

# BANKRUPTCY REPORT

Bankruptcy report number 15 of the Bankruptcy Trustees of  
**Lehman Brothers Treasury Co. B.V. ("LBT")**

5 March 2013

*The Bankruptcy Trustees communicate in two ways with holders of notes and certificates issued by LBT (jointly: "Noteholders"): (i) information the Bankruptcy Trustees are obliged to provide to Noteholders pursuant to the Dutch Bankruptcy Act, e.g. about the filing of claims, the date of creditors' meetings and any distribution, is also provided in "Notices to Noteholders". The Bankruptcy Trustees will also send these notices through the electronic communication channels of the clearing systems; (ii) information about the progress of the bankruptcy will be made public by the Bankruptcy Trustees by issuing public reports. Both the notices and the public reports are available on [www.lehmanbrotherstreasury.com](http://www.lehmanbrotherstreasury.com) (the "LBT Website").*

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## Key items:

- LBT offered a Composition Plan to creditors on 10 December 2012 (the "**Composition Plan**"). The Consent Solicitation Period during which claims were filed and voting instructions with respect to the Composition Plan were provided pursuant to the Consent Solicitation Memorandum, expired on 25 January 2013;
- The lists of provisionally admitted and disputed claims as referred to in article 112 of the Dutch Bankruptcy Act ("**DBA**") were deposited at the Amsterdam District Court on 27 February 2013 and are available on the LBT Website;
- On 7 March 2013 at 10:00 CET the claims admission meeting will be held at the Amsterdam District Court. If the Composition Plan is approved by the Ordinary Creditors (as defined in the Composition Plan), a court hearing will take place, in principle within two weeks after the claims admission meeting. At that hearing, the District Court will be asked to confirm (*homologeren*) the Composition Plan;
- At the moment the Composition Plan becomes effective (the "**Effective Date**", as defined in the Composition Plan), certain amendments will be made to the corporate structure of LBT and its shareholder Stichting Lehman Brothers Treasury Co. ("**Stichting**");

**Nothing in this report should be deemed or construed as an admission of liability or claims, or as a waiver of any rights, claims or defenses.**

- The Bankruptcy Trustees have finalised their investigation to the causes that have led to the bankruptcy of LBT; reference is made to the report attached as Annex I;

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Company details	: <b>Lehman Brothers Treasury Co. B.V.</b>
Bankruptcy number	: 08.0494-F
Date of court decision	: (Provisional suspension of payments: 19 September 2008) : Bankruptcy: 8 October 2008
Bankruptcy trustees	: Rutger J. Schimmelpenninck and Frédéric Verhoeven
Supervisory judge	: Ms. W.A.H. Melissen
Company activities	: The objective of LBT in accordance with its articles of association was - briefly summarised - the financing of companies of the Lehman Brothers Group, by borrowing, lending and raising monies and participating in all kinds of financial transactions, including the issuance of financial instruments.
Period under review	: <b>28 September 2012 – 1 March 2013</b>
Hours spent in period under review:	3,929.90
Hours spent - total	: 28,222.30

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## **0. Preliminary comments**

- 0.1 This is the fifteenth public report of the Bankruptcy Trustees. This report covers the period from 28 September 2012 through 1 March 2013. This report should be read in conjunction with the previous reports. Definitions and abbreviations in this report are used in the same manner as in the previous reports and in the Composition Plan.
- 0.2 The cross-border financial and legal aspects of the LBT bankruptcy are complicated. In this report, the Bankruptcy Trustees present the current state of

affairs in a simplified manner in accordance with the guidelines for bankruptcy reporting applicable in the Netherlands.

## 1. Statement of affairs

### 1.1. Management and organisation

LBT was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc, an entity fully owned by Lehman Brothers Holdings Inc. ("**LBHI**"), the holding company of the worldwide operating Lehman Brothers group of companies (the "**Lehman Brothers Group**"). Since 28 February 2012, Stichting is the sole shareholder of LBT. The board of Stichting consists of Mr H.P. de Haan and the Bankruptcy Trustees. With respect to the post Effective Date legal structure and the governance of LBT and Stichting, the Bankruptcy Trustees refer to paragraph 6.4 of this report.

### 1.2. Activities LBT

LBT was incorporated for the financing of the business activities of the Lehman Brothers Group by issuing financial instruments, in particular "**(structured) Notes**" to institutional and retail investors.

### 1.3. Financial information

#### 1.3.1. *Global close*

The global close of the accounts of the Lehman Brothers Group as of 12 September 2008 COB was finalised in January 2009. The Bankruptcy Trustees refer to the previous reports with respect to the global close. The global close balance sheet of LBT is available on the LBT Website.

#### 1.3.2. *Swaps*

The Bankruptcy Trustees refer to the previous reports, and specifically to the overview on page 7 of the third report as well as to paragraph 1.3.3 of the sixth report.

In the past reporting period, the Bankruptcy Trustees and their advisors continued the discussions with the official representatives of Lehman Brothers Finance S.A. ("**LBF**") with respect to the possible allowance of the swap claim filed by LBF. The Bankruptcy Trustees and LBF are exploring the allowance of LBF's claim based on an adjustment of the global close values attributed to the swap positions. Such adjustment would – *inter alia* – address manifest errors that could exist in the trade population. To date, no agreement has been reached.

#### 1.4 Lehman Brothers cross-border insolvency protocol

A protocol meeting was held in London on 17 October 2012 in London. This meeting mainly focussed on bi-lateral meetings between several estates.

## 2. **Assets**

### 2.1. Assets

LBT's main asset is an allowed claim against LBHI of USD 34,548,000,000. To date, LBT has received two distributions in 2012 from LBHI totalling USD 2,672,723,740.32.

Further distributions from LBHI are expected. The next distribution is announced for 4 April 2013.

### 2.2. Estate accounts and cash-management

The Bankruptcy Trustees refer to the financial report attached to this bankruptcy report as Annex II. This report contains an overview of all receipts and payments received or made by the estate since the opening of the bankruptcy proceedings on 8 October 2008 to 22 February 2013.

## 3. **Debtors**

### 3.1. U.S. Debtors

The Bankruptcy Trustees refer to the previous reports and to the Settlement Agreement executed with the U.S. Debtors (Annex I to the tenth report and available on the LBT Website).

LBT as a substantial creditor in the insolvency proceedings of LBHI had the right to nominate one member for the Plan Trust that holds the issued stock of LBHI. Consequently, Rutger Schimmelpenninck was appointed member of the Plan Trust. The Plan Trust has certain rights and duties under the Plan of reorganisation of LBHI and has had two meetings with the Board of LBHI in the past reporting period.

## 4. **Bank / Security rights**

### 4.1. Claim from bank(s)

See previous reports.

## **5. Lawfulness**

### **5.1. Investigation**

The Bankruptcy Trustees have finalised their investigation to the causes that have led to the bankruptcy of LBT. The report of that investigation is attached as Annex I.

## **6. Creditors / Composition Plan**

### **6.1. List of filed claims**

The lists of provisionally admitted and disputed claims were deposited at the Amsterdam District Court on 27 February 2013. These lists are also available on the LBT Website.

### **6.2. Note valuations**

The Composition Plan was offered to Ordinary Creditors on 10 December 2012. Since that date, a limited number of amendments to Annex V of the Composition Plan (the list of LBT Note Valuations) were made as a result of resolved Manifest Error Notifications. A list containing non-material amendments to (Annex V of) the Composition Plan is attached to this report as Annex III.

### **6.3. Way forward**

Reference is made to paragraph 6.2. of the thirteenth report and the fourteenth report. On 10 December 2012 the LBT Composition Plan was offered to Ordinary Creditors pursuant to section 138 DBA. During the Consent Solicitation Period (10 December 2012 – 25 January 2013), Ordinary Creditors could submit claims and provide voting instructions. The Consent Solicitation Period resulted in a high response rate from Noteholders.

On 7 March 2013 at 10:00 CET the claims admission meeting will take place at the Amsterdam District Court. At this meeting – *inter alia* – the votes on the Composition Plan, for which instructions were given to the Consent Agent during the Consent Solicitation Period, will formally be cast. To date, a limited number of Ordinary Creditors have put forward their intention to attend the claims admission meeting and have registered their attendance at this meeting. Ordinary Creditors that have not done so and wish to attend, need to register by

sending an email to [n.huurdeman@houthoff.com](mailto:n.huurdeman@houthoff.com) before 6 March 2013 15:00 CET.

At the claims admission meeting, the Bankruptcy Trustees will render their advice on the Composition Plan as referred to in article 140 DBA. This advice will be published on the LBT Website prior to the meeting.

If at the claims admission meeting the Composition Plan is approved by the required majority of Ordinary Creditors, a confirmation hearing will be held at the Amsterdam District Court, in principle within two weeks after the claims admission meeting. If the court confirms the Composition Plan, the Composition Plan will become effective at the moment the decision of the court becomes final.

#### 6.4. Post-Effective Date governance

At the Effective Date, the articles of association of both LBT and Stichting will be amended for the purpose of fulfillment by LBT of its obligations under the Composition Plan. As of the Effective Date, the Bankruptcy Trustees will resign as directors of Stichting and will be replaced by two independent board members. A task of the board of Stichting will be to supervise the Liquidators of LBT. In addition, an advisory committee may be formed at the level of Stichting, in which representatives of creditors can have a seat. The Bankruptcy Trustees explicitly refer in this respect to the draft amendments to the articles of association of LBT (attached to this report as Annex IV) and Stichting (attached to this report as Annex V) respectively, that will become applicable as of the Effective Date.

#### 6.5. Composition Plan amendments

LBT has made a limited number of non-material amendments to the Composition Plan (see Annex III). With respect to these changes (that relate to resolved Manifest Error Notifications and post-Effective Date governance), explicit reference is made to clause 5.1. of the Composition Plan and paragraph XI of the Consent Solicitation Memorandum.

#### 6.6. LBF court proceedings

LBF opposed – by an application before the Amsterdam District Court of 21 January 2013 – against the order of the supervisory judge dated 6 December 2012. In that order the supervisory judge – *inter alia* – set the claims filing date and the date of the claims admission meeting and set the procedures for the filling of claims by Noteholders. At the court hearing at the Amsterdam District

Court on 24 January 2013, LBF was declared inadmissible in its appeal. Subsequently, LBF filed an appeal with the Supreme Court against that decision. By judgment of 1 March 2013, the Supreme Court rejected LBF's appeal.

6.7. Taiwan Taipei court proceedings

Reference is made to the previous reports. In the case against First Commercial Bank Ltd., (“**FCB**”), FCB has withdrawn its appeal on 22 October 2012. As a result, the Taipei District Court judgment rendered on 18 January 2012 became final.

6.8. Extended Liens

Reference is made to the previous reports. The Bankruptcy Trustees' local counsels monitor and safeguard the position of LBT in relation to the 'Extended Liens' proceedings in London and Hong Kong. If needed, the Bankruptcy Trustees will take further action.

**7. Provisions of information**

This public report as well as the previous are available on the LBT Website. The original Dutch version of this report will also be made available on this website. In the event of any difference between the Dutch version and the English translation, the Dutch text prevails.

Amsterdam, 5 March 2013

Rutger J. Schimmelpenninck  
bankruptcy trustee

Frédéric Verhoeven  
bankruptcy trustee