

PROTOCOL REGARDING MISDIRECTED FUNDS LEHMAN BROTHERS INC.

Background

- Shortly after the appointment of James W. Giddens as Trustee for the liquidation of Lehman Brothers Inc. (the “*Trustee*”), the Trustee began receiving and investigating reports of monies being sent to Lehman Brothers Inc. bank accounts **in error**, including monies intended for the benefit of parties that were previously Lehman Brothers Inc. customers, but whose accounts were transferred after the commencement of the liquidation proceeding (“*Misdirected Funds*”).
- Misdirected Funds have in many cases resulted from the bank or other institution that wired the funds (the “*Sending Bank*”) sending the funds according to outdated wiring instructions because: (1) the party that ordered or authorized the transfer (the “*Ordering Party*”) failed to provide updated wiring instructions; (2) the beneficiary of the funds (the “*Beneficiary*”) failed to provide updated wiring instructions to the Ordering Party; or (3) the Sending Bank failed to follow the updated wiring instructions.
- In the normal course of business, a Sending Bank can recall funds sent in error with relative ease. However, because Lehman Brothers Inc. is in liquidation under the Securities Investor Protection Act, the Trustee must investigate all funds alleged to be Misdirected Funds, and confirm that such funds were in fact sent in error and are not property of Lehman Brothers, Inc. or its estate, before returning any such funds (“*Returns*”). This requires a careful review of all information provided by the person or entity requesting the Return (the “*Requesting Party*”) and independent confirmation that the information provided is accurate.
- Due to the high number of Return requests that the Trustee has received since commencement of the Lehman Brothers Inc. liquidation proceeding, the Trustee has decided to establish this Protocol to enhance the efficiency of the investigation and return process.

Protocol

- A party alleging that any funds wired to a Lehman Brothers Inc. bank account were sent in error and requesting return of such Misdirected Funds must report it to the Trustee by sending a completed Request Form for the Return of Misdirected Funds (the “*Request Form*”), which is available for download at www.lehmantrustee.com. The Request Form is in PDF format and contains form fields that can be completed electronically. The information in the Request Form is necessary for us to investigate the underlying facts related to the Misdirected Funds, and to verify that the information is accurate. **Failure to accurately provide all of the information in the Request Form will delay our investigation and the return process.**
- Once completed, the Requesting Party must send the Request Form to the intake e-mail address misdirectedwires@lbitrustee.com with the subject line “New Request For The Return Of Misdirected Funds.” This can be done by simply clicking the “Submit By E-mail” button

in the Request Form. Upon receipt of the Request Form, the Requesting Party will receive a return e-mail confirming receipt of the Request Form. We will also contact the Requesting Party if we need additional information and/or once we make a determination on whether to authorize a Return.

- **Request Forms will be processed in the order received. Due to the high volume of Return requests, we estimate that it will take several weeks to investigate and, if appropriate, authorize a Return.**
- **In some cases, a more in-depth review might be necessary or there might be a delay due to various factors.** To the extent that any such issues are within our control, we will attempt to resolve them promptly. **However, due to the volume of requests, we are unable to provide day-to-day updates concerning the status of a particular request.**
- If we authorize a Return, we will prepare the required documentation and send it to the Requesting Party to obtain the relevant parties' signatures.
 - With respect to Returns of up to \$50,000.00, the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”) has authorized the Trustee to return those funds without further court order. In most such cases, we will prepare a letter agreement to be signed by the Ordering Party and Beneficiary of the Misdirected Funds.
 - With respect to Returns above \$50,000.00, the Trustee will seek authorization from the Bankruptcy Court to return the Misdirected Funds. We will prepare a court stipulation and order (the “*Stipulation*”) which must be signed by the Ordering Party and the Beneficiary. In some cases, we might require the signature of the Sending Bank or the Requesting Party.
 - Parties wishing to receive a Return through this expedited process must acknowledge the accuracy of the representations made to the Trustee in the Request Form and, in connection with receiving a Return, sign a release of claims against the Trustee, the Lehman Brothers Inc. estate and the Securities Investor Protection Corporation with respect to the Misdirected Funds, including any claims for interest, costs and attorneys fees.
- Upon receipt of signed documents or entry of an order of the Bankruptcy Court approving a Stipulation, as the case may be, we will authorize the bank that received the Misdirected Funds from the Sending Bank (the “*Receiving Bank*”) to issue a Return according to the wire instructions provided in the Request Form (or pursuant to such other wire instructions provided to us in writing by the Requesting Party following the submission of the Request Form.) Thereafter, the Receiving Bank should return the funds within a few business days.

Other Related Issues

- It is strongly advised that all former Lehman Brothers Inc. customers take necessary steps to avoid sending funds into Lehman Brothers Inc. accounts in error, including by providing

updated wire instructions to their banks, financial institutions and/or other relevant parties. Due to the significant cost and time involved to investigate Misdirected Funds and to authorize Returns, the Trustee is considering charging fees in the future for the return of Misdirected Funds. Prior to the imposition of any such fees, an amendment to this Protocol will be posted at www.lehmantrustee.com.

- Persons seeking the return of Misdirected Funds sent to a Lehman Brothers Inc. account on or before September 19, 2008 at 1:29 p.m. ET (the date and time of the filing of the bankruptcy petition of Lehman Brothers Inc.), in addition to submitting a Request Form, should file a claim in the liquidation proceeding on or before June 1, 2009 to preserve any rights they might have with respect to those funds. For more information on the claims process visit www.lehmantrustee.com.
- Please note that the Trustee does not have jurisdiction over bank accounts held by Lehman entities other than Lehman Brothers Inc. and therefore cannot access those accounts to return any Misdirected Funds.

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