

Lehman Brothers Treasury trustees publish 13th bankruptcy report and announce Manifest Error Bar Date

On 1 October 2012, the Bankruptcy Trustees of Lehman Brothers Treasury Co. BV ("LBT") published the [13th public report](#) in the bankruptcy of LBT.

Final list of LBT Note Valuations

The Bankruptcy Trustees published their 13th report in which they announce, among other things, the contemporaneous publication of the final list containing all LBT Note Valuations (the "Final Valuation List"). [The Final Valuation List](#) supersedes all previously published valuations. Certain valuations have been amended and the Bankruptcy Trustees advise Noteholders to consult the Final Valuation List.

Reporting manifest errors

The Bankruptcy Trustees also announced the last date for reporting errors in LBT Note Valuations. This Manifest Error Bar Date is set for **29 October 2012 at 5pm CET**.

In case the Final Valuation List contains manifest errors, Noteholders are entitled to request the Bankruptcy Trustees to reconsider the relevant LBT Note Valuation. According to the 10th public report in the bankruptcy of LBT, a manifest error is (a) a self-evident, inconsistent or erroneous application of the Valuation Principles, (b) an application of the Valuation Principles to a situation obviously not contemplated by the Valuation

Principles, or (c) a self-evident material mistake in the application or interpretation of the Conditions or in the use of relevant, observable and objective data.

A Manifest Error Notification can only be made in writing before 29 October 2012 5pm CET (the "Manifest Error Bar Date"). For more detailed information on the requirements of a Manifest Error Notification we refer to the Final Valuation List and paragraph 6.8.1 of the 10th report

Composition Plan

LBT intends to present a composition plan (*faillissementsakkoord*, the "LBT Composition Plan") to all ordinary non-preferred creditors. We understand that the Bankruptcy Trustees intend, amongst other things, to make the Final Valuation List binding upon all Noteholders, thus simplifying the distribution process. According to the 13th report, the LBT Composition Plan will be addressed to institutions (participants) that hold accounts with an ICSD (eg Euroclear) as owners of a particular nominal amount of Notes ("Accountholders") and other creditors holding unsecured non-preferred claims that do not arise from Notes.

Key messages

- A Manifest Error Bar Date has been set.
- LBT received a distribution from LBHI of over US\$1 billion.
- The Bankruptcy Trustees will use a composition plan.
- The approximate timing of formal claims filing has been disclosed.

The 13th report states that "Accountholders will be asked to file claims arising from Notes and to provide instructions to vote on the Composition Plan, in accordance with a consent solicitation process of which the solicitation requirements will be made available through the communication channels of the ICSDs at a later stage. Accountholders will be requested to reach out to Noteholders – via the relevant intermediaries – for instructions with respect to the claims filing and the voting on the LBT Composition Plan".

Dutch insolvency law stipulates that the acceptance of a composition plan requires the approval of (i) a simple majority of ordinary non-preferred

creditors appearing at the claims admission meeting with admitted and conditionally admitted claims, representing (ii) at least 50% of the total amount of the admitted and conditionally admitted ordinary non-preferred claims. Should these requirements not be met, the supervisory judge can - under certain conditions - rule that this composition plan should be accepted nonetheless.

Once the LBT Composition Plan is accepted or deemed accepted, the required approval by the competent district court obtained and barring any appeal, it will constitute a binding agreement between LBT and *all* ordinary creditors, irrespective of whether a creditor voted in favour of or against the LBT Composition Plan, or did not vote at all.

Claims Filing Date and Claims Admission Meeting

Upon expiration of the Manifest Error Bar Date and after the assessment of possible Manifest Error Notifications, the Bankruptcy Trustees will announce the dates of the Claims Filing Date and the Claims Admission Meeting. The Claims Admission

Meeting is expected to take place in the first quarter of 2013. Claims filing will necessarily take place prior to the Claims Admission Meeting. At this meeting, the Bankruptcy Trustees will put the LBT Composition Plan to a formal vote. In order for the Accountholders to have sufficient time to collect instructions from Noteholders on claims filing and voting, a consent solicitation period of five to six weeks will be applied.

Further recently published information

In addition to the 13th report, the Bankruptcy Trustees also published the latest [list of LBT ISIN-codes](#). This list contains information on whether or not series of Notes have been (successfully) accelerated.

The Bankruptcy Trustees simultaneously published (i) a list of funding spreads and expected maturities relating to the relevant ISINs of LBT Notes for non-accelerated Notes that have not contractually matured as of 30 April 2012 and Undetermined Category I, II and III Notes, (ii) the risk-free rates for use as of the LBT Bankruptcy Date

and (iii) an overview of the swap rates as of 12 September 2008 applied in calculating the Estimated Credit Spread Adjustment. Capitalized terms used herein have the same meaning as within the 13th and previously published reports, unless stated otherwise.

All information mentioned above should be read in conjunction with LBT's public reports. These reports, as well as the other information mentioned above can be found on the LBT website www.lehmanbrotherstreasury.com.

Contacts

Frank Graaf

T +31 20 711 9150
E frank.graaf@cliffordchance.com

Erwin Bos

T +31 20 711 9220
E erwin.bos@cliffordchance.com

Ruud Niesink

T +31 20 711 9634
E ruud.niesink@cliffordchance.com

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Clifford Chance, Droogbak 1A, 1013 GE Amsterdam, PO Box 251, 1000 AG Amsterdam

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