



**NOTICE TO HOLDERS OF LEHMAN BROTHERS HOLDINGS INC.
RE: CORRECTION OF ALLOWED CLAIM AMOUNT
CUSIP NO. 524908NF3
(ESCROW CUSIP NO. 524ESCN89)**

**THIS NOTICE APPLIES ONLY TO HOLDERS OF THE SENIOR NOTE
IDENTIFIED BY ORIGINAL CUSIP NO. 524908NFS (ESCROW CUSIP NO. 524ESCN89).
IF YOU DO NOT HOLD THIS SENIOR NOTE, THIS NOTICE DOES NOT APPLY TO YOU.**

NO ACTION IS REQUIRED BY ANY SENIOR NOTEHOLDERS.

BACKGROUND

Wilmington Trust Company (the “Trustee”) is 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 Wilmington Trust Company (as successor trustee to Citibank, N.A. (the “Predecessor Trustee”). Under the Indenture, LBHI issued certain senior debt securities (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”) before the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). 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 Senior Noteholders (the “Global Proof of Claim”). The Global Proof of Claim asserted claims against LBHI for, among other things, principal, interest, and other amounts payable to Senior Noteholders under the Senior Notes. The Global Proof of Claim was filed in an undetermined total amount because, at the time, claim amounts were unknown for certain of the Senior Notes.

CORRECTION OF ALLOWED CLAIM AMOUNT

On May 10, 2012, the Debtors filed a Notice of Presentment for Amended Order Granting Debtors’ Objection to the Claim Filed by Wilmington Trust Company as Indenture Trustee (Claim Number 10082) (the “Notice of Presentment”) [docket no. 27794 at www.lehman-docket.com]. The Notice of Presentment attached a proposed order to correct an error in the order entered by Bankruptcy Court on December 22, 2011 (the “LBHI Structured Notes Order”) with respect to the allowed claim amount for the Senior Note identified by CUSIP No. 524908NF3 (Escrow CUSIP No. 524ESCN89). No objections to the Notice of Presentment were filed and the Court entered the Second Supplemental Order Granting the Debtors’ Objection to the Claim Filed by Wilmington Trust Company as Indenture Trustee (Claim Number 10082) [docket no. 28095 at www.lehman-docket.com] (the “Second Supplemental Order”, and together with the LBHI Structured Notes Order, the “Claim Allowance Orders”) on May 25, 2012. The Second Supplemental Order allows the portion of the Global Proof of Claim

relating to the Senior Note identified by CUSIP No. 524908NF3 (Escrow CUSIP No. 524ESCN89) in the amount of \$100,139,549.¹

Electronic copies of the Claim Allowance Orders are available on the informational website maintained by the Trustee, www.wilmingtontrust.com/lehman, and on the Debtors' website, www.lehman-docket.com.

PLAN DISTRIBUTIONS AND TRUE-UP PAYMENT
TO CERTAIN SENIOR NOTEHOLDERS

On December 6, 2011, the Bankruptcy Court entered an Order (the "Confirmation Order") [docket no. 23023 at www.lehman-docket.com] confirming the Debtors' Modified Third Amended Joint Chapter 11 Plan (the "Plan") [docket no. 22973 at www.lehman-docket.com]. The Senior Noteholder claim is classified as a "Class 3" claim consisting of "Senior Unsecured Claims against LBHI." **The Debtors estimate that Class 3 claimants will recover 21.1% of the allowed amount of their claims after all the distributions have been made pursuant to the Plan.** On March 6, 2012, the Plan was deemed effective by the Debtors. As detailed in the Notice to Holders dated April 11, 2012, the Debtors made an initial distribution to the Trustee on behalf of Senior Noteholders (the "Initial Distribution") on April 17, 2012. The Debtors will make subsequent distributions of available cash in accordance with the Plan semi-annually on March 30 and September 30 of each year, provided the aggregate distribution is not less than \$10,000,000.

On the next distribution date, which is expected to occur on September 30, 2012, the Debtors will make a distribution to the Trustee on behalf of the Senior Noteholders (the "Second Distribution"). **In light of the Second Supplemental Order, the Second Distribution will include an amount payable to Holders of the Senior Note identified by CUSIP No. 524908NF3 (Escrow CUSIP No. 524ESCN89) equal to their pro rata share of the difference between (x) the amount distributed to Holders with respect to such security under the Initial Distribution and (y) the amount that would have been distributed to such Holders under the Initial Distribution if the allowed claim amount of such security had included the corrected amount provided in the Second Supplemental Order (the "True-Up Payment").** In addition to the True-Up Payment, Holders of the Senior Note identified by CUSIP No. 524908NF3 (Escrow CUSIP No. 524ESCN89) will receive their pro rata share of the amount distributed to all Senior Noteholders under the Second Distribution.²

NO ACTION IS REQUIRED BY SENIOR NOTEHOLDERS TO RECEIVE THEIR PORTION OF THE PLAN DISTRIBUTIONS. PLAN DISTRIBUTIONS WILL BE DEPOSITED IN THE ACCOUNTS IN WHICH SENIOR NOTEHOLDERS HOLD SENIOR NOTES. NO CHECKS WILL BE ISSUED. The Debtors have provided information on the distribution on the "Distribution Information" tab of their website at www.lehman-docket.com.³

¹ The allowed claim amount for CUSIP 524908NF3 listed in the original Structured Notes Order was \$139,549.

² **Similar to all Plan Distributions, the True-Up Payment will be made to Holders of the Senior Notes identified by CUSIP No. 524908NF3 (Escrow CUSIP No. 524ESCN89) who hold such Senior Notes at the time of the Second Distribution. You must hold (not have sold or transferred) such Senior Note at the time the Second Distribution is made to receive the True-Up Payment.**

³ The Trustee recommends Senior Noteholders review the "Post Effective Date FAQ's" document on the "Distribution Information" tab of the Debtors' website (www.lehman-docket.com) before contacting the Trustee with questions.

GENERAL INFORMATION

The Trustee recommends Senior Noteholders monitor the Debtors' website (www.lehman-docket.com), the website maintained by the Lehman Official Committee of Unsecured Creditors (www.lehmancreditors.com), and the Trustee's website www.wilmingtontrust.com/lehman) for information regarding the Bankruptcy Cases.

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

Wilmington Trust Company
Attn: Julie J. Becker (302) 636-4185⁴
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
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 Supplemental Order, any historical or projected distributions under the Plan, or the other matters described herein. Senior Noteholders should consult with their own professionals regarding the Senior Notes.

Dated: June 13, 2012

WILMINGTON TRUST COMPANY,
solely in its capacity as Indenture Trustee

⁴ This phone line is monitored daily. Calls will be returned in the order received. Please do not leave multiple messages.