524908UK4	524935CW1
52517PB59	52517PY21	5252M0CQ8	5249086M7	524908UL2	524935CX9
52517PC25	52517PY62	5252M0CT2	5249086N5	524908UP3	524935CY7
52517PC66	52517PY70	5252M0CU9	5249086T2	524908UY4	524935CZ4
52517PC74	52517PY96	5252M0CV7	5249086U9	524908UZ1	524935DA8
52517PE31	52517PYD7	5252M0CZ8	5249086V7	524908VB3	524935DB6
52517PH46	52517PYE5	5252M0DG9	5249086W5	524908VN7	524935DC4
52517PH61	52517PYG0	5252M0DP9	5249087A2	524908WE6	524935DD2
52517PK42	52517PYH8	5252M0DV6	5249087C8	524908WF3	524935DE0
52517PL25	52517PYJ4	5252M0DV6	5249087D6	524908WK2	524935DF7
52517PL41	52517PYQ8	5252M0EA1	5249087E4	524908WS5	524935DK6
52517PL66	52517PYR6	5252M0EB9	5249087F1	524908WU0	524935DM2
52517PM24	52517PYS4	5252M0EC7	5249087K0	524908WWW6	524935DN0
52517PM57	52517PYV7	5252M0EG8	524908B66	524908XD7	524935DP5
52517PM81	52517PYW5	5252M0EH6	524908ET3	524908XL9	524935DQ3
52517PM99	52517PYX3	5252M0EK9	524908FJ4	524935AJ2	524935DR1
52517PN64	52517PYY1	5252M0ET0	524908FN5	524935AK9	524935DT7
52517PQ20	52517PYZ8	5252M0EU7	524908J92	524935AP8	524935DU4
52517PR29	52517PZ38	5252M0EV5	524908JE1	524935AT0	524935DV2
52517PR37	52517PZ53	5252M0EW3	524908JK7	524935AV5	524935DW0
52517PS44	52517PZ61	5252M0EY9	524908K25	524935AW3	524935DX8
52517PT27	52517PZ79	5252M0FA0	524908L73	524935AX1	524935DY6
52517PT76	52517PZA2	5252M0FC6	524908MB3	524935AY9	524935EA7
52517PV40	52517PZJ3	5252M0FH5	524908MG2	524935AZ6	524935EB5
52517PV73	52517PZL8	5252M0FU6	524908MP2	524935BE2	524935EC3
52517PV99	52517PZM6	5252M0FW2	524908MR8	524935BF9	524935ED1
52517PVM0	52517PZN4	5252M0FX0	524908MV9	524935BG7	524935EE9
52517PW80	52517PZS3	5252M0GB7	524908MY3	524935BN2	524935EF6
52517PWA5	52517PZY0	5252M0GD3	524908N30	524935BR3	524935EK5
52517PWD9	52517PZZ7	5252M0GN1	524908N48	524935BV4	524935EL3
52517PWL1	52519FFM8	5252M0GQ4	524908NC0	524935BX0	524935EM1
52517PWQ0	5252M0AA5	5252M0GU5	524908NF3	524935BY8	524935EN9
52517PWT4	5252M0AJ6	52517PNZ0	524908NL0	524935CA9	52517P2M2
52517PWV9	5252M0AM9	52517P7A3	524908NM8	524935CE1	52517P2T7
52517PX63	5252M0AU1	52517PRF0	524908NV8	524935CH4	52517P2V2
52517PX71	5252M0AW7	52517PRH6	524908NX4	524935CJ0	52517P2W0
52517PX89	5252M0AY3	52517PRX1	524908NY2	524935CK7	52517P2Y6
52517PX97	5252M0BJ5	5252M0AV9	524908NZ9	524935CL5	52517P2Z3
52517PXM8	5252M0BL0	524935129	524908PA2	524935CM3	52517P3A7
52517PXQ9	5252M0BS5	5249083B4	524908PF1	524935CN1	52517P3B5
52517PXR7	5252M0BX4	5249083H1	524908PH7	524935CP6	52517P3C3
	5252M0BY2	5249083M0	524908PL8	524935CQ4	52517P3G4
	5252M0CD7	5249083S7	524908PM6	524935CR2	52517P3N9

*Wilmington Trust Company: Lehman Brothers Holdings Inc.*  
**CUSIPs**

<b>Lehman LTD Outstandings as of 09/15/2008*</b>	52517P7B1	52522L384	52523J305	5252M0DB0	5252M0GW1
	52517P7C9	52522L392	52523J412	5252M0DD6	5252M0GX9
	52517P7D7	52522L400	52523J420	5252M0DF1	
	52517P7E5	52522L418	52523J438	5252M0DH7	
	52517P7G0	52522L426	52523J446	5252M0DK0	
	52517P7H8	52522L459	52523J503	5252M0DL8	
	52517P7K1	52522L475	5252M0AB3	5252M0DM6	
	52517PE98	52522L483	5252M0AC1	5252M0DQ7	
	52517PL74	52522L491	5252M0AD9	5252M0DS3	
	52517PU33	52522L525	5252M0AE7	5252M0DT1	
	52517PU41	52522L533	5252M0AF4	5252M0DU8	
	52517PU74	52522L558	5252M0AG2	5252M0DW4	
	52517PVC2	52522L566	5252M0AH0	5252M0ED5	
	52517PWHO	52522L574	5252M0AL1	5252M0EE3	
	52517PWJ6	52522L582	5252M0AN7	5252M0EF0	
	52517PY47	52522L632	5252M0AP2	5252M0EL7	
	52520W283	52522L657	5252M0AQ0	5252M0EM5	
	52520W325	52522L673	5252M0AS6	5252M0EP8	
	52520W333	52522L699	5252M0AX5	5252M0EQ6	
	52520W341	52522L707	5252M0AZ0	5252M0ER4	
	52520W358	52522L715	5252M0BA4	5252M0ES2	
	52520W390	52522L723	5252M0BB2	5252M0EX1	
	52520W440	52522L731	5252M0BC0	5252M0EZ6	
	52520W515	52522L749	5252M0BD8	5252M0FB8	
	52520W549	52522L756	5252M0BE6	5252M0FE2	
	52520W556	52522L772	5252M0BF3	5252M0FF9	
	52520W564	52522L798	5252M0BG1	5252M0FG7	
	52520WAD3	52522L806	5252M0BH9	5252M0FJ1	
	52520WAM3	52522L814	5252M0BK2	5252M0FL6	
	52520WAV3	52522L822	5252M0BM8	5252M0FM4	
	52520WAZ4	52522L830	5252M0BN6	5252M0FN2	
	52520WBD2	52522L848	5252M0BP1	5252M0FR3	
	52522L129	52522L871	5252M0BQ9	5252M0FS1	
	52522L137	52522L889	5252M0BR7	5252M0FV4	
	52522L145	52523J115	5252M0BT3	5252M0FY8	
	52522L186	52523J131	5252M0BU0	5252M0FZ5	
	52522L202	52523J149	5252M0BV8	5252M0GA9	
	52522L236	52523J156	5252M0CC9	5252M0GC5	
	52522L244	52523J172	5252M0CE5	5252M0GE1	
	52522L251	52523J206	5252M0CG0	5252M0GF8	
	52522L293	52523J214	5252M0CJ4	5252M0GG6	
	52522L301	52523J222	5252M0CN5	5252M0GJ0	
	52522L319	52523J230	5252M0CP0	5252M0GM3	
	52522L327	52523J248	5252M0CR6	5252M0GP6	
	52522L335	52523J255	5252M0CX3	5252M0GR2	
	52522L350	52523J263	5252M0CY1	5252M0GS0	
	52522L376	52523J297	5252M0DA2	5252M0GV3	

\*This information is derived from material provided to the Trustee by Citibank, N.A. in its capacity as predecessor trustee and paying agent, and has not been independently verified by Wilmington Trust Company. No representation or warranty is made as to the completeness or accuracy of this information. Wilmington Trust Company reserves the right to supplement or amend this notice at any time.