

**Statement from the Office of James W. Giddens, Trustee for Liquidation of Lehman
Brothers Inc. Under the Securities Investor Protection Act
Regarding Appeal of Federal Court Ruling On Barclays Litigation**

June 7, 2012 – James W. Giddens, the Trustee for the liquidation of Lehman Brothers Inc. (LBI), today filed a notice of appeal to the United States Court of Appeals for the Second Circuit regarding a ruling handed down earlier this week by Judge Katherine B. Forrest of the U.S. District Court for the Southern District of New York. Judge Forrest's ruling was on appeals from the Trustee and Barclays Capital Inc. stemming from the Bankruptcy Court's opinion on assets disputed by the parties related to the September 2008 sale of LBI to Barclays. The Trustee's appeal to the Second Circuit is in regards to the District Court's decision on the margin and clearance box assets.

"We have appealed the ruling on the margin and clearance box assets and believe we have strong grounds for recovering these assets for the ultimate benefit of LBI customers and other creditors," Giddens said.

Judge Forrest, in the June 5, 2012 ruling, rejected Barclays' claim to \$769 million in LBI's Rule 15c3-3 customer reserve accounts and \$507 million that is considered part of LBI's required Reserve Bank Account. Judge Forrest also ruled that the LBI estate is not entitled to approximately \$3.5 billion in margin and other assets used to support LBI's derivatives trading and roughly \$2 billion in certain assets in LBI's clearance boxes at Depository Trust & Clearing Corporation.

"We strongly believe that the former customers of Lehman Brothers Inc. are entitled to the margin and clearing box assets," said Giddens. "The law and facts support our claims to these assets, and our duty to customers mandates that we continue to pursue all legal avenues to recover the assets for the LBI estate."

The District Court's ruling overturned a previous ruling by U.S. Bankruptcy Judge James M. Peck awarding margin and other assets to the LBI estate. In the earlier decision, made after 34 days of trial, Judge Peck rejected Barclays' claims to the margin assets. Judge Peck found that the assets remained with the LBI estate and did not transfer to Barclays with the sale in 2008. The Trustee believes the Bankruptcy Court's carefully considered factual findings and rulings were correct and that these assets should be available to repay LBI's public customers and others.

Due to the expected extended legal process on these issues, the Trustee has appropriately reserved for the Barclays litigation. This week's ruling does not affect the Trustee's intention to make a substantial interim distribution as soon as it is possible to do so, with a goal of before the end of the year.

About The Liquidation Proceeding and the Trustee

On September 19, 2008, the U.S. Bankruptcy Court for the Southern District of New York entered an order granting the application of the Securities Investor Protection Corporation (SIPC) for issuance of a Protective Decree adjudicating that the customers of LBI was in need of protection afforded by the U.S. Securities Investor Protection Act of 1970 (SIPA). The liquidation is now being administered under the auspices of The Honorable James M. Peck, (Case No. 08-01420 (JMP) (SIPA) and overseen by James W. Giddens of Hughes Hubbard &

Reed LLP, as the Trustee appointed by the Court. The Trustee fulfills public duties assigned under SIPA. More information about the Lehman Trustee is available at:

<http://dm.epiq11.com/LBI/Project/default.aspx>.

The information in this statement does not apply to any other Lehman entity, including separate insolvency proceedings involving Lehman Brothers Holding, Inc. (LBHI) and Lehman Brothers International (Europe) (LBIE).

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